

NOTICE OF PUBLIC MEETING

The Executive, Audit, and Governance Committee of the Board of Trustees of the University of Oregon will hold a meeting on the date and at the location set forth below. Subjects of the meeting will include: an overview of enterprise risk management and organizational resilience.

Monday, June 5 at 10:30 a.m. Pacific Time

Ford Alumni Center, Giustina Ballroom

The meeting will be webcast, with a link available at <https://trustees.uoregon.edu/meetings>.

Sign language for the deaf or hard of hearing should be requested at least 48 hours in advance of the posted meeting time by contacting Jennifer LaBelle at (541) 346-3166 or emailing trustees@uoregon.edu. Please specify the sign language preference.

BOARD OF TRUSTEES

6227 University of Oregon, Eugene OR 97403-1266 T (541) 346-3166 trustees.uoregon.edu

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**Board of Trustees | Executive, Audit, and Governance Committee
Public Meeting | June 5, 2022 | 10:30 a.m.
Ford Alumni Center Ballroom | Eugene Campus**

Convene

- Call to order, roll call

- 1. Enterprise Risk Management and Organizational Resilience.** Andre Le Duc, Chief Resilience Officer and Associate Vice President for Safety and Risk Services; Leah Ladley, Chief Auditor.

Meeting Adjourns

Agenda Item #1

Enterprise Risk Management

Strategic Enterprise Risk Management and Organizational Resilience Report



University of Oregon Board of Trustees
June 2023

Developed by:



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Enterprise Risk Management and Organizational Resilience

What is Enterprise Risk Management?

Traditional risk management techniques include identifying and mitigating insurable risks or hazards, also known as risk transfer. Traditional risk management techniques are quickly becoming insufficient given the current trends in the insurance sector. Enterprise risk management (ERM) utilizes risk management techniques but takes the process further by holistically identifying, assessing and mitigating risks and exposures across the entire institution.



Source: Enterprise Risk Management Integrating with Strategy and Performance, Committee of Sponsoring Organizations of the Treadway Commission (COSO) June 2017

“ERM is a combination of strategic planning, traditional risk management and internal controls. A consensus definition, (...) is the following: [ERM] is a business process, led by senior leadership, that extends the concepts of risk management and includes:

- *Identifying risks across the entire enterprise;*
- *Assessing the impact of risks to the operations and mission;*
- *Developing and practicing response or mitigation plans; and*
- *Monitoring the identified risks, holding the risk owner accountable, and consistently scanning for emerging risks.”¹*

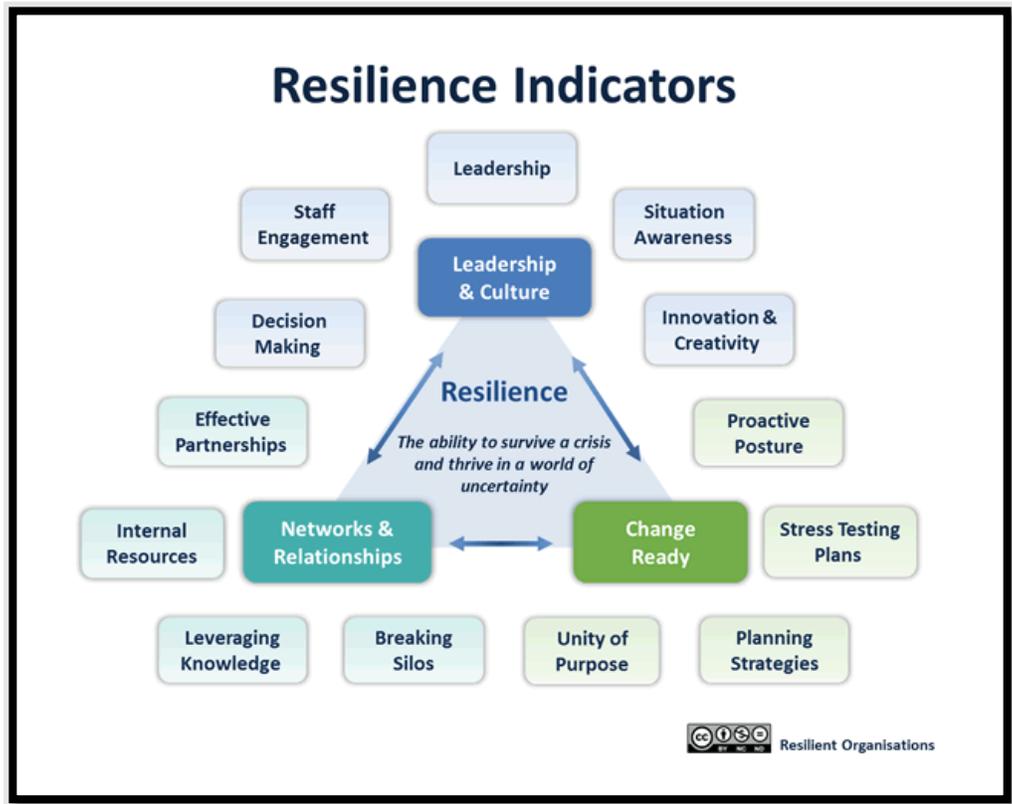
What is Organizational Resilience?

A resilient organization develops skills and resources to manage crises and adapt its systems and decision-making in the face of uncertainty. Organizational resilience is a capability that must be grown within the organization. Where the organization learns from every disruption and actively works to improve and evolve in a changing environment.

The University of Oregon partnered with Resilient Organizations in New Zealand to apply aspects of the model developed in New Zealand to advance operational and strategic resilience on campus. The Resilient Organizations model is based on research

¹ Janice M. Abraham, “Risk Management: An Accountability Guide for University and College Boards”. AGB Press, the Association of Governing Boards of Universities and Colleges, and United Educators Insurance, 2013, page 6

looking at organizations of varied sizes, sectors, and ownership structures. They have discovered that "organizational resilience consists of three interdependent attributes and 13 indicators of resilience" ². The graphic below outlines the three attributes, leadership & Culture, Change Ready, and Networks & Partnerships in addition to the corresponding indicators.



Source: Resilient Organizations, <https://www.resorgs.org.nz/> November 2021

Blending Enterprise Risk Management and Organizational Resilience

In today's decentralized, yet interconnected and rapidly evolving higher education environment, it is critical to embed the core concepts of enterprise risk management and operational and strategic resilience into our strategy-setting process at all levels within the university. Applying these tools cultivates a resilient world-class university that is future-ready, risk-aware, and not risk-averse.

Blending enterprise risk management and organizational resilience identifies and allows leadership to manage and monitor multiple cross-enterprise vulnerabilities, risk exposures, and capacities. These tools also increase situational awareness and reduce operational surprises and losses. This allows for improved decision-making, adaptive capacities and risk response. This process aligns strategy with operational capacity and risk appetite and improves deployment of limited resources – including human, financial, and asset/supply chain resources.

² Resilient Organizations, <https://www.resorgs.org.nz/> November, 2021

Global Risks and Impacts on Education Sector³

The following highlights national trends and potential risks colleges and universities face.

National Association of Colleges and Universities Business Officers: Higher Education Top Five Risks in 2023

1. Supporting and Maintaining the Workforce
 - a. Competitive pay and benefits
 - b. Talent drain
 - c. Telework policies
 - d. Employee morale and well-being
2. Meeting Students' Evolving Needs
 - a. Enrollment
 - b. Food and housing
 - c. Mental health
 - d. Social and professional development
3. Providing Secure and Modern Technology Infrastructure
 - a. Cybersecurity
 - b. New technology costs
 - c. Data-informed decision making
4. Managing Uncertain Economic Climate
 - a. Rising operating costs
 - b. Revenue growth limitations
 - c. Reduced buying power
5. Navigating Resource Constraints
 - a. State funding constraints
 - b. Reduced net tuition revenue
 - c. Pandemic-related revenue losses

