San Francisco State University
We Make Great Things Happen
Campus-Wide Risk Registry

Risk Assessments and Mitigation Strategies
The Agenda

- Introduction
  Welcome

- Risk Defined
  Identification

- Types of Risk
  You mean there isn't just one?

- Risk Management Strategies
  What can the campus do?

- Initiatives
  What does the campus currently do?

- Get in touch
  We want to hear from you
The Chinese word for risk is spelled with two characters meaning “danger” and “opportunity.”

風險 / 风险
fēng xiǎn
An uncertainty, generally in the future that may improve or worsen the outcome(s) of an organization’s objectives.
Types of Risks

Consider risks in your areas related to:

**Financial Risk** - Risks that could affect an organization's flow of revenue or funding.

**Strategic Risk** - Risks that could impede the organization's ability to achieve its strategy and strategic objectives.

**Operational Risk** - The prospect of loss resulting from inadequate or failed procedures, systems or policies. Employee errors. Systems failures. Fraud or other criminal activity. Any event that disrupts business processes.

**Compliance Risk** - The threat posed to a company’s earnings or capital as a result of violation or nonconformance with laws, regulations, or prescribed practices. Companies that fail to comply with the necessary standards may be subjected to fines, payment of damages, and voided contracts.

**Reputational Risk** - A risk of loss resulting from damages to a firm's reputation, in lost revenue; increased operating, capital or regulatory costs; or destruction of shareholder value, consequent to an adverse or potentially criminal event even if the company is not found guilty.
Everyone is a Risk Manager

Risk Management is everyone’s responsibility.

If you see something, say something.
Risk Management Strategies

- RISK AVOIDANCE
- RISK MITIGATION
- RISK TRANSFER
- RISK ACCEPTANCE
Risk
Risk Mitigation
Risk
Risk Transfer
Risk
Risk Management

What would you do to minimize the risk associated with the previous slide?
Risk Avoidance
SF State Strategic Plan

PURPOSE

The interconnectedness of risk events across the University, and how they impact SF State’s strategic plan, called for the need to systematically share risk and internal control knowledge across departments and their respective functions in order to ensure best practices.

MISSION

Advise the University President by collaborating to identify and manage the full range of risks that the University faces.
ARC Committee

Mission

The Audit, Risk and Compliant Committee will advise the President by collaborating to identify and manage the full range of risks that the University faces. The ARC Committee will champion the resultant strategies and be charged with communicating them to each member’s respective areas. A common language for managing risk and identifying appropriate controls will be established with a balanced view; one that attempts to minimize hazards, influence control uncertainties, and manage opportunities.

The Audit, Risk and Compliance (ARC) Committee was established on July 10, 2015 to identify and manage the full range of risks that the University faces. Chaired by the Vice President for Administration & Finance/CFO, the Committee meets every two months.

We have expanded the committee to include members from Student Affairs and Enrollment Management and our Auxiliary Organization partners.
Topics discussed over the course of the year include:

- Audit and Advisory Services
- Development of Department Risk Dashboards
- IT Security and Phishing
- Response to Chancellor’s Office Risk Assessment Project
- Campus Asset Management
- Time, Place and Manner Policy Revisions
- Residential Housing & Security Action Plan
- Business Continuity Planning
Risk Assessments

Consider your area’s strategic, financial, compliance, operations, reputational, and reporting risks.

As you complete an organizational Risk Assessment, think about your accomplishments in the last year, goals and objectives for the coming years, recent events both positive and negative, on-going critical projects and programs, as well as new initiatives.

Ask yourself what unexpected risk events or obstacles might prevent you from success.
Risk Assessment Tool

Customize Scales

Before you begin reviewing and evaluating the risks involved, it is necessary to set some common definitions for the varying degrees of a risk’s impact and likelihood. It is also important to set common parameters for evaluating the effectiveness of controls.

Sample definitions are provided, but they can be modified to suit your needs. When you have completed this step, begin describing objectives and assessing risks on the pages linked below.

You can return to this page any time by clicking the “Customize Scales” button on any page.

Describing Objectives and Assessing Risks

- Step 1: Describe Objectives
- Step 2: Assess Strategic Risks
- Step 3: Assess Financial Risks
- Step 4: Assess Operational Risks
- Step 5: Assess Compliance Risks
- Step 6: Assess Reputational Risks
- Step 7: Assess Reporting Risks

Reports

- Ratings and Summary
- Chart of Risks

Return to Introduction

Risk Impact

<table>
<thead>
<tr>
<th>Scale</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very high</td>
<td>Operations threatened or significantly affected in the immediate and long term</td>
</tr>
<tr>
<td>High</td>
<td>Operations in the immediate term are significantly reduced or impacted, long term operations are potentially impaired.</td>
</tr>
<tr>
<td>Moderate</td>
<td>Operations avoid suspension or long-term impairment, but modifications to operations must be implemented.</td>
</tr>
<tr>
<td>Low</td>
<td>Impairments are limited to short-term consequences with few or no long-term effect. Minimal change to current operations.</td>
</tr>
<tr>
<td>Very low</td>
<td>Operations remain mostly unchanged in the immediate or long terms, but risk awareness and monitoring remains worthwhile.</td>
</tr>
</tbody>
</table>

