



UNIVERSITY OF OREGON

Strategic Enterprise Risk Management and Compliance

December 10th 2014

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Enterprise Risk Services

Board of Trustees of the University of Oregon



UNIVERSITY OF OREGON

Agenda

- Overview of the University of Oregon Enterprise Risk Services Unit
- Overview of Enterprise Risk Management
- Role of the Strategic Enterprise Risk Management & Compliance Committee
- Overview of the risk assessments process
- Development of the compliance matrix

Enterprise Risk Services

Enterprise Risk Services

STAFF

TRAINING

ORGANIZATIONAL
CHART

OFFICE OF
RISK MANAGEMENT

ENVIRONMENTAL
HEALTH & SAFETY

EMERGENCY MANAGEMENT
& CONTINUITY

For emergency assistance call 911. For non-emergency assistance on campus call **541-346-6666**. [More Contacts »](#)



Office of Risk Management

The Office of Risk Management (ORM) focuses on the control and mitigation of hazards that pose a risk of loss to the university. Their role includes assessment of processes and procedures to identify and control property, financial or reputational loss and management of workers' compensation claims



Environmental Health & Safety

The Environmental Health & Safety (EHS) team is focused on preventing illness and injuries in the work place, educational and living environment through risk assessment and education with the ultimate goal of preserving university assets whether they be human resources, property, finances or the environment.



Emergency Management & Continuity

Emergency Management & Continuity (EMC) facilitates the coordination and integration of all activities necessary to build, sustain, and improve the University's ability to mitigate against, prepare for, respond to, continue operations during, and recover from natural disasters, acts of terrorism, or other human-caused crises or disasters.

Enterprise Risk Services: Mission

“To collaborate with the campus community to safeguard life & human health and reduce the university’s vulnerability to conditions adversely affecting its ability to achieve the core mission of instruction, research, and public service.”



Enterprise Risk Services: Core Goal

Promote a risk-aware culture...



...without creating a risk-averse climate

Enterprise Risk Management (ERM)

Enterprise risk management is a strategy setting process applied across the enterprise.

Enterprise risk management is designed to identify potential events that may affect the entity, manage risk to be within its risk appetite, and *to provide reasonable assurance regarding the achievement of entity objectives.*

AGB ASSOCIATION OF
GOVERNING BOARDS
OF UNIVERSITIES AND COLLEGES

UE United Educators

The State of Enterprise Risk
Management at Colleges and
Universities Today

ERM Action Steps

1. Develop a disciplined process to consider risk in strategic discussions.
2. Designate an owner of the risk-identification process.
3. Require all top administrators to prioritize risk.
4. Evaluate prioritized risks to decide which ones warrant attention at the highest level.
5. Require annual written reports on each high-priority risk being monitored.
6. Reassess priority risks at the board level at least once a year.
7. Look for blind spots.
8. Move risk identification deeper into the institution each year.
9. Keep repeating the process.

