Risk Analysis and Evaluation

2016 Tier 1 Risk Profile

UNCW
Institutional Risk Management

Presented to the Audit, Risk and Compliance Committee of the UNCW Board of Trustees
April 21, 2016
Introduction and Purpose

One of the functions of Institutional Risk Management is to assure that risk identification, analysis and evaluation happens through regular and repeatable processes.

In accordance with ISO 31000, today’s process is designed:

• To create and protect value,
• is systematic, structured and timely,
• based on the best available information and
• is tailored to UNCW.

Note: Effective March 11, 2016, General Administration updated the UNC Policy Manual and re-named the Audit Committee as the Committee on Audit, Risk Management and Compliance, addressing the University’s internal audit, enterprise risk management, and compliance functions.
Assessment Goal and Processes

Goal: Analyze and Evaluate 2016 Tier 1 Risk Profile

Three Prong Assessment:

1. Investigators define and analyze risks identified by the IRM Committee (operational, financial, strategic and reputational). Senior officers assure an understanding and provide feedback and guidance.

2. 2015 Tier 1 Profile is reviewed for mitigation and change.

3. Senior officers undergo analyses of changing landscape.
Acknowledgements

IRM Committee

Sharon Boyd - IRM
Kristy Burnette - IRM
Kent Guion – D&I
James Koebel - GC
Rosalynn Martin - HR
Kelly Mintern - IA
Mark Morgan – Facilities
Martin Posey - CAS
Sara Thorndike – Finance
Brian Victor – Stud Affairs

IRM Steering Committee

Kathy Browder - CHHS
David Donaldson – Police
Stan Harts – EH&S
Mark Lanier – Chancellor’s
Kathy McDaniel – OIP
Zach Mitcham - ITS
Steve Perry - ITS
Claire Stanley – Advancement
Ron Vetter – Grad/Research
Katrin Wesner – Stud Health

Pat Leonard
Stefanie Powell
John Scherer
Marilyn Sheerer
Rick Whitfield

Institutional Risk Management
2015 Tier 1 Risk Update

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2015 Tier 1 Profile

Transition Challenges
Attract and Retain Talent
Title IX/Clery/VAWA Regs
Infrastructure Funding and Authority
PCI/PII Security & System Protection
Online Courses ADA Compliance

RISK KEY

Risk Color
- Very High
- High
- Medium High
- Medium
2016 Tier 1 Risk Profile

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The University must realize its own identity and learn new ways to retain its qualities of high student retention and graduation, while responding to an increasingly competitive environment that demands market-based approaches to education.

Growth of additional programs does not have to compromise quality of the undergraduate program. One of the keys to growth in student population and programs will be strategic investment in people, programs and capital facilities.

UNCW's leadership is focused on the need to fund the vision, including scholarships.

The support needs of student populations with varied needs and expectations will continue to be addressed as populations grow; examples of recent support service challenges and successes are the adaptations made for military students or online students.

Many policies at UNCW have not had periodic review; policies and training may not be keeping up with changing legislation, regulations or practice.

Formalized response teams and exercises around an array of scenarios are needed to ensure effective response to critical incidents or serious complaints.

If the University were to sustain an enduring constraint on resources, then People and Morale would be the most immediate and most impactful challenge.
Institutional Risk Management

2016 Tier 1 Profile

- Attract and Retain Talent
- Facilities Repair and Modernization
- Student Safety and Security
- Regulatory Compliance
- Information Security
- Critical Incident Response
- Student Growth Infrastructure

RISK KEY

- Very High
- High
- Medium High
- Medium

Risk Directionality

- Risk Increasing
- Risk Stable
- Risk Decreasing

2016 Tier 1 Risk Register
Financial Capital for Growth

Sample Indicators:
- 2016 Strategic Plan
- State Funding
- Audited Financial Statements
- Credit Ratings
- Budgets & Analytics
- Enrollment Reports
- Fundraising Results
Institutional Risk Management

2016 Tier 1 Profile

Attract and Retain Talent

Facilities Repair and Modernization

Student Safety and Security

Regulatory Compliance

Information Security

Critical Incident Response

Student Growth Infrastructure

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2016 Tier 1 Risk Register
Review for select assessments
2016 Tier 1 Risk Profile
Select Assessment Profiles

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Attract and Retain Talent

- **Indicators**
  - Total number of critical interim/vacant roles
  - Total number of planned retirements
  - Turnover trends by division, job class and fiscal year
  - Operational disruptions
  - Retirement eligibility - 19.3% of the workforce is eligible to retire

- **Current Mitigation Controls**
  - Identify high performing leaders through UNCW’s LEAD program
  - Continuous and effective talent development activities

- **Further Actions**
  - Explore an internal talent bank to house the available KSA portfolio of high performing employees
  - Identify hard-to-fill positions due to the expected labor shortages in certain areas
  - Define the behavior, attitude, skills, knowledge, experience and talent necessary to succeed in key roles and ensure transfer of knowledge to high performers
Title IX, Clery/VAWA*

(*other regulatory risks FLSA, ADA, HIPAA, NCAA, etc.)

**Indicators**
- No new TIX indicators are present to suggest an increased risk with regard to compliance with Title IX and Clery. Total number of Title IX cases reported have neither significantly increased or decreased in short term
- No indicators of improper handling of complaint or conduct process

**Current Mitigation Controls**
- Policy and Training Consistent With All OCR Guidance and Federal Regulations*
- New Director of Title IX and Clery
- Strong and Active Bystander Intervention Program through CARE
- Two CARE staff were among the 24 Nationally Certified ‘Trainers for Title IX Investigators’.

**Further Actions**
- Expanding Required Title IX Policies and Procedures to be parallel for Faculty and Staff

**Further Actions - Regulatory Compliance**
- Development of Coordinated Compliance Program by Assistant General Counsel for Compliance
- Furthering communication between university departments
- Assistant General Counsel for Compliance will act as liaison for policy coordination
Institutional Risk Management

Information Security

• Indicators
  • Cyber criminals increasingly targeting universities
  • Awareness of attempted unauthorized activities targeting UNCW networks and computing equipment

• Current Mitigation Controls
  • Capitalize on information security intelligence offered by Federal and State government agencies
  • Conduct scans and information security assessments
  • Conduct university-wide cyber security awareness exercise
  • Rapid campus-wide security alert notifications from the UNCW TAC

• Further Actions
  • Increase security awareness among the user community – the human factor
  • Deploy advanced malware software
  • Research improved tools for end-point security
  • Procure Cyber Insurance
  • Evaluate encryption options to add additional security for sensitive data
Student Safety and Security

Bicycle and Pedestrian Safety*

(Other safety risks include travel abroad, lab safety, communicable disease, misconduct, etc.)

- **Indicators**
  - Accident statistics, traffic counts (120 bike/ped crossings, 30 min. peak)
  - Number of bicycles registered on campus
  - Number of students beds within the 1 mile radius (2,606 in 1 mile)

- **Current Mitigation Controls**
  - Safety Walks
  - Internal and External Partnerships; NC Watch For Me Campaign
  - Raised Crosswalks; Signals at Intersections; Flashing Signals

- **Further Actions**
  - Education about Crash Statistics and Pedestrian and Bicyclist Safety Tips
  - Partner with City and DOT - College Rd intersections and mid-block crossing
    - Explore changes to signals, road engineering, visibility, warnings
  - Strategically placed signage, flashing signals (e.g., Chancellor’s Walk, Wagoner Drive)
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. Sift through the 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. Re-assess 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.

C 2009 Association of Governing Boards of Universities and Colleges, United Educators