Risk Likelihood

<table>
<thead>
<tr>
<th>Scale</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very high</td>
<td>Certain to occur</td>
</tr>
<tr>
<td>High</td>
<td>Almost certain to occur</td>
</tr>
<tr>
<td>Moderate</td>
<td>May occur within the year</td>
</tr>
<tr>
<td>Low</td>
<td>Not likely to occur within the year</td>
</tr>
<tr>
<td>Very low</td>
<td>Not likely to occur within the next 10 years</td>
</tr>
</tbody>
</table>

Control Effectiveness

<table>
<thead>
<tr>
<th>Scale</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nearly complete</td>
<td>The controls reduce the risk’s combined likelihood and severity by 95%.</td>
</tr>
<tr>
<td>Significant</td>
<td>The controls reduce the risk’s combined likelihood and severity by 95%.</td>
</tr>
<tr>
<td>Moderate</td>
<td>The controls reduce the risk’s combined likelihood and severity by 50%.</td>
</tr>
<tr>
<td>Minor</td>
<td>The controls reduce the risk’s combined likelihood and severity by 30%.</td>
</tr>
<tr>
<td>None</td>
<td>The controls do not reduce the risk’s likelihood or severity at all.</td>
</tr>
</tbody>
</table>

Weighting

<table>
<thead>
<tr>
<th>Risk Impact</th>
<th>Risk Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>

You can change the weighting of the impact and likelihood factors above by changing the numbers above. These two numbers must add up to 100%.
Risk Assessment Tool Demo
Department Level

- **Presentation of Findings:** Discuss with campus departments & units

- **Recommendations:** Provide recommendations to departments with consideration being given for department funding and time constraints

- **Assistance:** Enterprise Risk Management and our campus partners (Procurement, AA&S, PIAT, Budget) are available to assist.
1. **Strategic Risk**: System-wide Process and Procedures create inefficiency. Example: streamlining and greater consistency is needed.

2. **Financial and Strategic Risk**: Employee compensation and classification. Example: the standardization of compensation policies impacts our competitiveness, localized standards are needed.

3. **Strategic Risk**: Student Success is impaired. Example: CSU and campus-wide legislative issues, requirements, and initiatives lack coordination and communication. The proposal to increase math requirements for incoming students may have an inequitable effect on underrepresented student groups. Example: Systems and resources need to be provided to be able to execute to requirements and support student mental health needs. Graduation delays result from course “bottleneck” and students are unable to fulfill their requirements and progress toward graduation.
4. **Strategic Risk**: Vendor Performance. Example: ICSUAM 5000 does not always support obtaining the best choice, consideration for vendors’ past performance should be a greater factor.

5. **Financial Risk**: Technology Redundancy. Example: need for improved centralized IT governance and coordination of selection (both campus and system-wide)
Ongoing Campus-Wide Risk Assessment
Tentative List of Interviewees

- President
  - Athletics
- Student Affairs & Enrollment Management
  - Dean of Students
  - Student Affairs
  - International Education
  - Equity & Community Inclusion
  - Campus Safety
- Academic Affairs
  - Operations
  - Resources
  - Faculty Affairs
  - Office of Research & Sponsored Programs
  - Library
  - Graduate Studies
  - Undergraduate Studies
- Advancement
  - Advancement Services
  - Alumni Relations
  - University Communications
  - University Development
  - Government and Community Relations
  - Special Events

- Administration & Finance
  - Audit
  - Budget
  - Business Operations
  - Fiscal Affairs
  - Human Resources
  - Information Technology Services
  - Facilities
  - Housing, Dining & Conference Services
- University Enterprises
  - Capital Planning, Design, Construction
  - Real Estate Development & Property Management
- University Counsel
- Auxiliary Organizations
  - Associated Students
  - University Corporation
- Remote Campuses
  - Romberg Tiburon Center
  - Downtown Campus
  - Sierra Nevada Field Campus
Ongoing Campus-Wide Risk Assessment

Department Interviews

- Scheduled from February 1st through November 1st with designated management representatives
- Final Campus-Wide Risk Registry Report to the President by November 15, 2018
Review of Findings
What do we do with the information?

Cabinet Level

• **Presentation of Findings**: Present to President’s Cabinet

• **Cabinet Discussion**: Cabinet discusses findings and re-ranks to better align with Campus strategic Goals

• **Identification and Allocation of Resources**: Cabinet identifies action items and identifies/allocates resources for mitigating risks

• **Re-assessment**: The process of assessing risks is an ongoing process. If new risks are identified during the year, Enterprise Risk Management will work to address. Campus-wide assessments will be formally performed annually.
Upcoming Risk Talks

**Executive Directive #89-13: Time, Place & Manner Updates**
*February 14, 2018, 11 am – 12 pm, Humanities 587*
Presenters: Michael Beatty, Risk Manager
            Brian Stuart, Assistant Dean of Students

**Subpoenas and Public Records Act Requests**
*March 14, 2018, 11 am – 12 pm, Library 121*
Presenter: Andrea Whipple, Compliance and Policy Coordinator

Suggestions for other Risk Talk topics?
Email Solinna at solinnak@sfsu.edu