



# **ENTERPRISE RISK MANAGEMENT**

**At REGENT UNIVERSITIES**

# ERM Definition (COSO)

- ⦿ A process, affected by an entity's board of directors, management, and other personnel, applied in strategy setting across the enterprise, designed to identify potential events (risks) that may affect the entity and to manage risk to be within the entity's risk appetite (tolerance) to provide reasonable assurance regarding the achievement of the entity's objectives.

## SHORT DEFINITION

- > Anything that is an impediment to accomplishing institutional goals



# Drivers for ERM in Higher Education

- › Competition for faculty, students, staff, and financial resources
- › Pressure for increased productivity, responsiveness, and accountability while reducing costs
- › Increased regulatory and legal requirements from government
- › Need for emergency preparedness and business continuity
- › New technologies that require significant investment of both financial and human capital
- › Increasing entrepreneurial ventures beyond the traditional educational venues that must be in conformance with public expectations
- › Increased competition in the marketplace
- › Increased levels of claims and litigation

These drivers for change introduce more complex risk

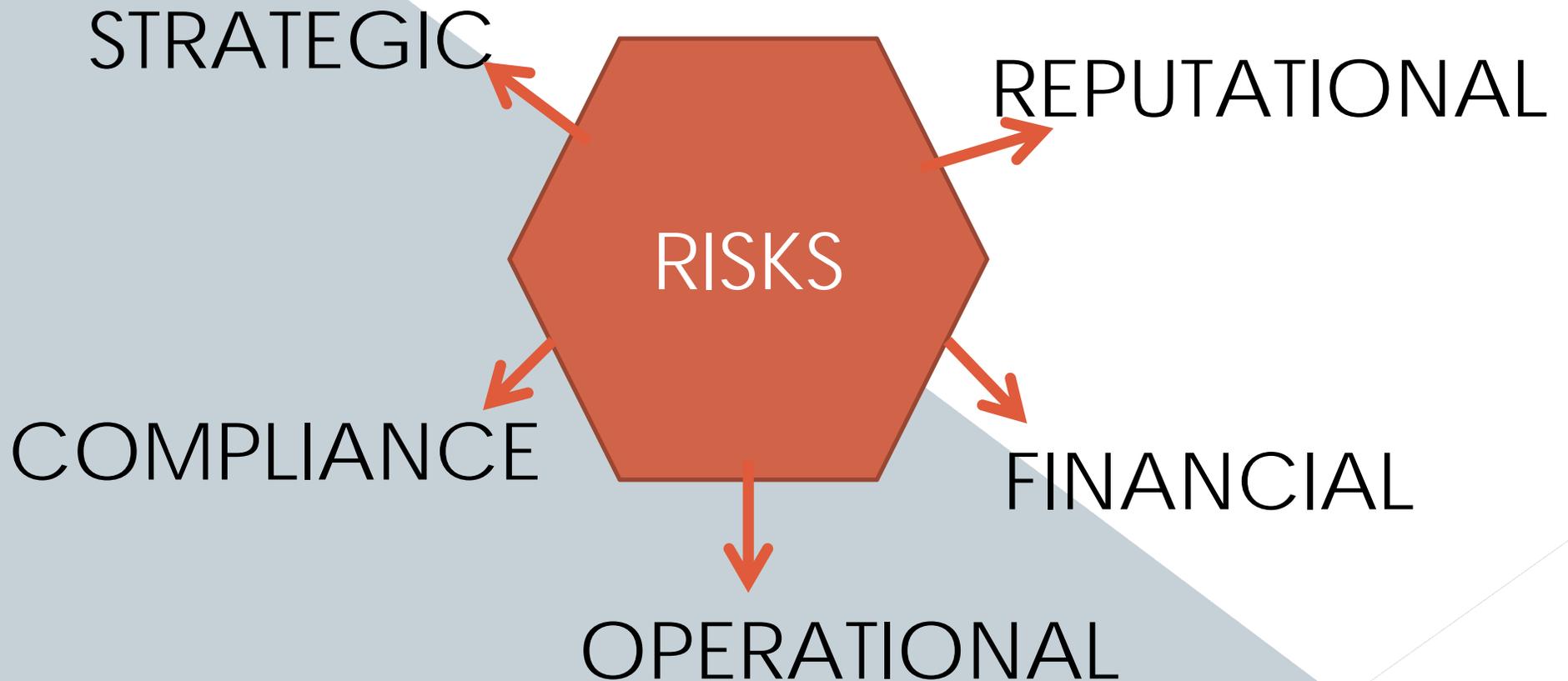
# Why ERM at IOWA'S REGENT INSTITUTIONS?

