Board of Trustees Meeting
The University of North Carolina at Greensboro

Division of Business Affairs
Vice Chancellor Charles Maimone
Institutional Risk Management Initiative
IRM Initiative at UNCG

Provide reasonable assurance regarding the achievement of university objectives; specifically,

1. Establish risk awareness and culture tailored to higher education
2. Enhance risk response decisions
3. Reduce operational risks and losses
4. Identify and manage multiple, and cross-institution risks (holistic process)
5. Seize opportunities
Institutional Risk Management Committee (IRMC) Members

Student Affairs
  Jim Settle

Information Technology Services
  Lee Norris

Finance
  Randy Bennett

Environmental Health & Safety
  Timothy Slone

University Police
  Paul Lester

Athletics
  Craig Fink

Office of Research and Economic Development
  Lisa Goble

IRB Chair
  Laurie Gold

Academic Affairs
  Alan Boyette

Office of the Chancellor
  Julia Jackson-Newsom

University Advancement
  Rob Saunders

University Communications
  Sherri MacCheyne

Enrollment
  Bryan Terry

Financial Aid
  Deborah Tollefson

Office of Institutional Risk Management
  Tammy Downs
Areas of Risk Being Assessed

- Regulatory Intervention
- Infrastructure Sufficiency and Condition
- Risk Management Integration
- Strained Operational Core
- Continuity of Operations Planning
- Participant Programs
- Research Support
- Campus Health and Safety
- Diverse Revenue Streams
- Volatility of Essential Resources
Implementation

- Develop a risk inventory that touches all categories of risks. Review risks/threats in key areas such as finance, operations, regulatory/research compliance, employee relations, business conduct and ethics, hazard mitigation and business continuity, and others
- Focus on assets and critical processes
- In Process: Create a university level risk profile that assesses the sources of the most significant risks, the strategic objectives impacted, and the mitigation strategies in place or planned
  - Propose risk mitigation strategies (e.g., insurance or process improvements) to Chancellor’s IRM Steering Committee
  - Update Senior Management and the Audit Committee of the Board of Trustees
  - Monitor trends and ensure ongoing institutional evaluation
## Top Risk Survey Compilation

<table>
<thead>
<tr>
<th>Type of Loss</th>
<th>Higher Education</th>
<th>URMIA</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation/Use of Vehicles</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of ability to maintain/fund IT systems to meet demands/security</td>
<td>4</td>
<td>84</td>
<td>2</td>
</tr>
<tr>
<td>Internal controls breakdown in athletics and/or NCAA violations</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Orgs</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compliance and Related Federal Programs</td>
<td>3</td>
<td>83</td>
<td>1</td>
</tr>
<tr>
<td>Vulnerability of students, faculty and staff in an open environment</td>
<td>3</td>
<td>89</td>
<td>1</td>
</tr>
<tr>
<td>Minors on campus</td>
<td>3</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td>Loss of financial resources (State Budget)</td>
<td>2</td>
<td>72</td>
<td>2</td>
</tr>
<tr>
<td>Restricted State Budget spending mindset of legislature, privatization of University functions</td>
<td>2</td>
<td>65</td>
<td>2</td>
</tr>
<tr>
<td>Keeping outdated internal processes and procedures that restrict opportunities</td>
<td>2</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Lack of indoor, outdoor and research space and facilities for University departments</td>
<td>2</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Inadequate succession planning, knowledge transfer and talent management</td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>International Travel/Study security</td>
<td>2</td>
<td></td>
<td>88</td>
</tr>
<tr>
<td>Natural Catastrophes</td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Not being able to recruit and retain high quality employees in higher risk positions, such as development, research and senior leadership</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Worsening economy or increased admission standards leading to decreased student enrollment/retention (Inability to meet enrollment targets)(Inability to maintain affordability and perception of value by students/parents)</td>
<td>1</td>
<td>89</td>
<td>3</td>
</tr>
<tr>
<td>Failure to meet student enrollment and/or retention targets</td>
<td>1</td>
<td>99</td>
<td>3</td>
</tr>
<tr>
<td>Not marketing to our strengths</td>
<td>1</td>
<td></td>
<td>72</td>
</tr>
<tr>
<td>Inability to ensure that online education programs meet both institutional academic standards and regulatory requirements</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inability to prevent institutional liability or risk exposure from third-party contracts</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee fatigue in underfunded areas</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inability to absorb significant loss in endowment or investment value</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of reputation or brand value</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Higher Education results from previous survey of Executive Staff completed at UNCG and risk registers from Yale, Iowa State, University of Cincinnati, Lake Superior State, University of Chicago, Chapman University, Duke University, UNCW and ECU.