United Educators Survey: Top Ten Risks in 2023

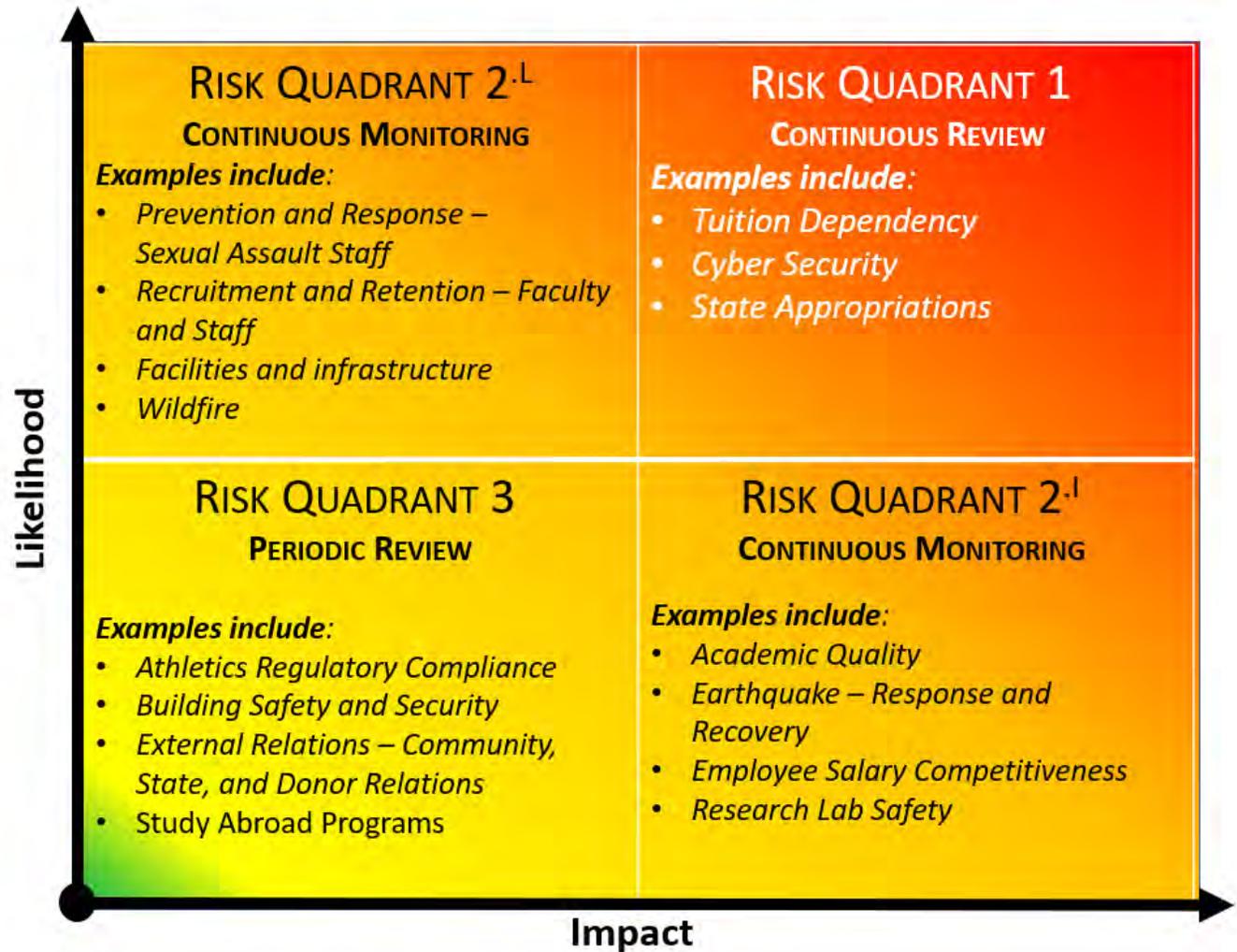
1. Enrollment
2. Data Security
3. COVID-19 and Future Pandemics
4. Operational Pressures
5. Funding
6. Facilities and Deferred Maintenance
7. Regulatory and Legal Compliance⁴
8. Title IX
9. Sexual Misconduct
10. Public Safety

³ D. Jean Demchak, "Resiliency in Education – Challenged by Evolving Risks". Marsh, April 2023

⁴ Non-Title IX and Violence Against Women Act (VAWA)

University of Oregon’s 2023 Risk Exposure Matrix (REM)

2023 REM
Examples of
Exposures,
Conditions
or Events

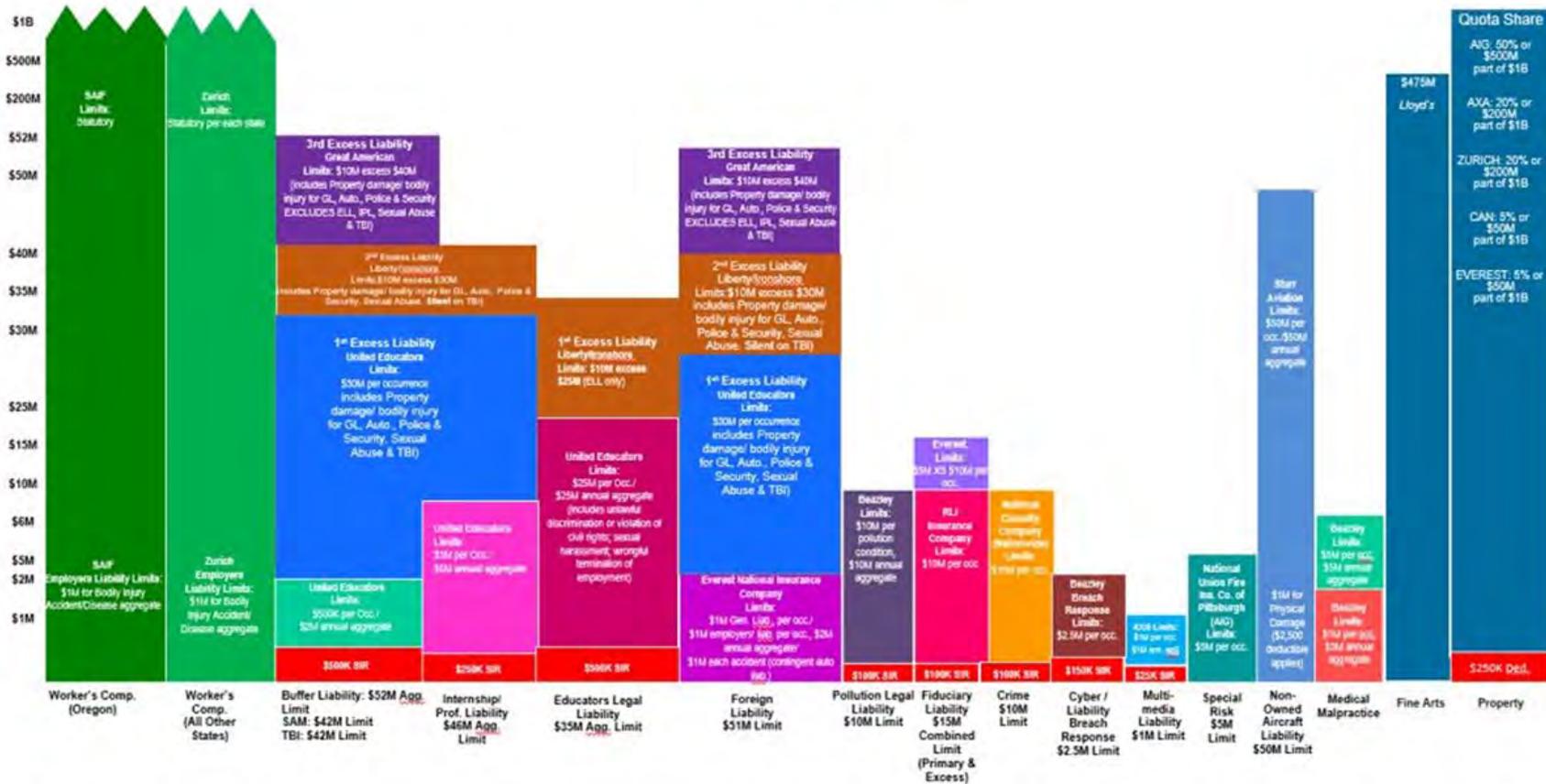


UO Insurance Update

UO Property/Liability/Executive Risk Program Chart



University of Oregon Current Property/Liability/Executive Risk Program 2022 – 2023



This figure is a graphical, rather than a literal, representation of the coverage provided. For example, a DIC policy, and subsequently the excess policies, frequently will not cover sublimited lines of coverage in a local policy. Please consult the terms and conditions of the actual policies, which necessarily govern. Please consult the terms and conditions of the actual policies, which necessarily govern. Not to scale.

Program Overview and Premium Data

Prior to July 1, 2012, the University of Oregon was insured through the Department of Administrative Services as part of the Oregon University System (OUS), which was viewed as a State agency. For three fiscal years UO participated with the other OUS institutions for insurance coverage. UO established its own insurance program effective July 1, 2015.

During the eight years since establishing its own insurance program, premiums have increased, exclusions have increased, coverage limits have decreased, and some coverages have become more challenging to secure. We have become more aware of risk exposures and new risk exposures have developed. The table below provides a snapshot of some of the changes.

	FY2016	FY2023	% Increase
Property premium	\$935,000 (\$3.17 billion TIV)	\$3,580,405 (\$7.57 billion TIV)	283% (139% TIV increase)
Property – rate per \$100 value	.0246	.0473	92%
Cyber	\$105,000	\$185,000	76%*
Liability	\$443,130	\$1,118,771	152%

*lower limit and higher deductible

Not including workers' compensation insurance, insurance premium costs have increased 167% since the program began. The most recent renewals resulted in premiums exceeding \$6.1 million.

We are finalizing insurance renewals for fiscal year 2024 now. It is estimated the insurance premiums will increase another 20%. Property coverage is most challenging as there are two contributors to increased premiums: increased rates and increased building values.

While the current state of the insurance market presents challenges it also presents opportunities. It is an opportunity to explore other risk transfer options, such as a captive or higher self-insured retentions. It is an opportunity to continue to grow the ERM program and become more risk aware.

Safety and Risk Services has capitalized on opportunities for savings. Two programs highlight these efforts.

