Enterprise Risk Management

Risk Assessment Training

ERM Purpose

The purpose of an Enterprise-Wide Risk Assessment is to:

- Identify risks to the achievement of goals and objectives
- Measure the significance of each identified risk
- Determine the most appropriate business response to each risk
- Evaluate and report on how well the chosen responses are carried out

ERM Value

- Anticipate risks earlier or more explicitly, opening more options for managing the risks

- Identify and pursue existing new opportunities

- Respond to deviations in performance more quickly and consistently

- Develop and report a more comprehensive and consistent portfolio of risk

- Improve collaboration, trust, and information-sharing

Benefit to USF

ERM integrates with strategy and performance.

This allows USF to implement a focused, systematic approach to addressing risk and identifying opportunities involving our:

- Strategic plan
- Performance-based funding metrics
- Pre-imminence metrics
- U.S. National News and World Report rankings

ERM Process

Risk Committee Areas Represented

- Academic Affairs
- Administrative Services
- Advancement
- Athletics
- Business & Finance
- Information Technology
- University Police
- Human Resources
- General Counsel
- Communications and Marketing

- Research & Innovation
- Student Affairs & Student Success
- Government Relations
- USF Health
- USF Sarasota-Manatee Campus
- USF St. Petersburg Campus
- USF Executive Services
- Internal Audit
- Compliance & Ethics

Risk Types

Compliance Risks
Financial Risks
Operational Risks
Reputational Risks
Strategic Risks

- Based on the ACUA (Association of College and University Auditors) Risk Dictionary

- Compliance partnered with Internal Audit to contextualize the ACUA risk dictionary for USF

- Next slides provide definitions of these risk types with some examples

Compliance Risks

Risks impacting compliance with legal, regulatory, contractual, policy, accreditation, NCAA, and other requirements

Compliance with Laws and Regulations Risk	Risks associated with violating laws and regulations which may result adverse consequences. *e.g., Non-compliance with the law, receiving fines, penalties, and litigation*
Conflict of Interest Risk	Risks associated with unresolved conflicts between an employee's private interests and the public interests of our institution. *e.g., Nepotism, unequal compensation, hiring an unqualified relative, etc....*
Data Privacy Risk	Risks associated with inadequately protecting data controlled or owned by our institution in accordance with the law and best practices. *e.g., sharing patient or student data in a manner which violates federal law, such as HIPAA or FERPA, respectively.*

Financial Risks

Risks impacting resources, financial structure, ability to meet future financial needs, and financial reporting

Reputational Risks

Risks impacting our public image, brand, external opinions, prominence, and standing of our University

Communication Risk	Risks associated with ensuring that a consistent message is shared and understood among all constituents and there is clear and consistent coordination as needed.
Emerging Issues Risk	Risks associated with potential issues in their earliest stages of development. *e.g., Foreign influence in research, international travel bans, pandemics, hurricanes, etc.*
Public Image Risk	Risks associated with threats to or endangerment of the institution's good name or standing which can arise from the actions of our institution, employees, or third-parties (vendors, affiliates, and guests).

Strategic Risks

Risks impacting our constituent relationships, ability to generate funds, and goal achievement