URMIA (University Risk Management & Insurance Association) - Identifying Top Rated ERM Risks Survey (122 State and private institutions responded) ***Controlled by questions asked.


* Similar in concept, but different in terminology due to being a commercial business rather than educational.
Institutional Risk Committee Status

The IRMC Has Met Four Times

- October, November, January & March
  - Next Meeting Scheduled For June
  - Identify Risks
    - Risk Assessment Questionnaire
  - Analyse Risks (Define)
  - Evaluate Risks
    - Risk Rating Questionnaire
IRMC Risk Assessment Questionnaire

Risk Assessment

Your email address (tadwms@uncg.edu) will be recorded when you submit this form. Not you? Switch account.

Risk Identification

Risk Name
Your answer

Description of Risk
Your answer

Risk Category
Choose

BACK NEXT

Never submit passwords through Google Forms.

This form was created inside of UNCG Report Abuse - Terms of Service - Additional Terms

Google Forms
IRMC Tier I Risk Rating Questionnaire

Tier I Risk Rating

Your email address (tadowns@uncg.edu) will be recorded when you submit this form. Not you? 
Switch account

Minors on Campus

Threats to the safe environment for minors on campus causing injury to minors, reputational risks to UNCG, risk to donor relations and community relations (University sponsored camps, research, day care, early college, etc.