1. Workers' compensation and employee safety program

- a. EAIP (Employer-at-injury Program) - This Oregon program encourages early return to work for injured employees. It provides reimbursement opportunities to the employer for tools and equipment purchased to allow an injured employee to complete regular duties or modified duties. The program may also reimburse some salary when modified work is offered. UO has received over \$600K in reimbursements since July 1, 2016.
 - b. Experience Modification Rating. Workers' compensation insurers use the experience modification rating (EMR) as a tool to predict future claim costs and set premiums. EMR is calculated using a combination of data points, including but not limited to payroll, historical actual losses, and the type of work employees perform. The average EMR is 1.0. Anything lower than 1.0 indicates the employer is considered safer than other companies with similar types of employee duties. UO's EMR has been less than 1.0 for several years. The current UO EMR .61. The EMR results in specific savings as it is multiplied by the initial premium from UO's workers' compensation insurer, SAIF. Maintaining an EMR below 1.0 has resulted in \$4.3 in premium savings since July 1, 2016.
2. United Educators' Risk Mitigation Premium Credit
This program awards a 6% premium credit if a selected risk mitigation effort is successfully completed, and a mitigation report submitted within the specified timeline. UO has successfully completed this program since it became eligible to participate, resulting in \$234K in premium savings. The program was completed for this renewal period; however, total premium savings is not yet known.

Overview of Strategic Enterprise Risk Management and Compliance Committee

Committee Charge and Membership

The Strategic Enterprise Risk Management and Compliance Committee (SERMC) is an advisory committee charged by, and providing recommendations to, the President of the University to oversee the University's Enterprise Risk Management and Organizational Resilience activities. The committee is chaired by the Chief Resilience Officer and Vice President for Safety and Risk Services and meets monthly.

The committee charge is to:

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 the University's legal and policy obligations; and
3. Encourage communication, problem-solving, and collaboration across divisions, units, and departments.

Committee membership includes:

- Senior Vice President and Provost
- Senior Vice President for Finance and Administration and Chief Financial Officer
- Vice President for Research and Innovation
- Vice President and General Counsel to the University
- Vice President for Equity and Inclusion
- Vice President for Student Life
- Vice President for Student Services and Enrollment Management
- Vice President for University Communications
- Vice President for University Advancement
- Vice President for Information Services and Chief Information Officer
- Vice President for Safety and Risk Services and Chief Resilience Officer
- Vice President for Human Resources and Chief Human Resources Officer
- Chief Internal Auditor
- Associate Vice President for Business Affairs and University Controller
- Director of Intercollegiate Athletics
- Assistant Vice President and Chief of Staff, Enrollment Management
- Associate Vice President, Director of Financial Aid, Enrollment Management

UO ERM Risk Owner – Roles and Responsibilities

A core element of the committee's charge is developing tools and processes to actively identify, evaluate, and manage University risks. The committee is accomplishing this through the Risk Exposure Matrix (REM), which serves as a register for tracking strategic, operational, and compliance risks and cataloging the mitigation and controls to manage the risk exposures as we advance the University's strategic plans. The REM is not intended to catalog all risk exposures but to focus on the exposures that could significantly impact the University's core mission or strategic objectives.

Committee members serve as risk area leads or “risk owners” over the potential risk exposure areas, conditions or events that exist in their portfolios. A risk owner (or their designee) is an accountable point of contact for an enterprise risk exposure at the senior leadership level, who coordinates efforts to mitigate and manage the risk with internal stakeholders who are responsible for parts of the risk.

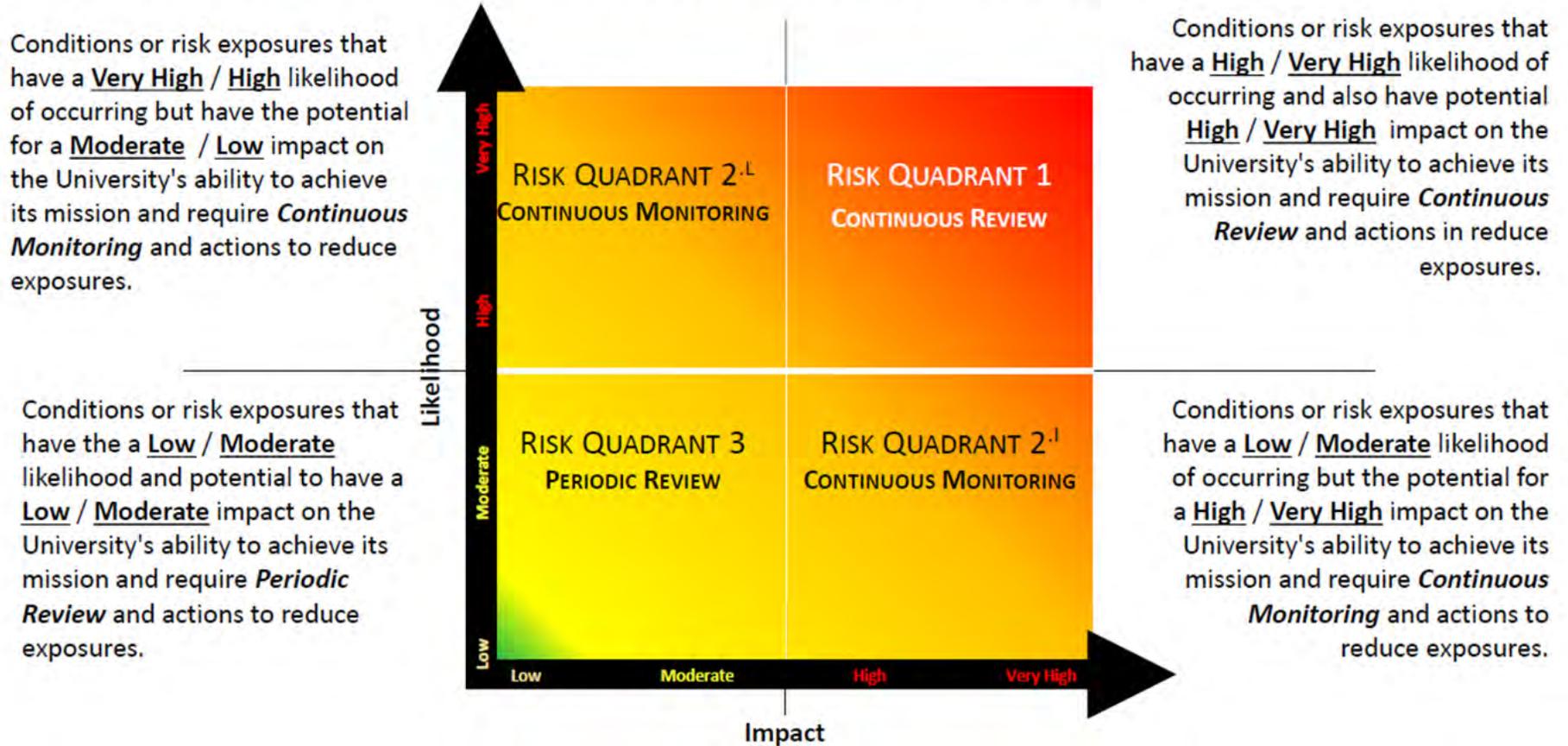
The responsibilities of the risk owner are to ensure that:

- Risks are identified, assessed, managed and monitored
- Risks are clearly articulated in risk statements
- Appropriate level of risk tolerance is determined
- Various internal stakeholders are assigned responsibility for each of the sub-risks identified within the University’s Risk Exposure Matrix.
- Risk management is integrated into operational activities
- Gaps in mitigation and monitoring activities are remediated
- The status of the mitigation and monitoring efforts are communicated to committee members
- The internal and external environments are scanned for emerging risks and opportunities

Risk Exposure Matrix (REM)

The REM is a dynamic document that is updated regularly. The following graph outlines the risks identified in the REM by the risk owner and the category of action assigned to the risk (e.g., continuous review, continuous monitoring 2.I, continuous monitoring 2.L, or periodic review). The REM is used as a tool to assist leadership in navigating risk exposures as they develop strategic and operational initiatives to advance the institution's mission.