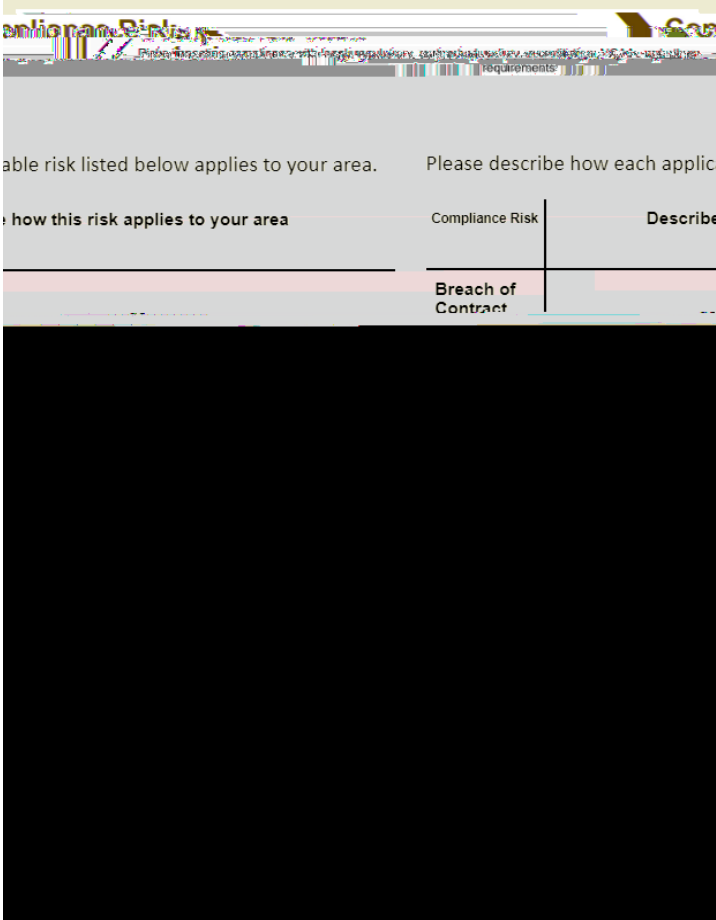|	
Governance Risk	Risks associated with ineffective processes and structures to identify, assess, manage, and communicate risks to the achievement of the organization's objectives.
	e.g., Ineffective governance structure fails to ensure committees at both the Board and Senior Management levels have been created with formalized mandates, authority, and representation to proactively identify and respond to organizational risks.
New Programs and Delivery Models Risk	Risks associated with an inability to meet community needs by effectively adapting to new academic and service offerings or programs, including program content and how they are delivered.
	e.g., Remote education delivery, hybrid learning models, changes to clinical models.
Variability in Customer Volume and Funding Availability Risk	Risks associated with significant changes that may lead to insufficient revenue and/or funding that challenges underlying assumptions of strategic forecasts or may cause a material variance from the forecasts.
	e.g., Customers include students, patients, and other relevant stakeholders that provide revenues to the institution. Funding availability risk pertains to funding from federal, state, and local entities as well as private companies.

ERM Survey Tool

ERM Survey Tool

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Printable Survey

Risk Dictionary

Level 1 Risk	Level 2 Risks	Description	Examples
		...associated with failure to meet contractual requirements leading to adverse ... as receiving fines, penalties, and litigation.	Compliance Risk	Breach of Contract Risk
			for their private company when they supervise the student ... of their employment with our institution.
		respectively.	
			hiring, promoting, disciplining, or terminating employees; or discriminating
Compliance Risk	Research Contract and Grant Violations Risk	Risks associated with violating grant-related requirements and research funding agreements.	

Step 2: Applicability

Then, for each type of risk (whether checked or unchecked), you will be asked to describe how each risk applies to your area and why the other risks do not apply to your area.

Step 3: Scoring

Impact

- Scale to rate the potential consequences of risks impacting various areas within the organization. *There is a custom impact scale for each of the five risk types.*
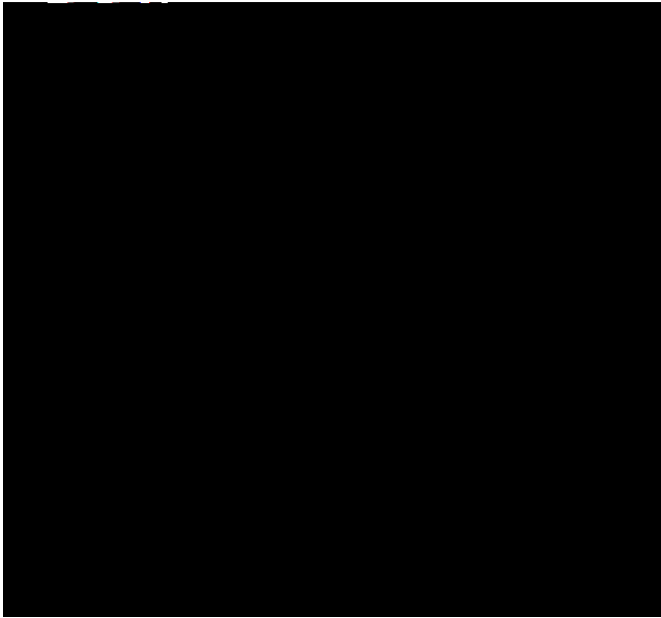
Velocity

