Enterprise Risk Management

BACKGROUND

The goals of the enterprise risk management (ERM) program are to: 1) identify risks that may impact Oregon State University's ability to meet its mission and objectives, and 2) provide support for ongoing efforts that foster the university's success. The ERM model, as approved by the Executive & Audit Committee, includes three phases:

- **Information gathering**: Review the university's strategic plans and goals; scan the higher education landscape, including federal and state agency activity; examine university risk topics and plans; and re-examine the university environment, including people, services, tools, and facilities/infrastructure employed to accomplish its mission. This phase is led by the chief audit, risk and compliance executive with the engagement of university leadership, including members of the provost's leadership team and the University Cabinet. The General Counsel also plays a key leadership role in identifying industry-wide trends and consulting regarding the university's environment.

- **Risk identification**: Assess the operational, compliance, safety, financial, reputational, and strategic risks that could impede the university from meeting its mission and objectives if not addressed. The top identified risks are confirmed with the president, provost, and Executive & Audit Committee members.

- **Remediation and monitoring**: Create remediation and monitoring programs for the top identified risks.

In fall 2019, as part of the annual planning process, the chief audit, risk and compliance executive worked with senior management and the Executive & Audit Committee members to review and assess the existing top risks for continued relevance. It was observed that significant strides have been made to reduce the university risk profile. Some of the 2019 accomplishments included: implementing the university-wide critical training program for all employees, strengthening programs to prevent and respond to sexual harassment and violence, strengthening lab safety protocols, creating and implementing a strategy for research space needs, improving protocols to address information security risks, and maturing the university's all-hazards emergency response plan.

For 2020, it is proposed that the Board continue to provide oversight for the existing six enterprise risks, with some updates and adjustments to the topics to reflect current needs. Each risk will be assigned to a Board committee in line with committee charters and workload. The committees will receive regular reports from risk owners relative to ongoing and planned mitigation strategies throughout the year.

Other high priority topics were identified in the risk assessments, which are not proposed for Board monitoring, as they already have existing mitigation strategies, assigned responsibilities, and oversight in place. Those topics include:

- ➢ Board oversight and responsibility – President transition
- ➢ President oversight and responsibility – SP4.0 implementation

January 23-24, 2020 Board of Trustees Meetings

- o Provost and executive vice president
    - ▪ Faculty development
    - ▪ Internationalization (student recruitment, travel, research, study abroad programs, compliance)
    - ▪ Tuition dependence (enrollment management)
    - ▪ Student mental health

- o Vice president for finance and administration
    - ▪ State funding uncertainty
    - ▪ Budget management challenges

- o Vice president for athletics
    - ▪ Athletics competitiveness and fiscal stability

- o Vice president for research
    - ▪ Research foreign influence compliance
    - ▪ Research diversification

- o Vice president and chief diversity officer
    - ▪ Diversity and inclusion efforts (multiple areas — student enrollment and retention, academic, research)

NEXT STEPS

At the January 23, 2020, Executive & Audit Committee meeting, the committee will discuss the 2020 risks and reporting schedule, as outlined in Attachment 1.

Oregon State University
Enterprise Risk Management
2020 Priorities

Risk Mitigation Strategy
Oregon State University will continue to support efforts to reduce the risk profile in the six university-wide topics 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

2019 Topic and Risk Owners	Objective	2020 Proposal	Board Committee Progress Report Schedule
Talent management (formerly Critical Training) Risk Owners-Provost and Vice President for Finance and Administration	Inform employees about best practices, university policy and legal requirements in order to attract and retain the best talent and minimize the risks of poor management, including management behavior that leads to claims and litigation.	It is recommended that critical training be incorporated into a broader talent management risk topic that covers hiring, onboarding and development for faculty and staff. In addition to Board reports, routine updates on employee training efforts will be provided to the Compliance Executive Committee, chaired by the Provost.	ASC TBD 2020
Sexual harassment and violence education, prevention and response Risk Owners-President and Provost	Provide effective prevention, outreach and training programs; and respond to incidents in a timely, compliant and effective manner.	Keep as an ERM topic for 2020.	ASC May 2020

January 23-24, 2020 Board of Trustees Meetings

2019 Topic and Risk Owners	Objective	2020 Proposal	Board Committee Progress Report Schedule
Hazard planning- Business recovery (formerly All Hazard Planning) Risk Owners- Vice President for Finance and Administration	Ensure effective preparation and recovery plans are in place for hazards such as an active shooter, severe illness, earthquake, or inclement weather events.	Keep as an ERM topic for 2020. In addition to providing updates on emergency operating planning, it is recommended that the focus of 2020 reports concentrate on business continuity and transition plans for campus safety.	EAC May 2020
Workplace safety (formerly Lab Safety) Risk Owners- Provost and Vice President for Finance and Administration	Establish lab protocols and safety measures that prevent: injury and unsafe environments, improper disposal and storage of supplies and waste, and violation of state and federal laws.	Keep as an ERM topic for 2020. Given the advancements within the program and operations, it is recommended the focus be adjusted to concentrate on incident response, as well as the development of proactive protocols for non-lab spaces that present particular danger to students, employees or the community. In addition to Board reports, routine updates will be provided to the Compliance Executive Committee, chaired by the Provost.	ASC October 2020

January 23-24, 2020 Board of Trustees Meetings

2019 Topic and Risk Owners	Objective	2020 Proposal	Board Committee Progress Report Schedule
Research space needs Risk Owners- Provost and Vice President for Research	Provide adequate lab research space and equipment to attract and retain top research faculty -- leading to an increase in grant awards, ability to attract and retain undergraduate and graduate students, and increase student experiential learning.	Keep as an ERM topic for 2020. It is recommended the topic continue to be included as part of the 10 year capital plan agenda.	FAC May 2020
Information technology ecosystem/security (*formerly Information Technology Security)* Risk Owners- Provost	Safeguard IT resources against loss of research, operational or student data. Safeguard network services to prevent disruptions of service, financial loss or negative perceptions of operational controls and maintain compliance with national security laws.	Keep as an ERM topic for 2020. It is recommended that reports to the Board provide additional information on data governance and privacy initiatives.	EAC April 2020

January 23-24, 2020 Board of Trustees Meetings