Risk Exposure Matrix: Quadrant Definitions



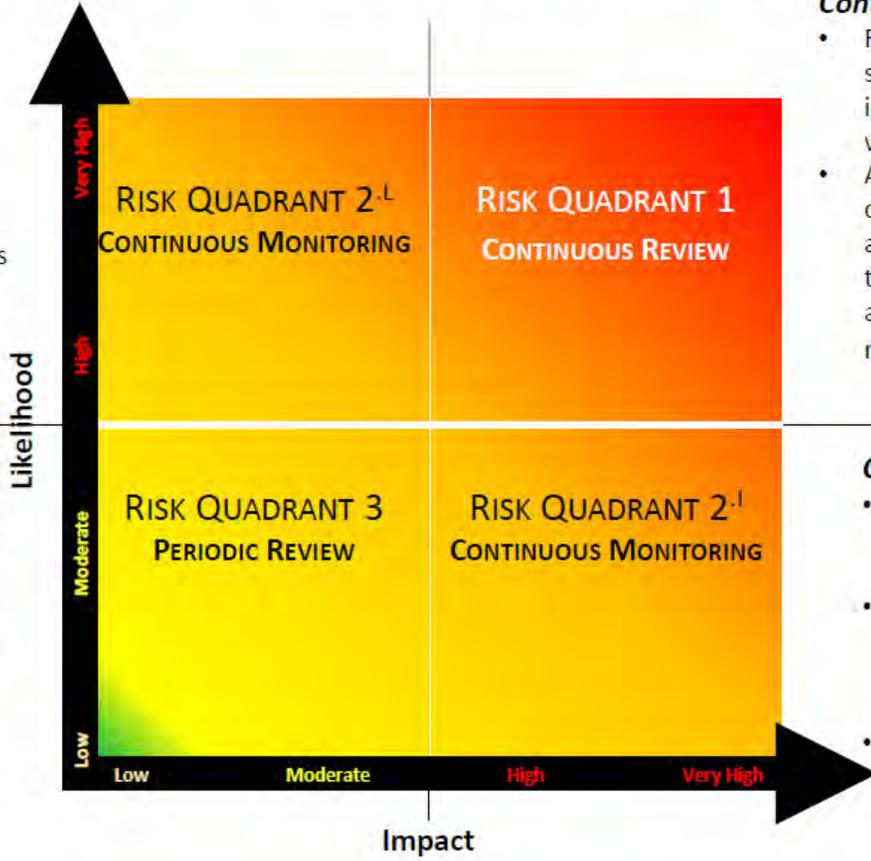
Risk Exposure Matrix: Quadrant Actions

Continuous Monitoring

- Risks are mitigated by a position(s) responsible for monitoring risk exposure.
- Annual risk review and recommendations, including industry trends and proven practices for mitigation.
- Subject to in-depth review by Internal Audit

Periodic Review

- Annual risk review and recommendations, including industry trends and proven practices for mitigation.
- Risks are monitored periodically by management and Internal Audit based on implemented controls, ability to control or mitigate the risk, and changes in exposure regulatory requirements.



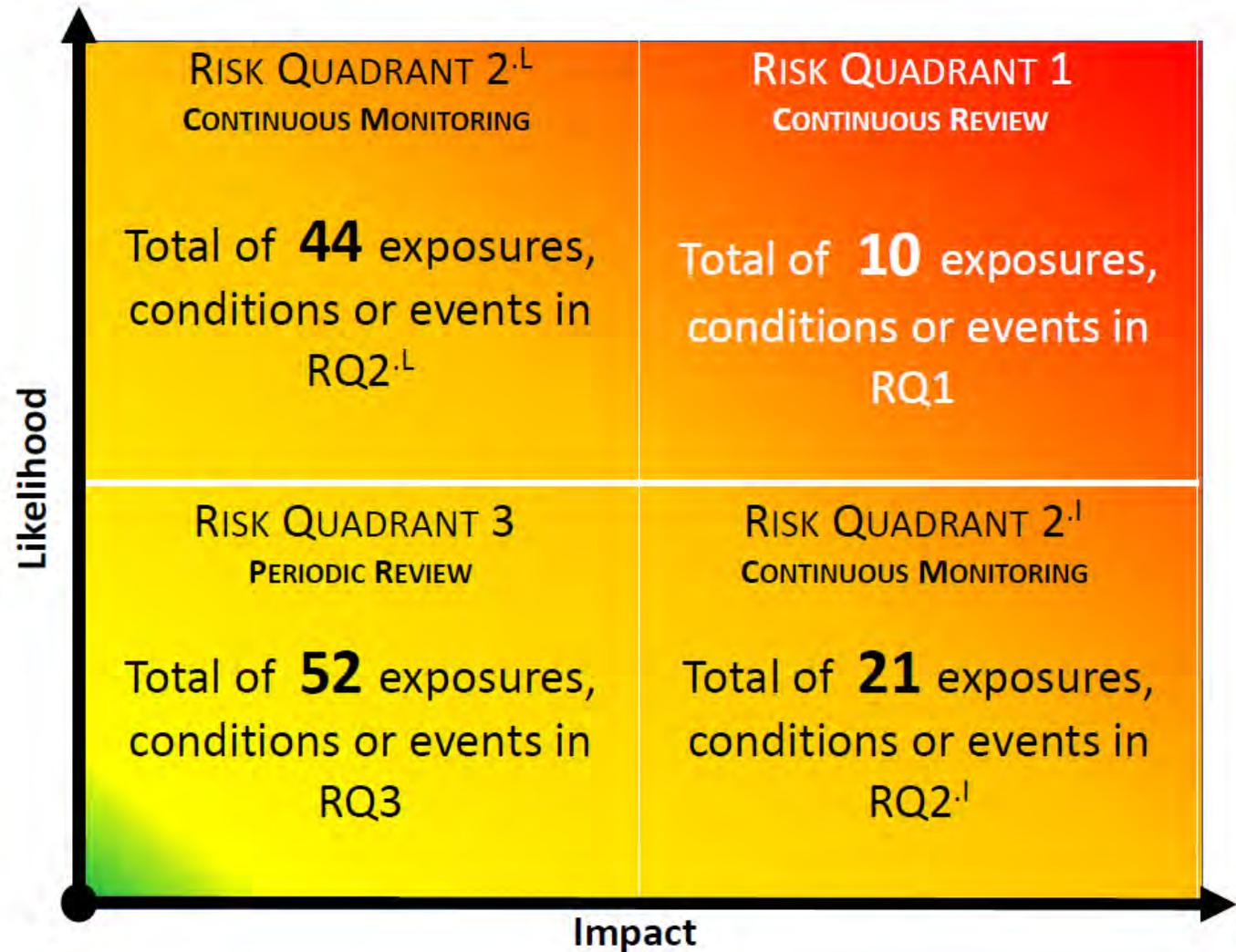
Continuous Review

- Risks are considered in all strategic institutional decision-making including risk tolerance to balance risk with opportunities.
- Annual risk review of current operational mitigation efforts and landscape of risk. Changes in the exposure are documented and strategies documented to mitigate or control changes.

Continuous Monitoring

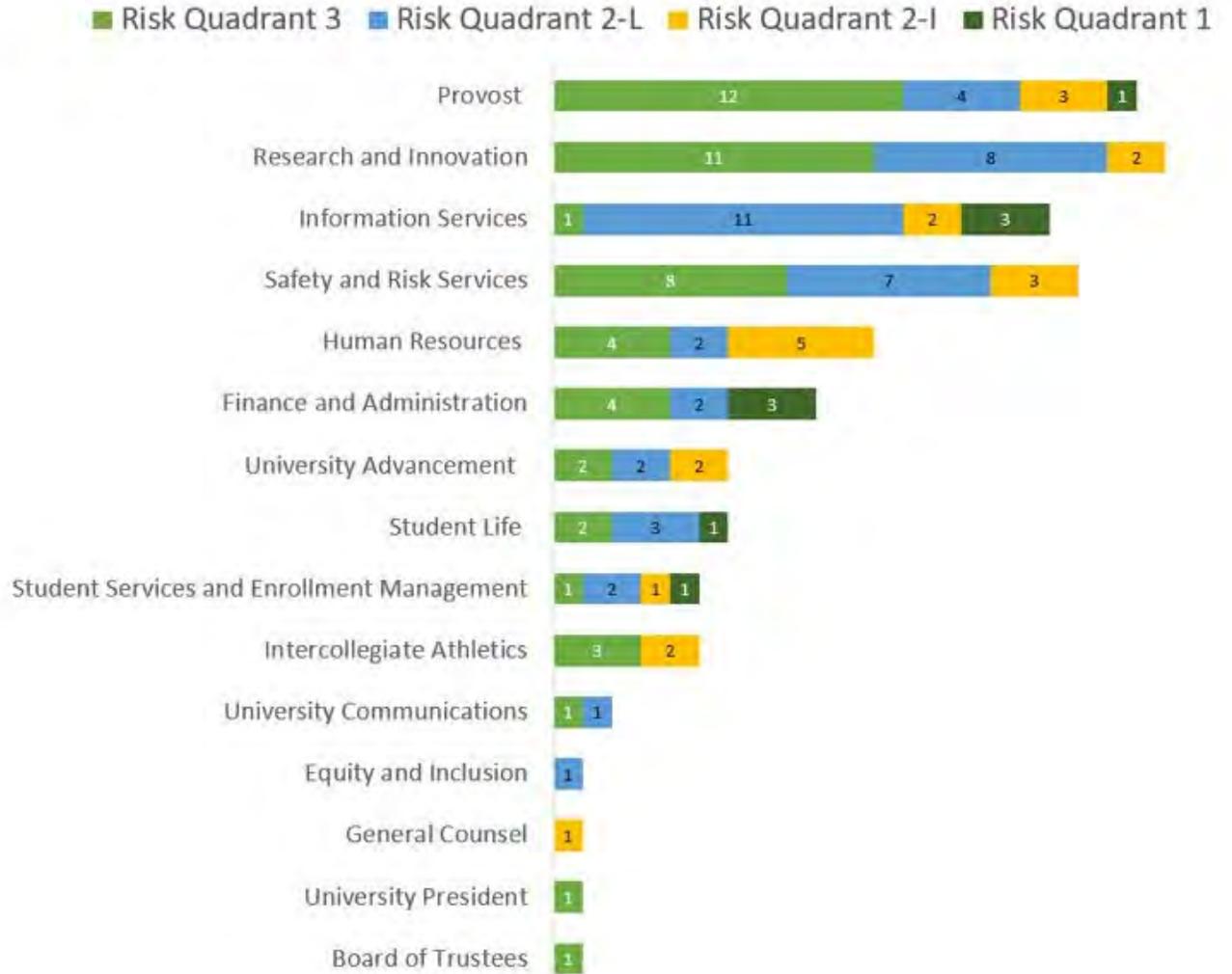
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- Subject to in-depth review by Internal Audit