- › To assist in reaching university objectives
- › To make more informed decisions
- › To react more rapidly to threats and opportunities
- › To manage/coordinate at enterprise level
- › To provide more effective and informed oversight
- › To support best practices
- › To efficiently allocate limited resources
- › To safeguard institutional reputation
- › To improve organizational resilience

# RISK MANAGEMENT COMPONENTS

- › Support from the top
- › Involvement of personnel at all levels
- › Perform risk assessment
  - Risks identified and ranked
- › Identify mitigating activities
  - Actions, procedures, and processes to limit/avoid/accept/share risk
  - Responsible person/department identified
- › Reporting status and trends to senior management
- › Ongoing monitoring and self-assessments

# RISK CATEGORIES



# IMPLEMENTATION STRATEGY

- > IDENTIFY
- > ANALYZE
- > EVALUATE
- > IMPLEMENT
- > COMMUNICATE

IOWA STATE UNIVERSITY

**Enterprise Risk Management  
at  
Iowa State University**

# ISU Enterprise Risk Management Structure

## ERM Executive Committee

- President (Chair)
- Senior Vice President and Provost
- Senior Vice President for Business and Finance
- Senior Vice President for Student Affairs
- University Counsel
- Director University Relations
- Associate Vice President/Chief of Staff

SVP

## ERM Steering Committee

- Associate Vice President Academic Planning and Resources
- Associate Provost for Academic Programs/Dean of Graduate College
- Associate Vice President for Research and Economic Development
- Vice Provost for Information Technology and Chief Information Officer
- Associate Counsel
- Associate Vice President Business and Finance
- Associate Vice President Human Resources
- Associate Vice President Facilities Planning and Management
- Treasurer
- Dean of Students
- Director Environmental Health and Safety
- Director Public Safety
- Director Office of Risk Management

## Functional Areas and Activities

Academic & Research

External Affairs

Finance & Investment

Health & Safety

Human Resources

Information Technology

Facilities Planning & Management

Public Safety

Risk Management

Student Affairs

## ISU Enterprise Risk Management (ERM) Steering Committee

The ERM Steering Committee is charged with:

- › Educating the University community on the benefits of managing risk and the opportunities that risk presents
- › Establishing campus-wide methodologies for identifying and prioritizing risks
- › Designing a comprehensive and common-sense approach to manage risks across the entire organization
- › Routinely monitoring risk and advising senior management on all matters relating to risk management

### Risk Categories – Identified and Prioritized by ERM Committee

- › **Compliance** – Research and regulatory (FERPA, HEOP, DOE, etc.)
- › **International Operations** – Student and staff international travel, operations in foreign countries
- › **Student Activities** – Student organization activities and travel (also includes student safety and/or misconduct)
- › **Safety and Security** – Emphasis on lab safety, security of hazardous materials, and information security
- › **Business Continuity** – Ability to ensure business-critical IT systems remain functional and response to natural disasters

# ISU Enterprise Risk Assessment International Operations

International outreach and programs are a significant part of ISU's strategic plan, its academic programs and its research goals. ISU has assessed potential gaps and made strides regarding compliance, safety and education of faculty, staff and students.

- > Assess – Council on International Programs (CIP) as representative advisory body is developing strategies, processes, policies and approaches to enhance international activities and their coordination at ISU, in an effort to:
  - Support collaboration among colleges and Study Abroad Center to increase undergraduate international experience
  - Identify and enhance collaboration with existing international partner institutions and organizations
  - Involve ISU stakeholders regarding input to refine, prioritize and implement elements of ISU international activity coordination during 2013
- > Educate – Provided University-wide training regarding:
  - International implications for financial, tax, cash management, human resources, legal and risk management, and sponsored research issues (training provided by High Street Partners)
  - Export control compliance issues and USAID grant requirements
- > Implement – (Regent-wide collaboration on RFP for international consultant and health/security program for international travelers)
  - High Street Partners contracted to provide international consulting services
  - Agreement with Cultural Insurance Services International (CISI) provides primary and emergency medical insurance and security evacuation services for students, faculty, and staff traveling abroad on University business.
- > Monitor
  - Education Abroad Committee (EAC) reviewing and enhancing study abroad best practices (i.e. comparison with peer institutions and Forum on Education Abroad Standards)

# ISU Enterprise Risk Assessment

## Student Organization Activities and Travel

Student organizations are recognized by policy and allow for ISU student growth and leadership building opportunities. These opportunities also benefit the University when recruiting students. The University has 800+ student organizations with diverse activities on and off campus.

- > **Assess** – The Regent Risk Management Committee and University Counsel from each institution reviewed the Iowa Tort Claims Act as it relates to liability protection for student organization activities and/or use of university vehicles.
  - ISU internal review of policies and procedures for student organization event authorization and travel involving Risk Management, University Counsel, Student Affairs, and Business Services
- > **Educate** – Regarding university procedures for:
  - Event authorization for student organizations to have liability protection under the Tort Claims Act
  - Receiving support from the university in regard to risk management, legal advice and contract review for sponsored and affiliated organizations
  - Use of university facilities for student organization events and permission for the use of ISU trademarks
- > **Implement**
  - Revision to student organization recognition policy:
    - Included principles regarding compliance with the Youth Activities, Pre-Collegiate Program and Camp Policies, when activities include children under the age of 18
    - Improved requirements and training for advisors to student organizations
    - Created clearer definition of affiliated organizations, relationship to departments and staff oversight
  - Revision to student organization procedures for use of university vehicles
    - New procedures developed for ISU Student Organization Travel Authorization Policy
    - Procurement of commercial auto policy for student organization travel in university vehicles
- > **Monitor** – Electronic systems developed to manage:
  - Student Organization Travel Authorization, related advisor review, motor vehicle record review for drivers, and large vehicle driver training
  - Student organization events