ERM Leadership

Strategic Enterprise Risk Management & Compliance (SERMC) Committee

President's charge to the committee

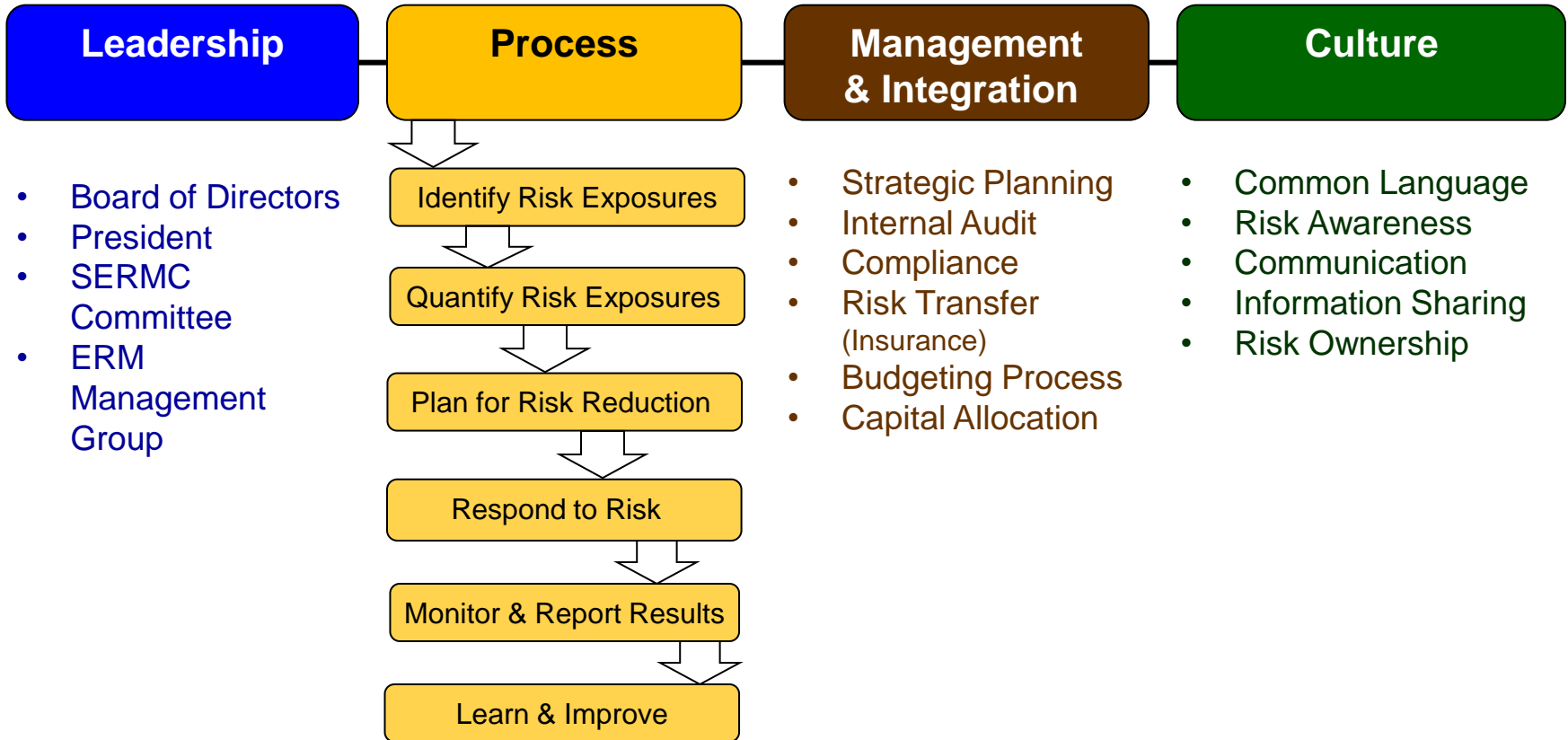
1. Develop tools and processes to actively identify, evaluate, and manage university risks.
2. Ensure that systems and processes are in place to provide accountability for compliance with university's legal and policy obligations.
3. Encourage communications, problem-solving and collaboration across divisions, units and departments.



SERMC Committee Members



ERM Framework



Risk Assessment Process

Phase I: January 2013 to June 2013

- Develop tools, methodology, and process

Phase II: July 2013 to January 2014

- Held 10 risk-assessment workshops

Phase III: February and November 2014

- Generate draft risk assessment report



Association of Governing Boards & United Educators

Worksheet for Oversight of Systemic Risk

- Leadership Prioritizations Process
- Evaluated over 90 Potential Risk Areas
- Identified areas in need of “*immediate assessment*”

The State of Enterprise Risk Management at Colleges and Universities Today					
Research	Urgency Rating				Person to Assess (If rated “1”)
	1	2	3	NA	
Accounting					
Animal research					
Clinical research					
Environmental and lab safety					
Hazardous materials					
Human subjects					
Lab safety					
Patenting					
Security					

Enterprise risk assessment process

Two Step Process:

Step 1: SERMC Committee member completed the Association of Governing Boards and United Educators' risk ranking worksheets.