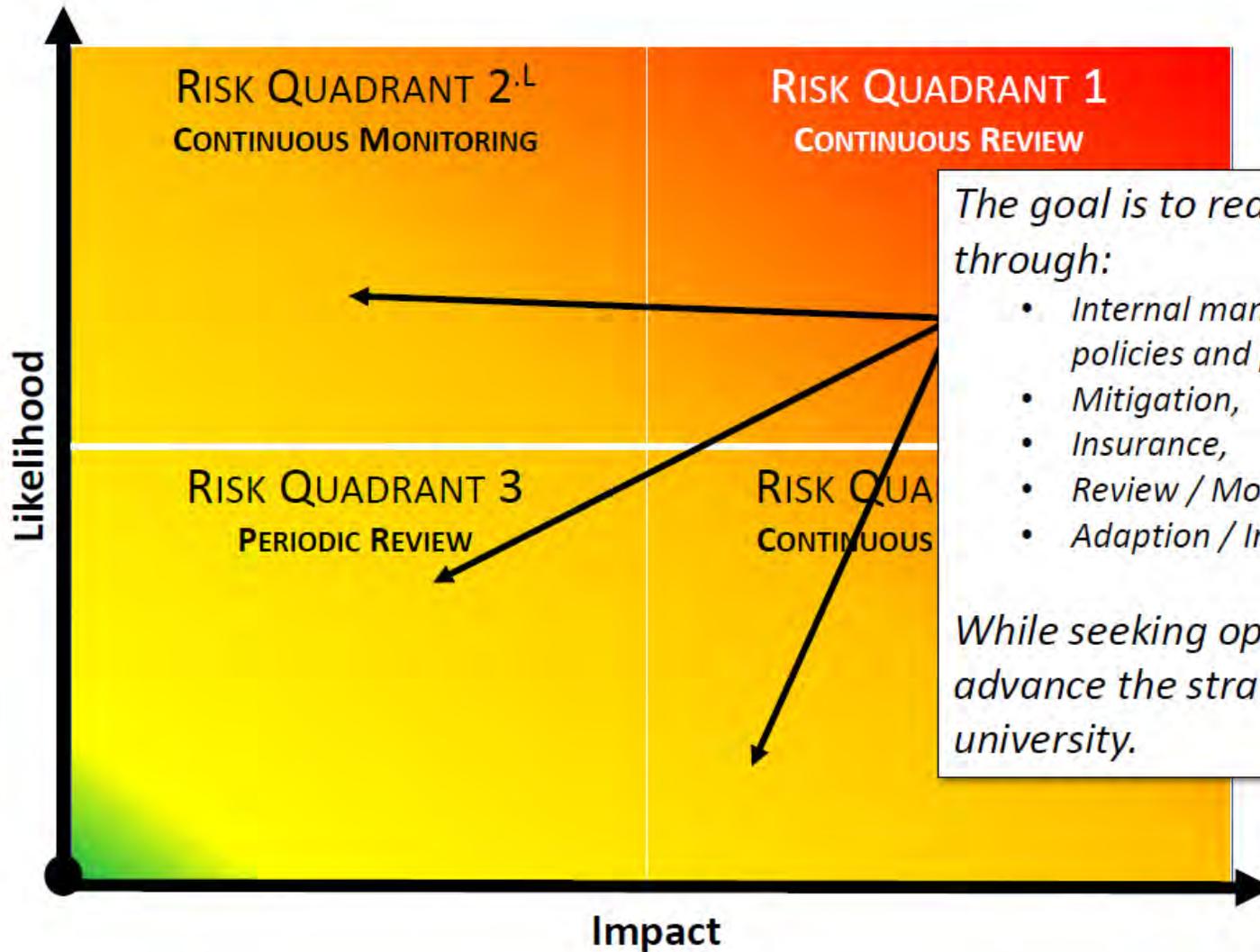
REM
 Total
 Exposures
 by Risk
 Rating
 As of May 2023



2023 REM

Exposures by Risk Owner





The goal is to reduce risk exposures through:

- *Internal management controls, (e.g., policies and procedures),*
- *Mitigation,*
- *Insurance,*
- *Review / Monitoring, and*
- *Adaption / Innovation*

While seeking opportunities to advance the strategic mission of the university.

Example of Risk Exposure Matrix Summary Card

The risk exposure cards summarize a potential exposure, condition, or event in the REM that could impact the University’s mission or strategic objectives. In addition, the summary cards identify who is responsible for monitoring the potential exposure, who the internal management stakeholders are, any policies in place, and mitigation actions intended to reduce the University's exposure to the condition or event.

The risk owners are asked to review risk exposure cards annually and make appropriate updates, including documenting mitigation strategy updates. The goal is to keep the REM current to assist the University in navigating risk exposures. Members of the committee can also introduce new risk exposures by filling out a risk exposure card and presenting it to the committee for review, assessment and potential recommendations to the President.

The following provides an example of one of the risk exposure cards.

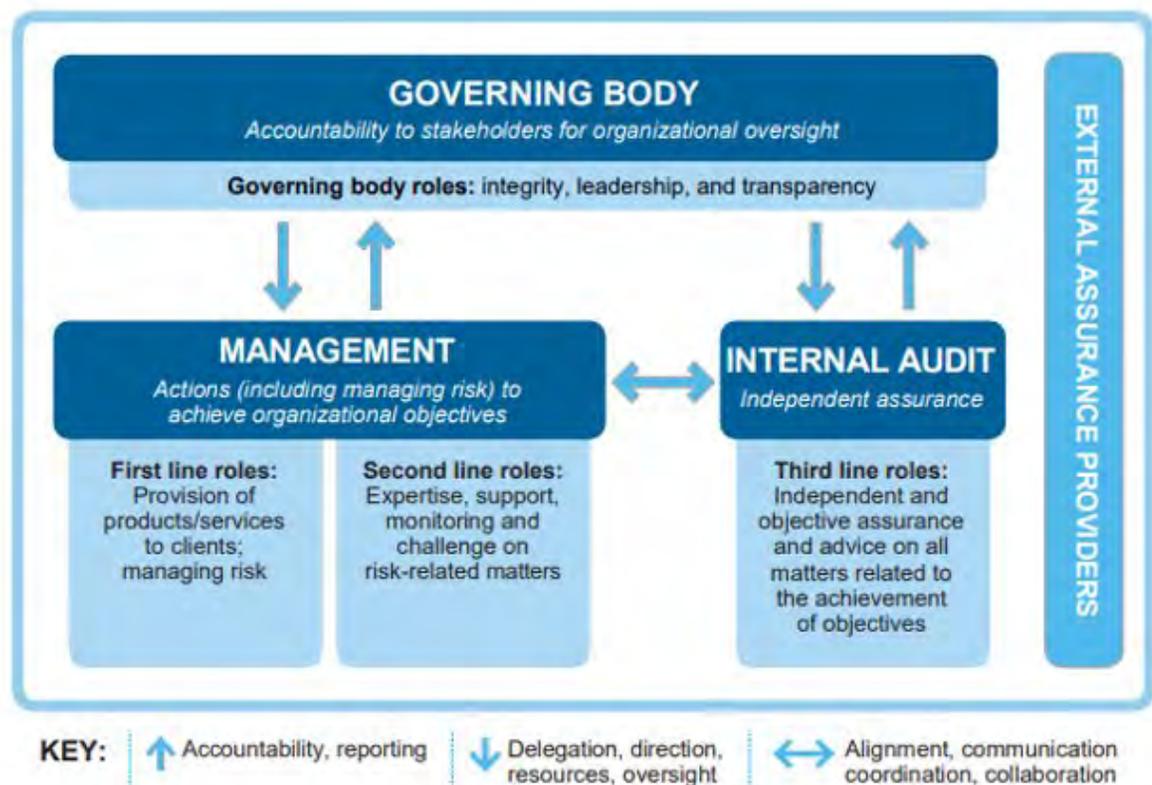
UO REM	
Row #7	
Date of update request	
Request update	<input type="checkbox"/>
Risk Exposure Cat	Facilities and Infrastructure
Risk Exposure or Sub-Risks Exposure	Earthquake Preparedness
Potential Exposures	Potential exposure includes building and infrastructure damage, injuries and fatalities, disruption to research and teaching, shortage of food and water, power outages, communication outages, and transportation disruption.
Description	Localized crustal earthquake with less than 1 min of ground shaking Largescale regional earthquake 3-5 min of ground shaking
Risk Impact	Very High
Impact Value	4
Risk Likelihood	Moderate
Likelihood Value	2
Risk Sum	6
Mitigation Effectiveness Rating	1
Residual Risk Score	5
Risk Exposure Rating	Continuous Monitoring
UO Risk Owner	Chief Resilience Officer
Risk Owner Email	Andre Le Duc
Risk Owner Delegate Email	Krista Dillon
Accountable Department / Position	Emergency Management and Continuity Incident Management Team
Internal Stakeholders	CPFM Housing Registrar VPRI Academic Affairs Student Life
Mitigation Summary	2019 - Purchased basic emergency supply kits for members of the Incident Management Team 2019 – We have \$35M in earth movement property insurance coverage. (as of FY22: \$36.35M in earth movement; min \$500K deductible) 2018 - Purchased a supply of drinking water with long shelf life. Will continue to add to the supply as budget allows. 2016 - Signed National Intercollegiate Mutual Aid Agreement Ongoing - Provide earthquake preparedness training to faculty, staff and students Ongoing - Continuing to seismically retrofit higher risk buildings

Risk Review Process

Risks included in the University’s REM have three different types of review processes. All risks, regardless of risk rating go through the first type of review, which is annual review by senior leadership, or management review.

