

University Business Executive Roundtable Risk Register

Overview & Methodology

In response to a common question received by the Roundtable – “how can we fast-cycle the risk identification process?” - we have compiled a risk register for higher education institutions to use as a straw man in their discussions. The composite risk register was developed by obtaining risk registers from 17 higher education institutions, totaling ~3,000 risks.

Clarifying Terms

The risks included below are separated into two categories: (1) institutional risks and (2) unit-level risks. A key finding in Roundtable’s research is that most universities co-mingle risks of different “altitudes” in their ERM process. For example, the risk of a declining 18-21 traditional student cohort is included in the same process as inability to meet enrollment targets which is included in the same process as inadequate controls of cash receipts. As such, the Roundtable proposes that higher education institutions should separate the risks into different processes. Below is an overview of the three types of risk “altitudes” identified by the Roundtable and how the management approach of each risk altitude differs:

	Systemic & Existential Risks	Institutional Risks	Unit-Level Risks
Risk Example	Sustainability of high-cost/high-discount pricing model	Inability to meet enrollment targets	Inadequate controls over cash receipts
Risk Type	External, uncontrollable; impacts all of higher ed	Controllable and idiosyncratic risk; generally relates to strategic objectives	Controllable and idiosyncratic risk; generally relates to an existing broken process
Measurability	Low: Difficult to measure or estimate likelihood	Medium: Can estimate probability and impact	High: Can measure probability and impact
Risk Assessment Approach	Mental models	Risk maps with nominal scales	Control self assessments
Risk Treatment Objective	Reduce impact should risk occur	Reduce likelihood in a cost-efficient manner	Drive incidence of occurrence to zero
Risk Treatment Methods	Contingency planning	Risk reviews at strategy meetings; key risk indicator scorecard	Internal controls; internal audit; developing boundary systems
Board Involvement	High: Board wants to be actively engaged in discussion	Medium: Board prefers periodic updates by senior management	Low: Board wants to know senior management has a risk management process in place

Cognizant of the different risk altitudes, the Roundtable's risk register separates institutional and unit-level risks. The list of institutional risks is meant to be as comprehensive as possible. The list of unit-level risks is not meant to be comprehensive, and instead suggests example risks, recognizing that there may be hundreds of unit-level risks.

Systemic and existential risks were not included in this analysis – for a deep dive on these risks, please see the Roundtable's associated best-practice study "*Competitive Challenges to the Traditional Higher Education Model.*" Also, at the request of members, this risk register along with our overall best-practice study does not include so-called "black swan" events such as terrorist attacks, natural disasters, pandemics, and hostile intruders/active shooters. For such risks, we recommend institutions to hold periodic long-tail risk summits for a deep-dive into Black-swan risks.

Suggested Use

The Roundtable suggests that members utilize the risk register strawman to fast-cycle the risk identification process. Specifically, we recommend that:

1. The list of institutional risks is vetted with President's cabinet to identify which risks that are on the straw man are not applicable to the organization and that those lists be removed.
2. The remaining risks are assessed based on likelihood, impact and risk velocity to come up with an overall risk score (see the associated best-practices on assessing risk in the Roundtable's study on *A Practical Approach to Institutional Risk Management.*)
3. After each risk has been scored, pair down the final list to 25-50 lists (of course, this number may differ based on your organization but speaking with other higher education organizations, the Roundtable has learned from colleges that a list of greater than 50 risks is unmanageable).
4. After the list of institutional risks have been finalized, it's time to begin identifying unit-level risks. Instead of taking a bottoms-up approach to identifying every possible unit-level risk (which may result in hundreds of risks), we recommend using the final list of institutional risks and *only* identifying the unit-level risks that pertain to the institutional risk. Said differently, it's best to cascade institutional risks to unit-level risks.