Step 2: Conducted thematic risk assessment workshops with campus subject matter experts to review worksheets and determine risk exposures and controls



Method for Assessing Risk

In order to ensure that the SERMC committee systematically assessed risk to determine which areas of risk are most urgent, it incorporated the use of a worksheet provided by the Association of Governing Boards & United Educators (AGBUE) report.

Using the AGBUE worksheets, the committee members identified and reviewed the risk areas and assigned each of the risk areas one of three urgency ratings:

- 1 -- Risk area needs immediate assessment
- 2 -- Risk area to assess over the midterm
- 3 -- Risk area to assess over the long term

Thematic Risk Areas

Operational Risk Areas

- Facilities/Infrastructure
- Academic Affairs
- External Relations
- Human Resources
- Information Technology
- Research
- Student Affairs
- Equity and Inclusion

Financial Risk Areas

Compliance Risk Areas

Board Governance Risk Areas



Step One

Worksheet Results: Areas in need of: “Immediate Assessment”

Risk Assessment Worksheet Exercise Summary

Below is a summary, as of June 8, 2013 of the SERMC committee risk assessment worksheets. The superscript number represents the number of votes that the risk area received for “immediate assessment needed.” This summary only represents risk areas that receive two or more votes.

OPERATIONAL RISK AREAS

Facilities/Infrastructure

Disaster preparedness²
Maintenance and condition²
Security²

Academic Affairs

Academic quality³
Faculty conflict of interest²
Grievance procedure²
Recruitment/competition³

External Relations

Community relations²
Compliance and donor intent²
Crisis communications plan³
Naming policies²

Human Resources

Benefits³
Code of conduct²
Employee handbook²
Harassment prevention²
Labor relations²
Non-discrimination²
Performance evaluation³
Sexual molestation prevention³
Termination procedures³

Information Technology

Back-up procedures³

Communication systems²

Data protection^{4*}
Incident response²
Network integrity^{5*}
Privacy²
Security²
Staffing and support^{4*}
System capacity³

Research

Accounting³
Environmental Lab Safety²
Hazardous Materials²
Lab safety³

Student affairs

Admissions/retention^{4*}
Alcohol and drug policies³
Code of conduct²
Financial aid³
International students²
Privacy²
Student debt²

Equity and Inclusion

Data access and reliability³
Retention of historically under-represented groups²
Recruitment of historically under-represented groups²
Campus climate²

FINANCIAL RISK AREAS

Auditor independence²
Budget³
Conflict of interest²
Cost management²
Enrollment trends²
Financial aid²

Financial exigency plan²
Fundraising^{4*}
Insurance²
Reserve fund²
Tuition dependency³



Step Two: Risk Assessment Workshops

Workshop Objectives

- Provide an overview of enterprise risk management and risk assessments.
- Identify and evaluate campus-wide risks within each thematic area.
- Discuss potential risks and possible solutions.
- Validate potential risks and their impacts on the university.
- Obtain and provide feedback in a topic-specific forum.
- Prioritize concerns and provide feedback to the SERMC committee

Workshop Dates	
Facilities/Infrastructure	11/6/13
Academic Affairs	12/18/13
External Relations	12/4/13
Human Resources	2/3/14
Information Technology	10/17/13
Research	1/8/14
Student Affairs	11/20/13
Equity and Inclusion	1/24/14
Financial	1/17/14
Compliance	1/31/14

Phase III: February and November 2014

The third phase involved synthesizing the knowledge gained during the first two phases and generating a draft risk assessment report that reflects the risks that the University of Oregon faces.

It also involves developing action items that mitigate these risks and present the initial risk assessment findings and recommendations to the university president.



