

September 14, 2009

MEMORANDUM

TO: Vice Presidents, Deans and Directors Reporting to the President

FROM: Office of the President

SUBJECT: TAMU's Enterprise Risk Management

Enterprise risk management (ERM) is a process designed to identify and manage potential events that may affect the University's ability to achieve its objectives. An objective of ERM is raising awareness of the risks that can affect the university's mission and coordinating the strategies used to address those risks in day-to-day operations. One of the first steps in ERM is defining a risk. TAMU defines risk as any issue or event that adversely impacts the institution's ability to meet its objectives: simply stated, it describes what keeps you up at night.

TAMU has implemented an Enterprise Risk Management process where 1) risks are identified and ranked, and 2) mitigating activities are documented and reviewed. Many of you have participated in one of the University-wide risk assessments and/or have performed a risk assessment in your individual area(s).

The complex and rapid changes in today's environment continually affect Texas A&M University and our ability to identify and manage risks. As such, the University-wide risks have been recently re-assessed (April 2009) and the process of documenting and reviewing the mitigating activities is underway. (See attached list of red risks).

Given the importance of effectively managing our risks, I am directing each of you to ensure your unit's risk assessments are current (within two years) and a copy is on file with University Risk and Compliance. If you would like assistance in performing or updating a risk assessment, University Risk and Compliance can assist by facilitating group discussions, small group meetings, or one-on-one meetings to promote the process, identify risks, perform rankings, document mitigating activities, review monitoring procedures, etc.

Questions regarding ERM and risk assessments may be directed to Ms. Peggy Zapalac, Director, University Risk Management.

Attachment

cc: Dr. Alex Kemos
Mr. Charley B. Clark
Ms. Margaret Zapalac

2009 Texas A&M University-wide Risks (April 2009)

Red Risks (Impact/Probability; H=High, M=Medium)

A - Academic Quality

- HM Insufficient funding to maintain quality programs
- HM Noncompetitive start-up/retention funds & faculty salaries (hiring and retaining faculty)
- HM Noncompliance in research activities (conflicts of interest, research misconduct, human/animal subject protocols, IRB compliance, time/effort reporting, OMB circular, grant award requirements, etc.)
- HM Risks associated with the changing nature of the constituency population (mental health issues, prescription drugs, abuse, violent behaviors, threat to self and/or others, etc.)

G - Great Value/ Accessibility

- HH Inability to provide administrative, technical, and other staff to adequately support growth (increase in faculty and students) and maintain leading edge capabilities
- HM Not meeting the expectations of external constituencies (former students/donors, taxpayers, research partners, etc.)
- HM The inability to maintain legislative support as a tier 1 research University

G - Globalization

- HM International activities, collaborations, and centers (export controls, IP transfer, employment, Qatar)
- HM Risk associated with community/university perspectives/relationships regarding abuse (verbal, physical, violence) against international students/staff and other diverse groups.

I - Infrastructure/ Facilities

- HH Deteriorating facilities and infrastructure (campus buildings, student housing, physical plant operations, funding repairs/maint., inadequate research and teaching infrastructure, etc.)
- HM Noncompliance with fire and life safety requirements (obstructed exits, electrical overloads, material storage, flammable material in labs, unsafe equipments, warning/suppression systems)
- HM Risks associated with an open environment (unsecured facilities, active shooter, key/card access controls, surveillance, etc.)
- HM Risks associated with Info Technology failures (loss of systems, loss of data, theft of data, intrusions/malware, obsolescence, confidential/sensitive data, interdependencies of WebCT, library computing, and TTVN, etc.)
- HM Risks associated with large scale open events (conferences, camps, visitors, student groups, the corps of cadets, athletic events, unanticipated campus events, etc.)

E - Enlightened Governance

- HM Funding shortfalls/reduced funding combined with an anticipated growth factor (inability to generate adequate additional revenue, loss of teaching and/or research funds, salary compression, reduction in services, tight budget allocations)
- HM Risk of noncompliance with State and Federal requirements (FERPA, HIPAA, copyrights, intellectual properties, student financial aid, international laws on immigration and hiring, external reporting, Title IX, export controls, etc.)