The second type of review risks are subject to is a Strategic Enterprise Risk Management and Compliance Committee review. The risks that typically fall under this type of review include periodic review and continuous monitoring. However, the risks that are rated as continuous review may also be included in a committee review. The review is conducted by a cross-departmental group of stakeholders and is typically conducted approximately every two or three years.

The third type of review risks are subject to is a comprehensive risk mitigation programmatic review, which is conducted by Internal Audit. Internal Audit is independent from implemented risk mitigation programs and serves in an objective consultative role.



This risk review process can further be described as an internal control system. The Federation of European Risk Management Association (FERMA) and the European Commission of Institutes of Internal Auditing (ECIIA) established a Three Lines of

Defense Model that illustrates an internal control system. The Institute of Internal Auditors (IIA) revised the original model by including the connecting line between management and internal audit, to indicate the presence of collaboration and partnership while maintaining separate figures to indicate independence.

The first line of defense is “[o]perational management has ownership, responsibility and accountability for assessing, controlling and mitigating risks together with maintaining effective internal controls”.

The second line of defense is “[t]he risk management function that facilitates and monitors the implementation of effective risk management practices by operational management and assists the risk owners in defining the target risk exposure and reporting adequate risk related information through the organization”.

The third line of defense is “[t]he internal audit function (...), [which] through a risk based approach, provide assurance to the organization's board and senior management, on how effectively the organization assesses and manages its risk, including the manner in which the first and second lines of defense operate”.⁵

SERMC Committee

Reporting Structure

To encourage communication, problem-solving, and collaboration across divisions, units, and departments, the committee risk owners and subject matter experts within their portfolios review and provide feedback on their risk exposure areas and document and update existing controls and mitigation strategies annually. In addition, risk owners present their risk areas to the committee annually to increase situational awareness among senior leadership and management.

The committee established a work group structure to address emerging risks. Additional information about the work group process will be discussed later in this report.

Standing committees and teams provide annual updates to the committee. Below is the tentative reporting calendar for 2023. Some standing committees or teams that report annually to the committee are regulatory and required by law. Other committees or teams are formed because of ongoing potential risk exposures in that given area. These committees and teams are charged with addressing risk and safety issues for the University.

⁵ FERMA/ECIIA, “Monitoring the effectiveness of internal control, internal audit and risk management systems: Guidance for Boards and Audit Committees.” Guidance on the 8th European Company Law Directive on Statutory Audit, September 21, 2010, pages 9-10

2023 Strategic Risk and Resilience Committee Calendar

Month	Standing committee, Operational or Team Presentations	University's Risk Exposure Matrix (REM) Updates
January	Campus Vulnerability Assessment Team / Behavioral Threat Assessment Team	
February	Safety Advisory Committee	Research / Advancement
March		
April	Institutional Biosafety Committee / Laboratory Safety Committee / National Security and Research	Chief Resilience Officer / SRS
May		Provost/Global Engagement
June		
July		
August		
September	HIPAA Privacy Committee	Athletics / Student Life / Insurance Renewal Update
October	Payment Card Industry Team/Red Flags Team	Human Resources / SSEM
November	Data Security Incident Response Team / Incident Management Team	Information Services / Communications
December	Radiation Safety Committee / ICT Accessibility Committee	VPFA - Finance & Facilities / General Counsel / Equity and Inclusion

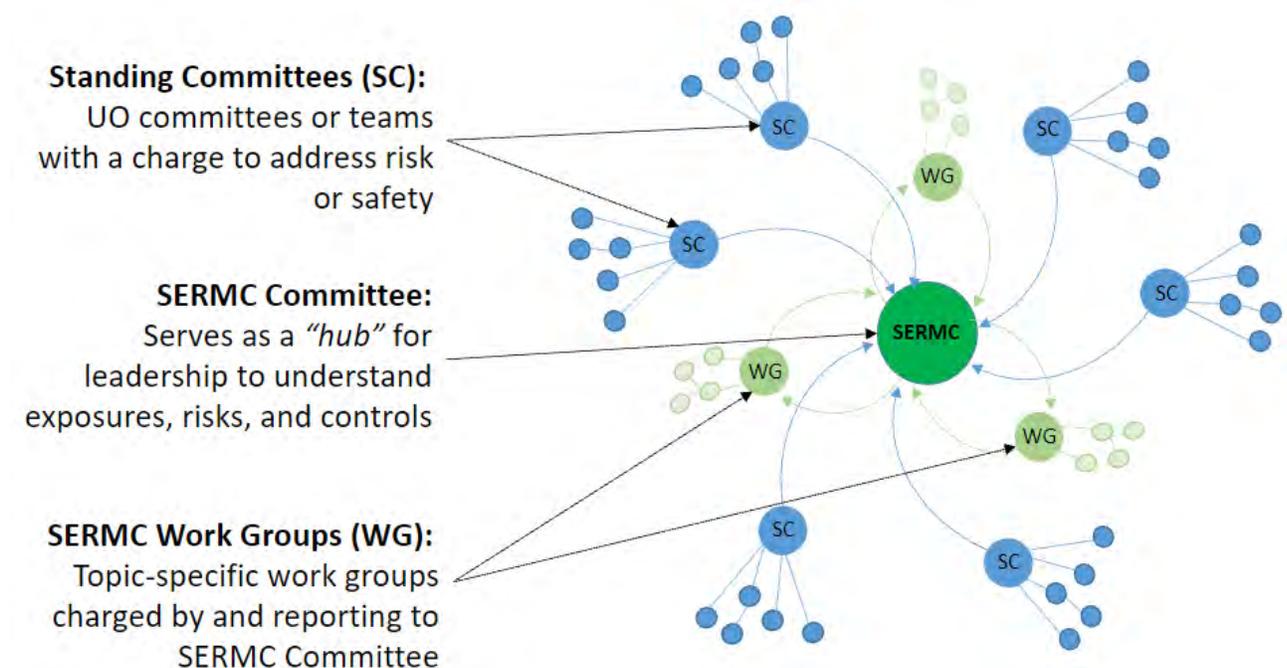
SERMC Committee's Approach

Link, Leverage, and Align

The SERMC committee is the place where management and internal controls (e.g., standing committees, teams, processes, etc.) present the status and identify issues or concerns. When the committee members identify potential gaps or risk exposures that do not have a risk owner or that require additional in-depth analysis the committee establishes an inter-departmental and cross-disciplinary work group to explore the concern. The work groups focus primarily on topics that require special attention for purposes of compliance, planning response, or risk management. The committee provides the work group with a clearly defined charge, a set of expected outcomes, and a timeline for the work group to return to the committee with recommendations.

Additional information for each committee and team can be found here:

<https://safety.uoregon.edu/sermc-connections-and-work-groups>.



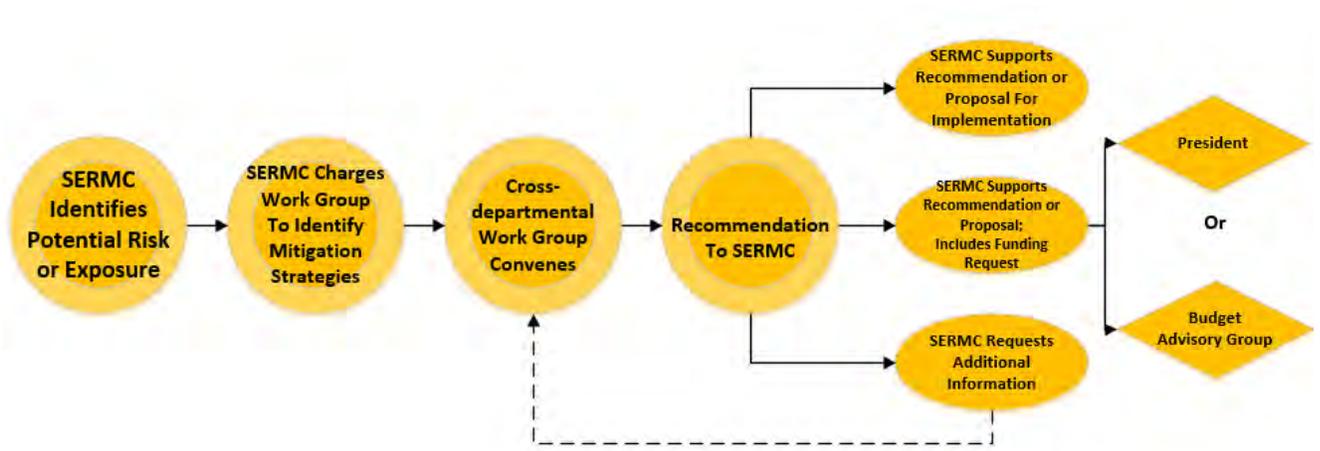
SERMC Committee's Work Groups

When the committee members identify potential gaps or risk exposures that do not have a risk owner or that require additional in-depth analysis the committee establishes an inter-departmental and cross-disciplinary work group to explore the concern. The work groups focus primarily on topics that require special attention for purposes of compliance, planning response, or risk management. The committee provides the work group with a clearly defined charge, a set of expected outcomes, and a timeline for the work group to return to the committee with recommendations.