**Enterprise Risk Management  
at  
The University of Northern Iowa**

# Building a Culture

## Enterprise Risk Management Council

Assistant VP for Administration and Financial Services

Director of Human Resources

Director of Business Operations

Chief of Police/Director of Public Safety

Director of Physical Plant

University Counsel

Internal Auditor

Chief Information Officer

Executive Director of University Relations

Executive Director of Residence

Director of Environmental Health and Safety

Asst. Provost for Research and Sponsored Program

Assoc. Provost for Academic Affairs

Asst. to the President for Compliance and Equity Management

Controller

# Building a Culture

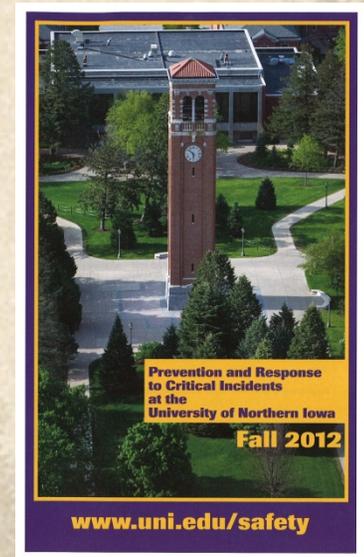
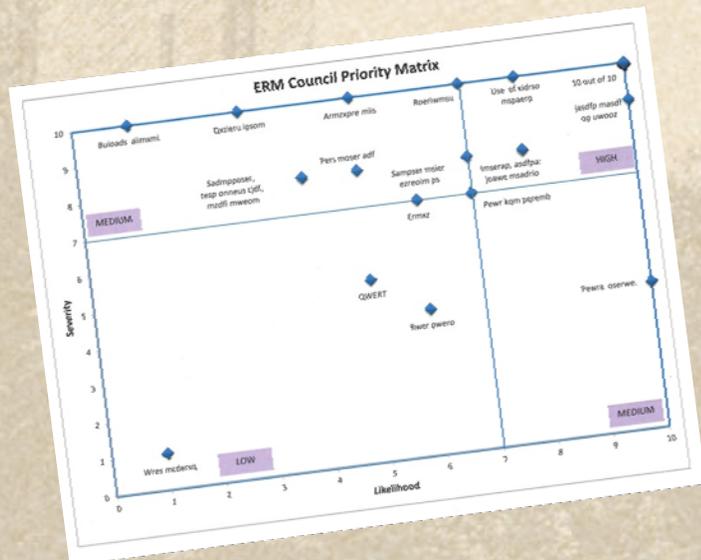
Enterprise Risk Management Council

Additional Groups:

- Threat Assessment Team
- Student Intervention Team
- Case Management Team
- University Safety Committee
  - Departmental Safety Committees

# Operational examples

- Risk Assessment/Matrix
- Confidential Reporting Service
- Annual Communication





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# **Enterprise Risk Management at The University of Iowa**



# UI Enterprise Risk Management (ERM)

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- Sponsors:
  - Barry Butler
  - Carroll Reasoner
  - Doug True
  
- Set mission and appoint ERM Leadership Committee
  
- Patient care risk management: UIHC and College of Dentistry



# UI Enterprise Risk Management Oversight Committee

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- Research Office Health Protection/Compliance Officer
- Regents Internal Audit Director
- Senior Associate Director, UIHC
- Director, Payroll and Benefits
- Chief Risk Officer
- Associate Provost
- Deputy General Counsel
- Controller
- Public Safety Director
- Dean of Students
- Business Services Director



# Examples of Enterprise Risks Managed Throughout University

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- Power plant; electrical, steam distribution
- Fire hazards; hazardous and radioactive materials
- Investments and debt
- Minors on campus
- Food and housing services
- Information technology security
- Pharmaceuticals production
- Merchant card requirements (acceptance of credit)
- Major sporting events



## Examples of Successes

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- ❑ Reducing risk of contractor/labor shortages.
- ❑ Retro fire suppression installations in Housing.
- ❑ Property loss partnership with FM Global.
- ❑ Minors on campus policies.
- ❑ Structured medical liability protections.
- ❑ Natural disasters – severity/probability data.
- ❑ Pre-contracting for disaster clean-up.
- ❑ External investment and financing professional services.

# CLOSING COMMENTS

- › Risk is inherent
- › ERM is about sharing information
- › Identify individuals responsible for managing each risk
- › Formalize structures and processes wherever possible
- › Integrate risk management in to all activities
- › Educate all staff and students