RISK CATEGORY	SUGGESTED RISK OWNER	INSTITUTIONAL RISKS	EXAMPLE UNIT-LEVEL RISKS
Academic Quality	Provost	<ul style="list-style-type: none"> • Inability to Offer Courses that Meet Students' Demands • Inability to Ensure Online Education Programs Meet Institutional Academic Standards • Inability to Recruit or Retain Sufficient Faculty to Meet Desired Student to Faculty Ratios • Failure to Maintain Sufficient Academic Quality Standards Needed for Accreditation • Inability to Maintain Desired Levels of Teaching Quality • Inability to Adequately Fund or Reallocate Resources to Core or "High-Priority" Academic Programs 	<ul style="list-style-type: none"> • Improperly Managed Academic Records • Insufficient Faculty Support for Changes in Pedagogy and Curriculum
Admissions & Enrollment	VP for Admissions; Director of Financial Aid	<ul style="list-style-type: none"> • Inability to Offer Competitive Financial Aid Packages • Inability to Offer Competitive Tuition Rates • Inability to Maintain Existing Levels of Student Access • Inability to Enroll a Diverse Student Body • Inability to Meet Application Targets • Inability to Meet Enrollment/Yield Targets • Inability to Maintain Affordability Due to Increasing Student Fees 	<ul style="list-style-type: none"> • Fraud in Admission Applications and Materials • Improper Use of University Logo or Insignia
Administrative Service Delivery	CBO	<ul style="list-style-type: none"> • Inability to Meet Desired Levels of Administrative Service Quality 	<ul style="list-style-type: none"> •
Athletics	Director of Athletics	<ul style="list-style-type: none"> • Failure to Comply with NCAA Regulations Including Athletic Recruiting Guidelines • Failure to Comply with Title IX Regulations • Inability to Adequately Protect Student-Athlete Health and Safety 	<ul style="list-style-type: none"> • Lapses in Safety and Insurance Coverage for Sports Camps
Contracts	Contract Review; General Counsel	<ul style="list-style-type: none"> • Inability to Anticipate and Prevent Legal Issues Associated with External Collaborations • Inability to Anticipate and Prevent Undue Institutional Liability or Risk Exposure from Third-Party Contracts 	<ul style="list-style-type: none"> • Inadequate Signature Authority Policy and Procedures
Endowment/Development	CBO; CDO	<ul style="list-style-type: none"> • Insufficient Oversight of Internal or External Investment Managers • Inability to Absorb Significant Loss in Endowment or Investment Value 	<ul style="list-style-type: none"> • Improper Receipt/Recording of Donor Gifts

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Facilities & Maintenance	VP of Facilities	<ul style="list-style-type: none"> • Inability to Ensure Staff and Student Safety Due to Deteriorating Buildings • Inability to Stem Energy Cost Increases (Either Due to Demand or Supply Factors) • Inability to Meet Presidential Sustainability Targets • Inability to Provide Sufficient Space to Meet Teaching, Research, and Administrative Needs • Inability to Expand Campus Facilities Footprint Due to Municipal Constraints 	<ul style="list-style-type: none"> • Inadequate Building Security Procedures (Card Access, Key Control) • Inability to Prevent Safety Lapses in Campus Construction Projects • Failure to Implement and Test Resiliency and Contingency Plans for Essential Infrastructure (Heat, Hot Water, Electrical, Water/Sewer, HVAC) • Unsafe Surface Conditions During Inclement Weather • Poor Response Time to Utility Service Failure • Vandalism and Damage to University Property • Inadequate Inventory Control of Property, Plant, and Equipment • Poor Response Time to Equipment / Facility Malfunction • Failure to Comply with ADA Requirements • Workplace Safety Protocols are Inadequate or Not Followed • Failure to Maintain Physical Plant Safety and Comply with OSHA Regulations • Failure to Maintain Adequate Levels of Fire Safety and Preparedness

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Financial & Economic	CBO	<ul style="list-style-type: none"> • Inability to Detect or Prevent Conflicts of Interest in Financial Transactions, Agreements, or Gifts to Senior Administrators • Occupational Fraud; Deliberate Misuse or Misapplication of University’s Resources or Assets • Inability to Fund New Strategic Initiatives Due to Legacy Budgeting Model • Inability to Cope with Unexpected Revenue Shortfall / Budget Reductions • Failure of Online Degree Programs to Meet Financial Targets • Inability to Manage/Absorb Rising Health Care Costs • Inability to Adequately Fund All Desired Programs Due to Fund Diffusion Across Multiple Objectives • Declining Institutional Financial Flexibility Due to Reduction in Financial Reserves • Inability to Meet Liquidity Targets against Market Fluctuations • Failure to Control Growth in Debt Burden • Inability to Meet Debt Covenant Requirements • Inability to Ensure Accuracy or Completeness of External Financial Reporting • Inability to Fund Progress on Deferred Maintenance Queue • Inability to Manage or React to Fluctuations in Currency Exchange Rates 	<ul style="list-style-type: none"> • Insufficient Oversight over Third-Party Vendors • Inadequate Controls Over Decentralized Cash Receipts • Ineffective Management of Self-Insurance Program and Costs • Failure of Institution’s Pension Plan to Comply with ERISA • Failure to Comply with State’s Debt Management Regulations • Inability to Ensure Program-Level Financial Sustainability • Failure to Comply with IRS Rules and Tax Reporting Requirements