Work Group Process

From risk identification to action

The work group approach allows the committee to bring campus partners to the table to better understand specific risk exposures, and to develop actionable recommendations to mitigate those risks. The work group structure also encourages information sharing, problem-solving, and collaboration across divisions, units and departments.





Date: May 17, 2023
To: Executive, Audit, and Governance Committee
Board of Trustees, University of Oregon
From: Leah Ladley
Chief Auditor, University of Oregon
Re: May 2023 (Quarterly) Board Report

The career path for IT audit has been developed and approved by Human Resources. The path includes IT Auditor I, IT Auditor II, and Senior IT Auditor. We have promoted Katie Bumgardner to IT Auditor II, as of May 2023.

As a reminder, our other auditor positions include Internal Auditor I, Internal Auditor II, and Senior Internal Auditor.

The accompanying report includes the following items:

- Open Recommendations Memo
- Status of Open Recommendations
- Audit Progress Memo
- Audit Progress
- Department Staffing

Highlights:

- 4 recommendations closed this quarter
- As of December 31, 2022, the OIA has a vacancy for which recruitment will begin during FY23.



Date: May 17, 2023
To: Executive, Audit, and Governance Committee
Board of Trustees, University of Oregon
From: Leah Ladley
Chief Auditor, University of Oregon
Re: Status of Open Recommendations

Attached you will find the Status of Open Recommendations. This report is provided to you each quarter to provide visibility into the status of prior audit recommendations.

New Developments:

Management has discussed revised action plans for more than one recommendation involving more than one project. Audit agrees with the revisions and target completion dates will be updated as timelines are developed.

Four recommendations closed this quarter.

Multiple target completion dates have been revised. Delays have resulted from vacancies and limited capacity. As transitions occur within units, internal audit begins communicating and collaborating with new leadership and often resets the target completion dates. Interactions with vendors also contribute to delays, at times. Projects with revised target completion dates are indicated in the accompanying schedule with an asterisk.

Management continues to respond to audit recommendations and provide status updates when requested.

Two recommendations are shown as due.

Ongoing Reminders:

The previously agreed-upon risk ratings have been incorporated into the Open Recommendations report. Over time, management will implement the unrated recommendations and that portion of the table will no longer be reported. University ratings are provided to assist you in your governance over internal audit recommendations.

In order to provide the most relevant information, projects are no longer listed in this schedule once all recommendations have been implemented. Previously reported recommendations, for recent fiscal years, are represented as open or closed in the graphical representation at the bottom of the schedule.

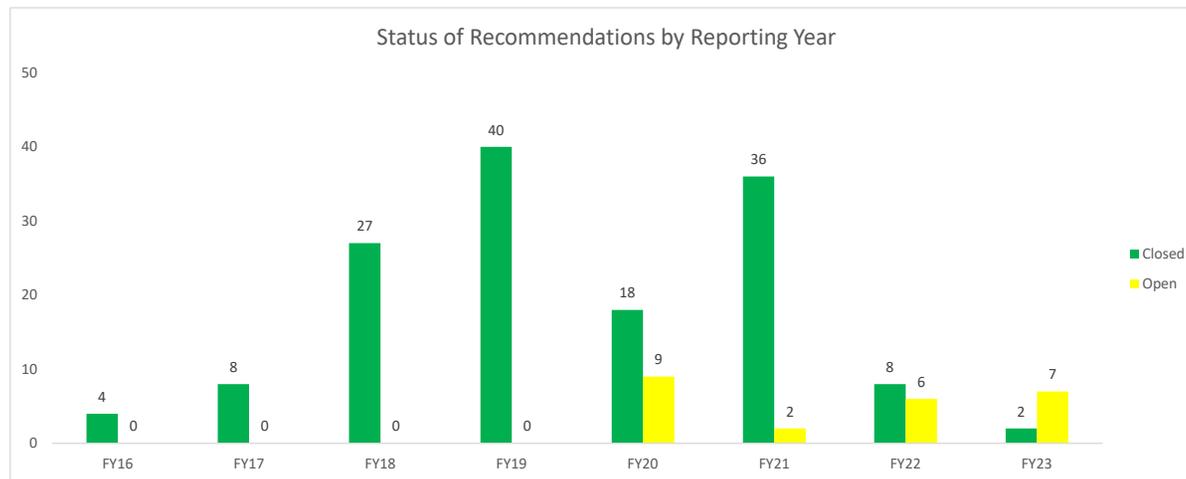
University of Oregon
Office of Internal Audit

Projects with Open Recommendations	Report Date	Total Recommendations	Previously Closed	Closing this Quarter	Open Recommendations	
Unrated Recommendations:					Open and Due	Not Yet Due
Athletics IT Risk Assessment	* 11/19/2018	7	6	1		
Health Center IT Risk Assessment	* 8/13/2019	6	1	1		4
Data Governance	* 3/4/2020	3				3
Physical-to-Cyber Security Assessment	* 6/5/2020	3	1		2	
Vendor Review	* 8/11/2020	6	4			2
SUBTOTALS				2	2	9

Projects with Open Recommendations, with Ratings:	Report Date	Total Recommendations			Previously Closed	Closing this Quarter	Open (with Unit Rating)	
Rated Recommendations:		University High (H)	University Med. (M)	University Low (L)			Open and Due	Not Yet Due
Advancement Data Security Review	* 4/19/2022		3	4	1	2		H H M M
UOPD Firearms Inventory	5/25/2022		2					M M
Banner 9 Security	8/25/2022		2	4	2			M M M M
Custody of Human Remains, Phase I	9/19/2022		3					M M M
SUBTOTALS						2	2	13
TOTALS						4	2	22

Since the March 2023 Board meeting, management has implemented 4 recommendations.

* Indicates that one or more recommendations have revised target completion dates and that audit is in agreement with the new targets.



Enterprise Risk Management and Organizational Resilience

Board of Trustees, University of Oregon

June 5, 2023

Presented by:
André Le Duc, Chief Resilience Officer and
Vice President, Safety and Risk Services



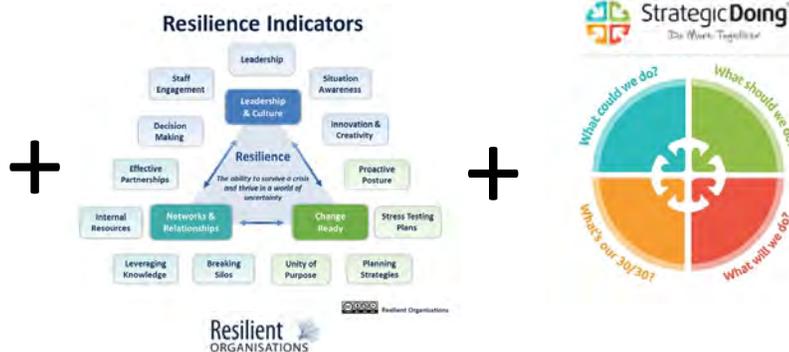
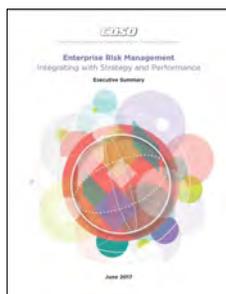
1



UNIVERSITY OF
OREGON

Safety and
Risk Services

Applying Enterprise Risk Management and Organizational Resilience tools to cultivate a resilient world-class university that is future-ready, risk-aware, and not risk-averse.



