Enterprise Risk Management

BACKGROUND

In March 2016, the Executive & Audit Committee approved the university enterprise risk management model. The risk model includes three phases:

The first phase is information gathering. Information gathering entails refreshing our understanding of the OSU strategic plans and goals; scanning the higher education landscape, including federal and state agency activity; examining university risk topics and plans; and reexamining our own university environment including our people, services, tools, and facilities/infrastructure we employ to accomplish our mission. The information gathering phase is a process that is led by the Chief Audit, Risk, and Compliance Executive with the engagement of university leadership including members of the Provost's leadership teams and the University Cabinet. The Office of General Counsel also plays a key leadership role in identifying industry wide trends and consulting regarding OSU's environment.

The second phase of the enterprise risk assessment process is risk identification, which involves assessing, from information gathered, the operational, compliance/safety, financial, reputational, and strategic risks that will impede OSU from meeting objectives if not addressed. The top risks identified by management are then confirmed with the President, Provost, and Executive & Audit Committee members.

The final phase of the enterprise risk management plan is to create remediation and monitoring programs over the risks identified.

In 2018, six university-wide risks were identified that may hinder OSU's ability to achieve the objectives outlined in the OSU strategic plan. Each risk was assigned to a Board committee based on alignment with committee charters and workload. The committees received regular reports from risk owners on ongoing and planned mitigation strategies throughout 2018.

2019 UNIVERSITY-WIDE RISKS

In the fall of 2018, as part of the annual audit planning process, the chief audit executive worked with senior management and Executive & Audit Committee members to review the original top risks for continued relevance. During the planning process, it was observed that significant strides have been made to reduce the university risk profile. Some of the 2018 accomplishments include launching a university wide critical training program for all employees, strengthening programs to prevent and ensure effective response over sexual harassment and violence, reinforcing the importance of lab safety protocols, examining current space deficiencies, creating a risk model to address information security risks, and enhancing the university's all-hazards emergency response plan. Key stakeholders in the 2018 risk assessment process noted that although much work was completed in 2018, it is proposed that the Board continue to provide oversight for the six risks outlined in Attachment 1.

NEXT STEPS

At the January 17, 2019, committee meeting, the Executive & Audit Committee will discuss the risks and reporting schedule for 2019 outlined in the following table.

Oregon State University
Enterprise Risk Management
2019 Priorities

Risk Mitigation Strategy
Oregon State University will continue to support efforts to reduce the risk profile in the six university-wide priorities noted in the table below. The risk owners are responsible for approving and monitoring risk mitigation strategies. The risk owners will also lead efforts to provide the university community and Board committees with accountability reports on risk mitigation strategies.

Priorities

Risk Topic	Risk Type	Risk Owner(s)	Risks OSU Continually Strives to Prevent	Current Mitigation Strategies (Accept, Avoid, Control, Transfer)	Board Committee Progress Report Schedule
Critical training for employees	Operational, compliance, financial, reputational	Provost and VP for Finance and Administration	Employee discrimination, harassment, and poor management practices	Control	ASC January 2019
Sexual harassment and violence education, prevention and response (note change from "Title IX")	Operational, compliance, financial, reputational	President and Provost	Inadequate prevention of acts of harassment and violence; inadequate support of or remedy to survivors	Control	ASC May 2019
Lab Safety	Operational, compliance, financial, reputational	Provost and VP for Finance and Administration	Inadequate lab protocols and safety measures that may lead to injury and an unsafe environment; improper disposal and storage of supplies and waste; violation of state and federal laws, leading to fines and penalties	Control	ASC October 2019

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Risk Topic	Risk Type	Risk Owner(s)	Risks OSU Continually Strives to Prevent	Current Mitigation Strategies (Accept, Avoid, Control, Transfer)	Board Committee Progress Report Schedule
Research space needs	Strategic and financial	Provost and VP for Research	Inadequate lab and research space to attract and retain top research faculty, leading to a reduction of grant awards; impaired ability to attract and retain undergraduate and graduate students; limited student experiential learning experiences	Accept and control	FAC May 2019
Information technology security	Operational, compliance, financial, reputational	Provost	Loss of research and operational or student data, as well as network services, leading to a disruption of service; financial loss or negative perceptions of operational controls	Accept, control, transfer	EAC April 2019
All hazard planning	Operational, compliance, financial, reputational	VP for Finance and Administration	Ineffective or inadequate preparations for hazards such as active shooter, illness, earthquake, inclement weather events	Accept, control, transfer	EAC May 2019

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