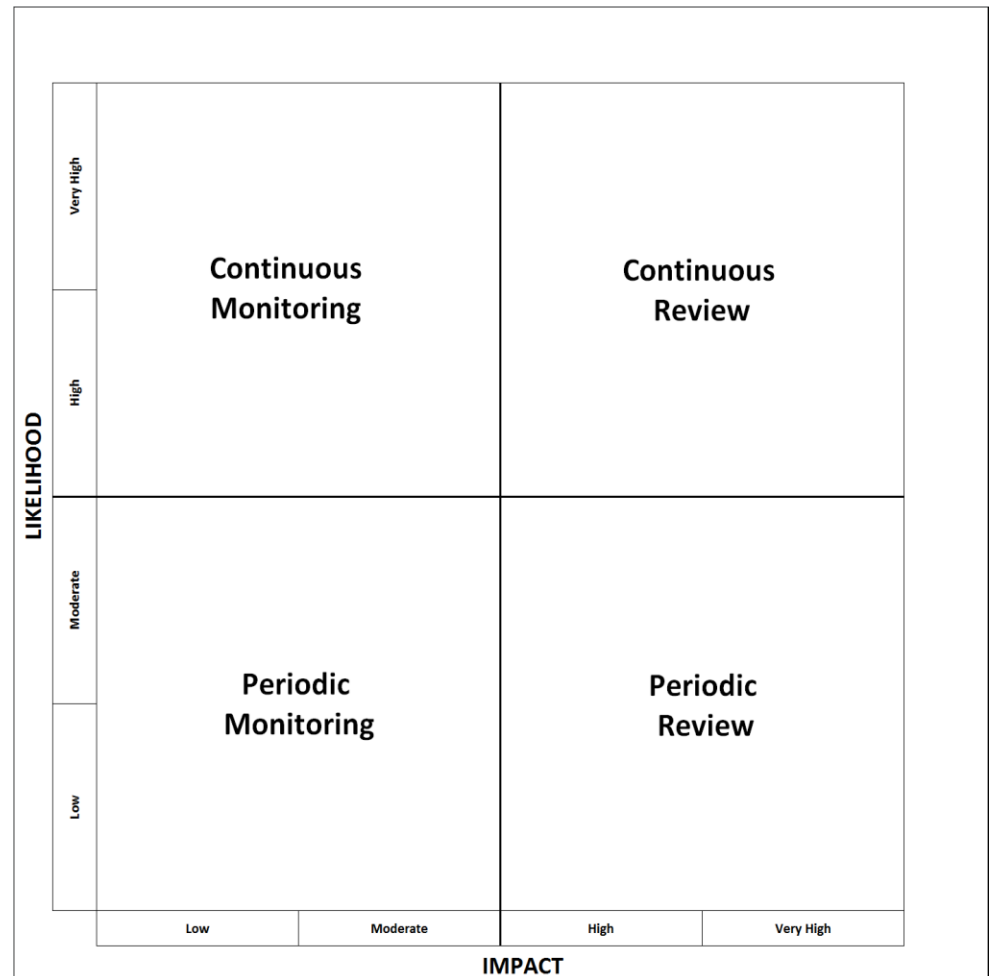
Sample Quadrant Risk Map

Continuous Review – Risks that have the potential for HIGH or VERY HIGH impact and have a HIGH or VERY HIGH likelihood of occurring.

Periodic Review – Risks that have the potential for HIGH or VERY HIGH impact and a LOW or MODERATE likelihood of occurring.

Periodic Monitoring – Risks that have the potential for LOW or MODERATE impact and a LOW or MODERATE likelihood of occurring.

Continuous Monitoring – Risks that have the potential for LOW or MODERATE impact and a HIGH or VERY HIGH likelihood of occurring.