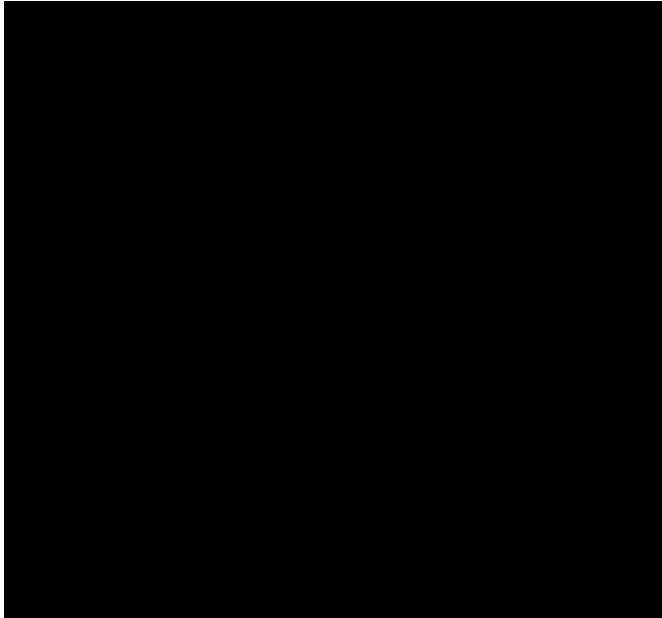- Scale to rate how quickly a risk can impact our organization

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Customized Impact Scoring for each Risk Type

Financial Impact Rating

Operational Impact Rating

Scoring applicable for each risk type

Velocity Rating

Velocity refers to how quickly a risk could impact our University.

- **Minor** — One year or greater
- **Moderate** — Weeks to months
- **Major** — Days to weeks
- **Severe** — Hours to days

Likelihood Rating

- **Minor** — Remote possibility of occurrence given our current controls (three years out)
- **Moderate** — More than remote possibility of occurrence given our current controls (every one to three years)
- **Major** — Happens with some frequency given our current controls (likely to occur in a year)
- **Severe** — Expected to happen or happens often (occurs several times per year)

Preparedness Rating

Example from Online Survey:
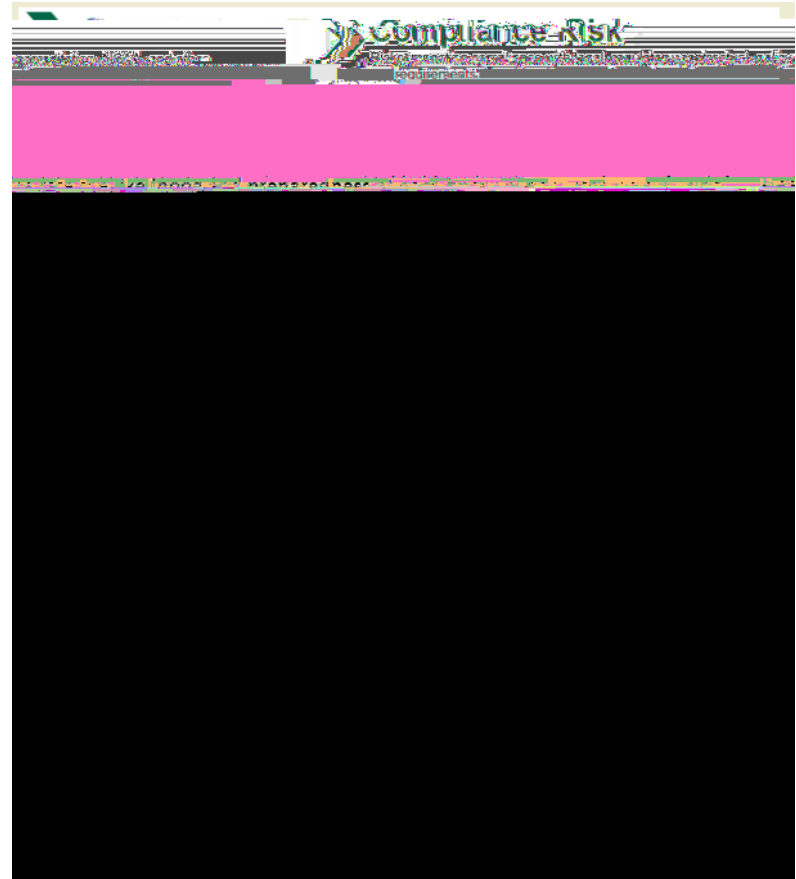
Risk Footprint Distributed

University of South Florida

TEST DATA

- [Risk Heatmap](#)

Identifying and Assessing Risk

Risk Committee Orientation

Risk Committee Designee Orientation

Complete Risk Assessment Survey

Distribute Risk Footprint to Risk Committee

Risk Summit to Finalize Risk Footprint for Reporting

ERM Timeline – Spring 2023

Jan-Feb

March-April

Feb-March

ERM Process

Discussion