Likelihood
- Certain
- Likely
- Possible
- Unlikely
- Remote

Impact
- Extreme
- Very High
- Medium
- Low
- Negligible

Comments
Your answer
<table>
<thead>
<tr>
<th>Risk Name</th>
<th>Description of Risk</th>
<th>Risk Category</th>
<th>Risk Likelihood</th>
<th>Risk Impact</th>
<th>Risk Priority/Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain IT Demands/Security</td>
<td>With the continual evolution and growth of technology, faculty, staff and students, this is a continually changing demand with financial needs that must be met. Inability of University to allocate the recurring and non-recurring funds built into 2002-06 IT financial plans (e.g., Network Refresh, Banner &amp; Backup infrastructure), combined w/ effect of 2005-06 IT budget cuts, could make it impossible to continue hardware/software upgrades on planned schedules. This could lead to decreased productivity &amp; increased risks for academic &amp; administrative areas. As more software products are adopted and as vendors shorten the time to new releases, the demand on both ITS and Client staff resources grows. Complex systems and environments increase testing demands prior to production implementation of upgrades. While some software upgrades or changes can potentially be deferred or skipped, others are essential due to new critical functionality, security issues, and/or lack of availability of vendor support for older versions. UNCG will evaluate all opportunities to address these issues. Where appropriate, use of cloud-hosted services is one way to help mitigate this upgrade maintenance burden, as UNCG has done with Google email and collaboration services. The potential for a university-wide catastrophe of loss of data on all users and donors.</td>
<td>Technology</td>
<td>4. Likely</td>
<td>4. Very High</td>
<td>High</td>
</tr>
<tr>
<td>Data Security</td>
<td>University policies address the access and security of IT resources; elimination of the Social Security Number as the University ID; physical and logical access controls for all ITS managed services; installation of an Intrusion Prevention System and firewalls to protect servers and applications; implementation of formal change management processes to control all changes to the UNCG production environment; segregation of duties of ITS staff to reduce the possibility of deliberate sabotage; and implementation of secure data protocols for transmitting data over the Internet.</td>
<td>Technology</td>
<td>4. Likely</td>
<td>4. Very High</td>
<td>High</td>
</tr>
<tr>
<td>Legislation (Federal, State &amp; Local)</td>
<td>Education seems to be taking a back seat to many other issues to our legislators. How do we get through to them to help ensure that all our constituents get the best opportunities for a high quality education?</td>
<td>Financial</td>
<td>4. Likely</td>
<td>4. Very High</td>
<td>High</td>
</tr>
<tr>
<td>Ability to Recruit &amp; Retain High Quality Employees (i.e. Higher Risk Positions Such as Development, Research and Senior Leadership, Faculty, ITS, etc.)</td>
<td>Budget restraints have had a large impact on our ability to offer incentives that can compete with institutions across the nation. Recruitment and retention of high quality faculty are the two most critical requirements for the development and maintenance of strong academic programs. Failure to ensure strong academic programs would prevent UNCG from accomplishing its institutional mission. Although the central IT organization over the years, has been able to increase salaries for high-skilled positions, most salaries remain below the State-set “market level.” In addition, all major UNC central IT organizations were losing staff in 2013-14 to the private sector, &amp; UNCG ITS salaries of remaining key staff are being raised where possible.</td>
<td>Human resources</td>
<td>4. Likely</td>
<td>4. Very High</td>
<td>High</td>
</tr>
<tr>
<td>Financial Resources Limitations</td>
<td>As budgets continue to be cut, financial demands continue to rise. How do we do a better job of relating the importance of Higher Education on our Federal, State and County mindset? How can we make better use of our resources so the needs of the institution are being met?</td>
<td>Government support of higher education</td>
<td>4. Likely</td>
<td>4. Very High</td>
<td>High</td>
</tr>
<tr>
<td>Campus Safety (Situational Awareness)</td>
<td>Vulnerability of students, faculty and staff in an open/transient environment.</td>
<td>Safety</td>
<td>4. Likely</td>
<td>4. Very High</td>
<td>High</td>
</tr>
<tr>
<td>University Policy</td>
<td>Our current process for creation and revision of policies does not always yield thoroughly vetted, complete documents. We have policies posted in multiple places and are lacking control over content (e.g., old policies sometimes remain accessible).</td>
<td>Governance/institutional management</td>
<td>4. Likely</td>
<td>3. Medium</td>
<td>High</td>
</tr>
<tr>
<td>Minors on Campus</td>
<td>Threats to the safe environment for minors on campus causing injury to minors, reputational risks to UNCG, risk to</td>
<td>Brand reputation</td>
<td>3.5</td>
<td>4. Very High</td>
<td>High</td>
</tr>
</tbody>
</table>
Tier I Risk Profile Research

The Tier I Profile is currently comprised risk areas, each possessing a mission critical nature and risks with higher than average potential impacts.

The top five are all rated “High Risk” and fall within the orange area outlined in bold on the Risk Matrix.

### Tier I High Risk Areas

<table>
<thead>
<tr>
<th>Risk Area</th>
<th>Impact</th>
<th>Likelihood</th>
<th>1</th>
<th>2,3</th>
<th>4,5</th>
<th>6,8,9,10</th>
<th>13,15</th>
<th>Remote</th>
<th>Unlikely</th>
<th>Possible</th>
<th>Likely</th>
<th>Certain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Maintain IT Demands/Security</td>
<td>Very High</td>
<td>Certain</td>
<td></td>
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<tr>
<td>2. Data Security</td>
<td>Very High</td>
<td>Likely</td>
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<tr>
<td>3. Legislation (Federal, State &amp; Local)</td>
<td>Very High</td>
<td>Likely</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>4. Ability to Recruit &amp; Retain High Quality Employees</td>
<td>Very High</td>
<td>Likely</td>
<td></td>
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<tr>
<td>5. Financial Resources Limitations</td>
<td>Very High</td>
<td>Likely</td>
<td></td>
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<tr>
<td>6. Campus Safety (Situational Awareness)</td>
<td>Medium</td>
<td>Possible</td>
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<tr>
<td>7. University Policy</td>
<td>Medium</td>
<td>Likely</td>
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<tr>
<td>8. Minors on Campus</td>
<td>Very High</td>
<td>Likely</td>
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<tr>
<td>9. Increased Collaborative Partnerships</td>
<td>Medium</td>
<td>Likely</td>
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<tr>
<td>10. Major Market Downturns</td>
<td>Medium</td>
<td>Likely</td>
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</tr>
<tr>
<td>11. Overall University Regulatory Compliance</td>
<td>Medium</td>
<td>Possible</td>
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<tr>
<td>12. Travel – International/Domestic</td>
<td>Very High</td>
<td>Possible</td>
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</tr>
<tr>
<td>13. Keeping Outdated Internal Processes and Procedures That Restrict Opportunities</td>
<td>Very High</td>
<td>Possible</td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>14. Inability to Meet Enrollment/Retention Targets</td>
<td>Medium</td>
<td>Likely</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>15. Space and Facilities For Academic Initiatives</td>
<td>Very High</td>
<td>Possible</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>
Tier I Risk Profile Research