2

Strategic Enterprise Risk Management and Compliance Committee (SERMC)

The committee is advisory to the President and has the following charge:

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 the University's legal and policy obligations
3. Encourage communication, problem-solving, and collaboration across divisions, units, and departments



3

Actively Tracking Risk Trends and Exposures

Intended to provide a high-level summary of conditions, events, or exposures that could impact the University's core mission through the SERMC's:

- Risk Exposure Matrix
- Risk Exposure Quadrant Map



4



National Association of College and University Business Officers: Higher Education Top Five Risks

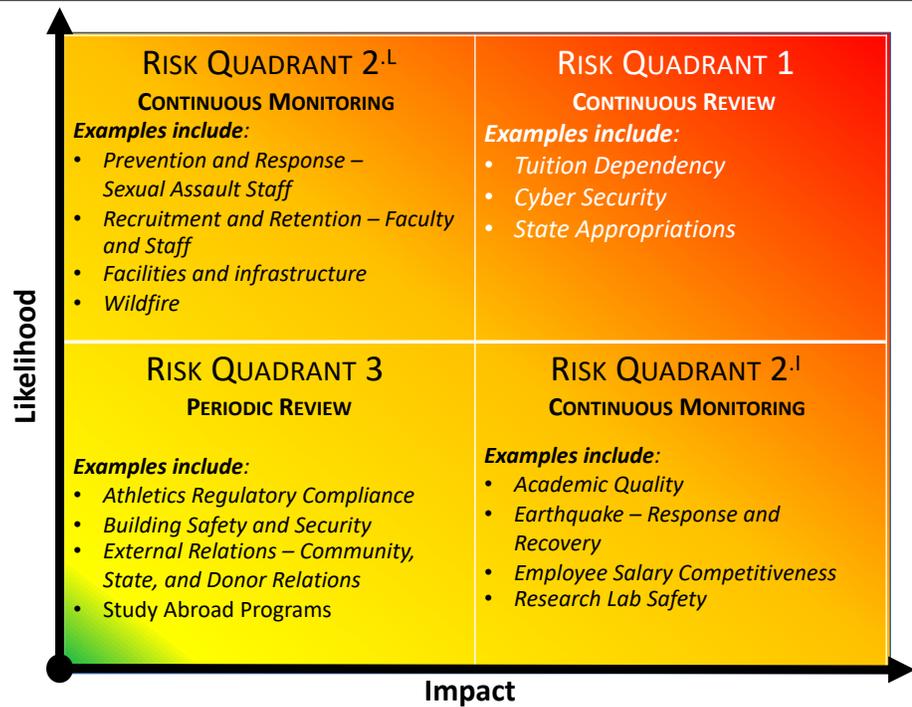
- Supporting and Maintaining the Workforce
- Meeting Students' Evolving Needs
- Providing Secure and Modern Technology Infrastructure
- Managing Uncertain Economic Climate
- Navigating Resource Constraints



5

UO 2023 Risk Exposure Matrix

Examples of
Exposures,
Conditions
or Events



6

UO Insurance Renewal Update



7



Safety and Risk Services

Insurance Premiums

	FY2016	FY2023	% increase
Property premium	\$935,000 (\$3.17 billion TIV)	\$3,580,405 (\$7.57 billion TIV)	283% (139% TIV increase)
Property – rate per \$100 value	.0246	.0473	92%
Cyber	\$105,000	\$185,000	76%*
Liability	\$443,130	\$1,118,771	152%

*lower limit and higher deductible

Not including workers' compensation, insurance premium costs have increased **167%** since FY2016. The most recent renewals resulted in premiums exceeding \$6.1 million.



8

Risk Assessment Coordination with Internal Audit

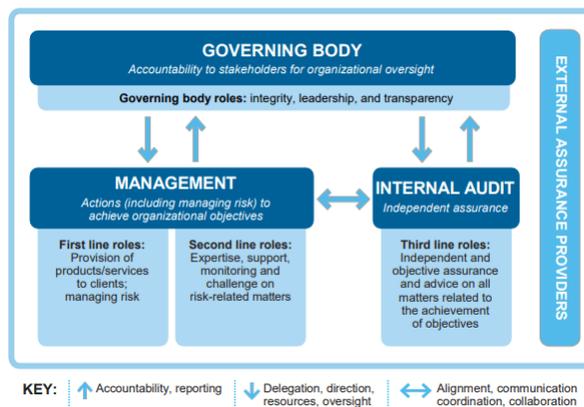


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UO Risk Review Process Three Standards of Review

- **First:** Annual review by senior leadership, or management review.
- **Second:** SERMC review, including updates to the risk matrix.
- **Third:** Independent and objective review by the Office of Internal Audit.

The IIA's Three Lines Model



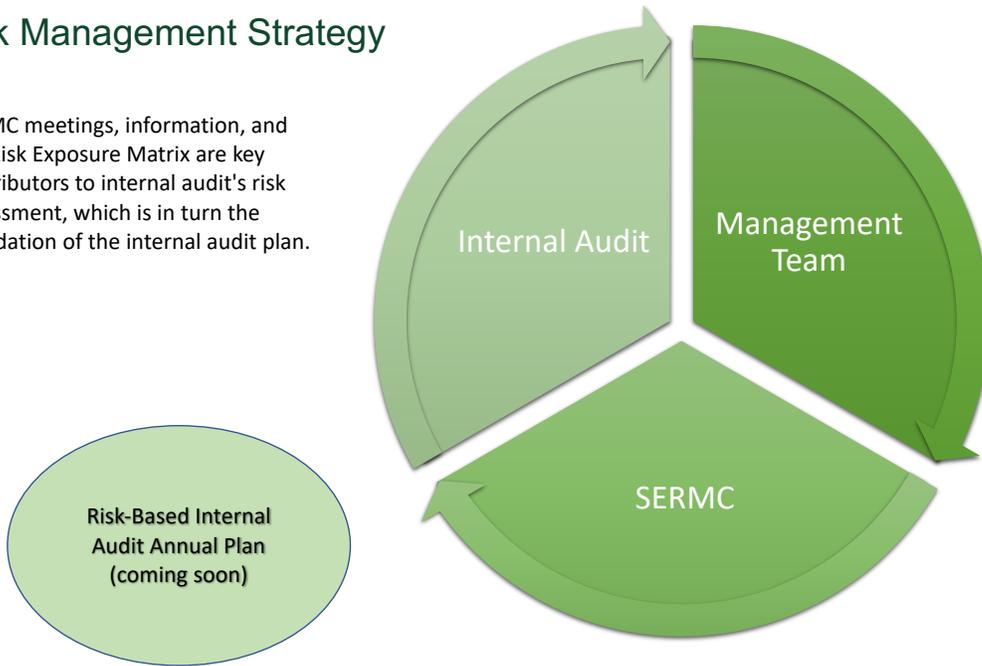
IIA: Institute of Internal Auditors



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Risk Management Strategy

SERMC meetings, information, and the Risk Exposure Matrix are key contributors to internal audit's risk assessment, which is in turn the foundation of the internal audit plan.



11

Questions

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Date: May 17, 2023
To: Executive, Audit, and Governance Committee
Board of Trustees, University of Oregon
From: Leah Ladley
Chief Auditor, University of Oregon
Re: Audit Progress

The next page in your packet is the report detailing audit progress which includes the works completed this fiscal year, active works, and an audit projection for projects we intend to initiate this year.

Highlights:

- Transform IT: USS Transition – exit meeting was held mid-May.
- Education and Community Support (ECS) NIST Gap Analysis – anticipate distributing this report Monday, May 22, 2023.
- The management request project was managed with minor time commitment from OIA and can be considered a minor consultation/advice with no written report. Our internal risk tracker has been updated.
- The spring section of the Lindeleaf Scholarship Eligibility for AY24 has been completed. The project is not complete in our office until confirmation of funding occurs with fall enrollment.

Other projects continue to progress through the audit cycle of identification, planning, fieldwork, reporting, and ultimately follow-up (if recommendations are made).

As always, we appreciate your understanding of the need to revise audit projections as internal requests are received, risks emerge in areas not-as-yet identified, and controls are identified during planning stages that may be so strong as to preclude further evaluation.

FY23 Audit Projection Progress

PROJECT	IDENTIFIED	PLANNING	FIELDWORK	REPORTING	REPORTED
Banner 9 Security					8/25/2022
Custody of Human Remains, Phase I					9/19/2022
Export Controls			X		
Stipend and Overload Payments Analysis			X		
REQUIRED PROJECTS					
AY23 Scholarship Recipient Eligibility Confirmation					9/21/2022
** AY23 NCAA Attendance Confirmation					N/A
External Quality Assessment of OIA		X			
TIER I					
HEERF Process Audit		X			
Athletics Revenue Contract Payments	X				
Technology Licensing Income	X				
Research Contracts Process Review	X				
Scholarship Governance at the Colleges	X				
WITH BAKER TILLY AND/OR IT AUDITS					
Education and Community Support (ECS) NIST Gap Analysis					5/22/2023
Transform IT Review, Phase I Only (Baker Tilly)				X	Exit mtg 5/16/23
Identity Management		X			
Data Center – Eugene Campus	X				
TIER II					
Clery Act Compliance	X				
Conflict of Interest/Conflict of Commitment Processes	X				
Policy Governance Review	X				
Construction Project	X				
Environmental	X				
TIER II IT					
Data Center – other location(s)	X				
Knight Campus IT Risk Assessment	X				
Business Continuity and Disaster Recovery	X				
MANAGEMENT REQUESTS AND OTHER ADDITIONS					
Exploration meetings/discussions to establish project – turned into a minor consultation and a risk added to OIA tracking					

* per NCAA not required for AY23

Department Staffing

			
Katie Bumgardner	Brandi Fleck	Internal Auditor I,	Leah Ladley
IT Auditor II	Internal Auditor I	Internal Auditor II,	Chief Auditor
CIA in progress*	CIA in progress	or Sr. Internal Auditor	CPA, CIA, CFE, CRMA
Joined OIA: March 2016	Joined OIA: Oct. 2021	Not yet posted, process initiated	Joined OIA: Feb. 2020

*Information Technology
Certificates:
ITIL 4 and CompTIA A+