DRAFT: Quadrant Risk Map

LIKELIHOOD	Very High	Continuous Monitoring	Continuous Review		
	High	<p>Student Affairs (Int'l Student Programs, Study Abroad - Safety and Support)</p> <p>Information Technology (IT Staffing & Support)</p> <p>Facilities (Building Security Classifications)</p> <p>Emergency Management (Emergency Communications/UO Alert)</p> <p>External Relations (Community Relations, Campus Climate)</p> <p>Human Resources (Performance Evaluations)</p> <p>Student Affairs (Alcohol & Drug Policies)</p>	<p>Information Technology (Wired & Wireless Integrity, Incident Response/Biz Continuity, Enterprise Systems & Apps.)</p> <p>Facilities (Critical Infrastructure Priorities, Building Maintenance Priorities)</p> <p>Information Technology (Data Backup & Recovery, End User Data Breach, Decentralized IT)</p> <p>Budget (Tuition Dependency)</p> <p>Emergency Management (Disaster Preparedness - Earthquake)</p> <p>Research (Research Accounting)</p> <p>Academic Affairs (Academic Quality)</p> <p>Student Affairs (Admissions/Retention)</p> <p>Academic Affairs (Recruitment & Competition)</p> <p>Student Affairs (Sexual Assault Prevention & Response)</p>		
	Moderate	Periodic Monitoring	Periodic Review		
	Low	<p>Human Resources (Employee Harassment Prevention, Employee Benefits, Grievance Procedures)</p> <p>Research (Animal Research, Regulatory Compliance, Technology Transfer)</p> <p>Student Affairs (Student Code of Conduct)</p> <p>Compliance (Athletics Regulatory Compliance)</p> <p>Equity and Inclusion (Recruitment of Underrepresented Groups, Retention of Underrepresented Groups, Data Access & Reliability)</p> <p>Information Technology (Privacy)</p>	<p>Research (Research Security, Lab Safety)</p> <p>Compliance (Government Grants)</p> <p>Financial (Conflicts of Interest)</p> <p>Human Resources (Compliance w/ Employment Regs.)</p> <p>Student Affairs (Student Debt & Financial Aid)</p> <p>External Relations (Compliance & Donor Intent, Crisis Communications Plan)</p> <p>Financial (Fundraising)</p> <p>Human Resources (Termination Procedures, Sexual Molestation Prevention)</p> <p>Research (Hazardous Materials Procedures)</p>		
		Low	Moderate	High	Very High
		IMPACT			



Example Mitigation Recommendation

Continuous Review Risks	Potential Mitigation Recommendations
<p>Building Maintenance Priorities <i>e.g. continued building deterioration due to deferred maintenance, multiple renovations and building use changes leading to functional obsolescence, no maintenance standards or preventative maintenance guidelines, etc.</i></p>	<p><u>Short-term</u></p> <ul style="list-style-type: none">• Develop systematic process to prioritize short- and long-term building needs; building maintenance, renovation and/or replacement and upgrades for University-owned buildings, (including gifted and new construction).• Develop comprehensive preventative maintenance standards for University-owned facilities based on strategic goals and priorities. Periodically evaluate adherence and identify gaps.• Review scheduled projects for upgrade opportunities to comply with current code, security needs, and bring buildings up to “University standards.” <p><u>Long-term</u></p> <ul style="list-style-type: none">• Develop process to evaluate requests for renovations or changes in building use, floors, offices, or other spaces (including leased spaces).• Establish a central sustainable funding model weighted in favor of renovations and upgrades that meet strategic goals.

Higher Education Compliance

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THE HIGHER EDUCATION COMPLIANCE ALLIANCE

was created by the National Association of College and University Attorneys (NACUA), in partnership with thirty other higher education associations, to provide the higher education community with a centralized repository of information and resources for compliance with federal laws and regulations.

HECA ANNOUNCEMENTS

The Higher Education Compliance Alliance is pleased to announce its new Compliance Matrix! The Compliance Matrix provides a comprehensive list of key federal laws and regulations governing colleges and universities. It includes a brief summary of each law, applicable reporting deadlines, and links to additional resources. Users can sort by topic area or by date to plan for upcoming reporting requirements. We hope that you will find this to be a useful tool in managing your institution's compliance program. Click Compliance Matrix on the menu above to get started!