Tier I High Risk Areas

1. Maintain IT Demands/Security
2. Data Security
3. Legislation (Federal, State & Local)
4. Ability to Recruit & Retain High Quality Employees
5. Financial Resources Limitations
6. Campus Safety (Situational Awareness)
7. University Policy
8. Minors on Campus
9. Increased Collaborative Partnerships
10. Major Market Downturns
11. Overall University Regulatory Compliance
12. Travel – International/Domestic
13. Keeping Outdated Internal Processes and Procedures That Restrict Opportunities
14. Inability to Meet Enrollment/Retention Targets
15. Space and Facilities For Academic Initiatives

- Strained Operational Core, Strained Operational Core, Infrastructure Sufficiency and Condition
- Volatility of Essential Resources, Regulatory Intervention
- Volatility of Essential Resources, Strained Operational Core
- Infrastructure Sufficiency and Condition, Research Support
- Diverse Revenue Streams, Volatility of Essential Resources
- Campus Health and Safety
- Strained Operational Core, Participant Programs
- Campus Health and Safety, Risk Management Integration
- Participant Programs, Research Support
- Volatility of Essential Resources
- Regulatory Intervention
- Risk Management Integration, Research Support
- Infrastructure Sufficiency and Condition, Strained Operation Core
- Strained Operational Core, Diverse Revenue Stream
- Risk Management Integration, Strained Operational Core, Infrastructure Sufficiency and Condition
Tier II Risk Areas & Emerging Risks

**Tier II** – Shared risks across multiple areas - interconnectedness with potential velocity and potential cascading impacts. Often Tier II risks require continuous analysis and always exist in various stages of analysis, evaluation, and treatment

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<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Actions taken by student orgs which cause harm &amp; reflect upon UNCG</td>
</tr>
<tr>
<td>2</td>
<td>Actions or activities by a student causing harm to self or others</td>
</tr>
<tr>
<td>3</td>
<td>Sterility problem or misapplication of universal protection practices, resulting in pathogen exposure to patron or staff</td>
</tr>
<tr>
<td>4</td>
<td>Conflicts of interest - Research</td>
</tr>
<tr>
<td>5</td>
<td>Time limited student financial aid</td>
</tr>
<tr>
<td>6</td>
<td>Improper use of equipment by patron causing harm</td>
</tr>
<tr>
<td>7</td>
<td>Failure of vendor to complete contract resulting in public relations concerns, upset students or community</td>
</tr>
<tr>
<td>8</td>
<td>Decentralized departmental IT staffing and sometimes inefficient practices</td>
</tr>
</tbody>
</table>
Tier III - Unit Risk Assessment

Unit level risk assessments aid in the identification, evaluation and prioritization of risks.

**Tier III** are unit or single area risks which are largely identified and managed at the department level. The process of assessment also aids in developing front line managers’ risk awareness, risk evaluation, and risk mitigation skills.
Next steps: Implementation Plan

1. Continue to Refine Tier I Risk Inventory
2. Research Internal and External Policies and Best Practices
3. Identify Champions for Tier I Risks
4. Determine Research Allocations
5. Establish Mitigation Plans for Identified Tier I Risks
6. Implement Mitigation Strategy
7. Establish ERM Culture – at all levels
8. Assist with Recognizing Potential Adverse Events, Assets
9. Risks & Establish Responses (All tiers)
Discussion