RISK CATEGORY	SUGGESTED RISK OWNER	INSTITUTIONAL RISKS	EXAMPLE UNIT-LEVEL RISKS
Human Resources	VP or Director of HR; General Counsel	<ul style="list-style-type: none"> • Failure to Prevent Significant Lawsuits and Claims Relating to Professional Liability, Discrimination, or Equal Opportunity Non-Compliance • Inability to Recruit and Retain Top Faculty, Staff and Senior Administrators • Inability to Meet Targets in Staff and Faculty Diversity • Inability to Offer a Competitive Benefits Package • Inability to Retain Faculty and Staff Due to Employee Dissatisfaction • Failure to Secure Favorable Collective Bargaining Outcomes 	<ul style="list-style-type: none"> • Failure to Prevent Inappropriate Alcohol or Drug Use by Employees • Incidences of Sexual Harassment or Misconduct by Faculty or Staff • Inadequate Procedures or Controls for New Faculty and Staff Background Checks • Failure to Comply with Overtime and Minimum Wage Regulations (FLSA) • Failure to Implement Rigorous Background Checks for New Faculty and Staff • Failure to Establish Adequate Mediation/Resolution Channels for Employee Conflicts • Failure to Prevent Workplace Violence or Harrassment • Arduous Promotion and/or Tenure Policies
Information Technology	CIO	<ul style="list-style-type: none"> • Inability to Prevent Unauthorized Modification of Data • Failure to Recover from System Loss or Extended Downtime in a Timely Manner • Inability to Ensure Physical Infrastructure Security • Inability to Maintain or Replace Obsolete Systems/Technology in Timely Manner • Inability to Grow IT Resources and Data Center Capacity to Meet Campus Needs • Inability to Provide Accurate and Timely Updates of Core Information Systems to Administrative Areas • Inability to Deliver Satisfactory User Support • Failure to Comply with Information Security and Privacy Regulations • Inability to Complete Mission-Critical IT Projects in a Timely Manner 	<ul style="list-style-type: none"> • Unencrypted Data on Stolen Devices • Inadequate Identity Management Systems • Inadequate Protections against Virus or Spyware Infestations • Sensitive Data on Server Not Managed by Central IT • Inadequate Data Storage and Back-Up Policies • Inadequate Controls of Security of Electronic Commerce on Campus (Including Credit Cards)

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Public Safety & Hazard	Public Safety; EH&S; Risk Management	<ul style="list-style-type: none"> • Failure to Implement and Test Adequate Emergency Preparedness Measures and Post-Event Contingency Plans • Inability to Ensure Safety of Faculty and Students Working and Volunteering Off-Campus • Inability to Ensure Safety of Faculty and Students Working, Studying, and Volunteering Overseas • Failure to Prevent Significant Lawsuits and Claims Relating to Workers' Compensation • Excessive Force by Campus Policy that May Result in Severe Injury and/or Death 	<ul style="list-style-type: none"> • Inability to Protect Against Threats to Safety and Security of Employees and Students Due to Serious or Petty Street Crime • Inability to Maintain Pedestrian, Bicycle, and Motorist Safety on Campus • Improper Use of Campus-Owned Motor Vehicles by Faculty, Staff, or Students • Failure to Comply with Clery Act Requirements • Inability to Properly Control Hazardous Material on Campus • Ineffective Crowd Management/Public Event Controls
Research and Grants	VP for Research; Pre/Post Award Office	<ul style="list-style-type: none"> • Inability to Detect or Prevent Major Breaches in Research Integrity and Ethics • Inability to Detect or Prevent Conflicts of Interest Stemming from Third-Party Contracts • Failure to Comply with Applicable Human/Animal Subject Regulations • Inability to Prevent Intellectual Property Infringement • Export Control Violations 	<ul style="list-style-type: none"> • Inaccurate/Incomplete Effort Reports • Inability to Obtain Audit Report or Audit Certification from Sub-Recipients • Inability to Obtain Reasonable Assurance that Sub-Recipient Achieved Performance Goals • Inability to Prevent Research Data Loss or Contamination • Failure to Comply with Sponsoring Agency Regulations and Funding Conditions • Inability to Produce Accounting and Reporting Materials that Meet External Parties' Needs • Failure to Ensure that Grant Funds Are Used In Accordance with Grant Requirements • Inability to Detect or Prevent Non-Compliant Cost Transfers • Inability to Control or Prevent Lapses in Lab Safety

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Student Life	VPSA	<ul style="list-style-type: none"> • Inability to Ensure that Student Mental Health Challenges Are Adequately Addressed • Inability to Recruit or Retain Students Due to Student Dissatisfaction with Campus Experience • Failure to Adequately Serve and Promote Student Groups 	<ul style="list-style-type: none"> • Inability to Prevent Illegal Alcohol and Drug Use by Students • Failure to Adequately Prevent/Control Student Hazing Activities • Failure to Ensure Health Standards of Campus Dining Services • Failure to Comply with FERPA Requirements • Failure to Adequately Prevent or Respond to Incidences of Sexual Harassment or Misconduct by Students
Student Success	Provost; Deans	<ul style="list-style-type: none"> • Inability to Meet Retention Targets • Inability to Retain/Graduate Students Due to Lack of Early Warning Systems • Inability to Retain/Graduate Students Due to Inadequate Academic/Advising Support 	<ul style="list-style-type: none"> • Inability of Academic Conduct/Disciplinary Procedures to Detect and Resolve Misconduct