COMPLIANCE NEWS

[Gainful Employment Final Regulations](#)
10/30/2014 U.S. Department of Education

[Violence Against Women Act Final Rules](#)
10/20/2014 U.S. Department of Education

[Cambridge University Press et al. v. Carl V. Patton et al.](#)
10/20/2014 Eleventh Circuit Court of Appeals

O'Boone v. National

FEATURED RESOURCES

[AAMC Uniform Clinical Training Affiliation Agreement](#)
AAMC
Endorsed by the Liaison Committee on Medical Education

[Summary of 2014 Gainful Employment Regulation Proposed by The U.S. Department of Education](#)
ACE

[Guidelines for Volunteer, Internship Experience and Work \(VIEW\) Programs Abroad](#)
Dec 2013, FEA

[Cybersecurity: Authoritative Reports and Resources, by Topic](#)



Compliance Matrix

DRAFT UO COMPLIANCE MATRIX

TOPIC / STATUTE	SUMMARY	SERMC LEAD	JOB TITLES
1 ☐ ACCOUNTING AND FINANCIAL			
2 ☒ Accounting and Financial Description and Regulations	<i>The University of Oregon must comply with a wide array of rules and regulations related to accounting. Organizations like the Governmental Accounting Standards Board set forth guidance related to federal laws and generally accepted accounting principles.</i>	VP for Finance and Administration	Vice President for Finance and Administration -- Associate Vice President Business Affairs / Controller -- Director of Purchasing and Contracting Services Vice President for Research and Innovation -- Senior Assistant Vice President / Chief of Staff -- Assistant Vice President, Business Administration
19 ☐ ACCREDITATION			
20 ☒ Accreditation Description and Regulations	<i>Accreditation is a process of external quality review created and used by higher education to scrutinize colleges, universities and programs for quality assurance and quality improvement. Although accreditation is carried out by private, nonprofit organizations, the federal government relies on accreditation to assure the quality of institutions and programs for which the government provides federal aid to students. While U.S. law and regulations on accreditation most directly address accrediting organizations, they have an impact on accredited higher education institutions and programs and on the requirements of accrediting organizations.</i>	President's Office - & - Sr. VP and Provost	President's Office -- Senior Assistant to the President Senior Vice President and Provost -- Senior Vice Provost of Academic Affairs
24 ☐ ADMISSIONS: AFFIRMATIVE ACTION			
25 ☒ Admissions Description and Regulations	<i>The courts and government agencies permit colleges and universities to voluntarily consider race to further the compelling interest of achieving diversity on campus. However, any such consideration must be narrowly tailored to avoid running afoul of the Constitution and the Supreme Court's decisions in Grutter v. Bollinger and Gratz v. Bollinger.</i>	VP for Enrollment Management	Vice President for Enrollment Management -- Director of Admissions Senior Vice President and Provost -- Dean, Graduate School -- Dean, School of Law
32 ☐ ATHLETICS			
33 ☒ Athletics Description and Regulations	<i>Intercollegiate athletics operates in a complex, highly regulated environment and must be alert give to a wide range of legal and compliance issues. Given the high visibility and intense scrutiny of intercollegiate athletics compliance systems are of the utmost importance. Perhaps the most well known federal law affecting intercollegiate athletics is Title IX, which prohibits discrimination on the basis of sex in education programs and activities, and presents a compliance challenge for many colleges and universities with athletics programs.</i>	Intercollegiate Athletics	Intercollegiate Athletic Director -- Senior Associate Athletic Director - Chief Compliance Officer -- Assistant Athletic Director - Eligibility -- Executive Assistant Athletic Director - Compliance -- Grant-in-Aid Coordinator -- Compliance GA -- Senior Associate Athletic Director - Senior Woman Administrator Vice President for Finance and Administration -- Director AAEO and Title IX Coordinator President's Office -- Faculty Athletic Representative



Questions

