



UNIVERSITY OF WYOMING

Risk Assessment 2023

March 4, 2023

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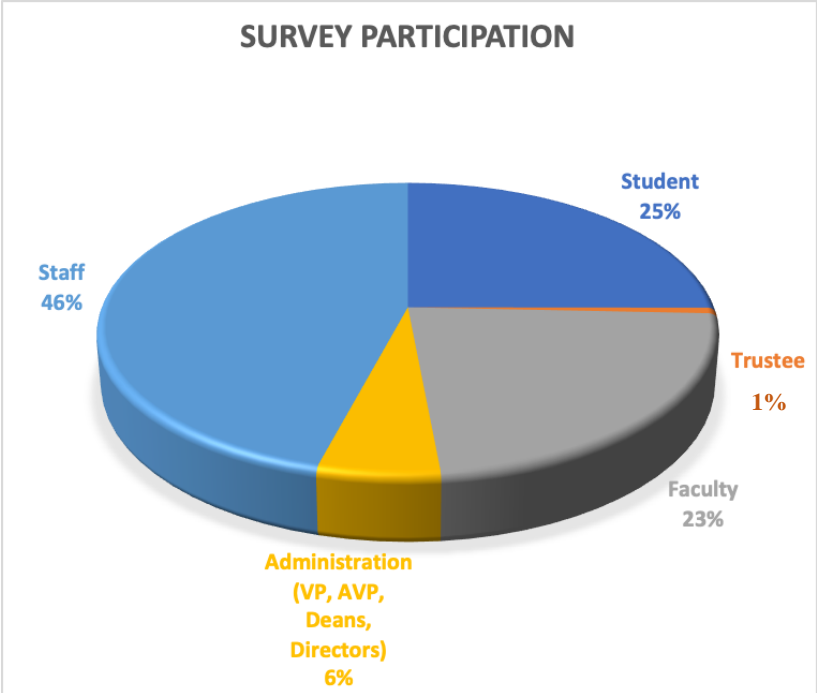
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EXECUTIVE SUMMARY:

The report contains the results from the 2023 Risk Assessment. The survey serves as a mechanism to identify and measure risks to the University’s strategic objectives. It also provides a measurement of culture and potential factors related to ethical conduct.

Survey results are widely distributed, beginning with the Board of Directors, Presidential Cabinet, the Enterprise Risk Management Advisory Committee, Staff and Faculty Senate, and other key stakeholder groups. **The sharing of these results is a pathway to ensure that leaders and compliance partners understand the findings and are equipped to implement controls for addressing risks to strategy, culture, and operations.**

Each year, the assessment process attempts to be more inclusive, reaching additionally identified stakeholders during the previous calendar year. In 2021, the risk assessment received 295 responses. The 2022 assessment received 462 responses, and the 2023 survey received 639 unique and complete responses from individuals representing various stakeholder groups including students and major budget units. This cross-section provides a more comprehensive view of basic classification groupings for the respondent population.



As the University has just established a new strategic plan, the risk assessment will provide critical information that contributes to the next phase of implementation and planning.

The results of the 2023 annual risk assessment have the potential to diagnose the current state of strategic efforts and identify risks that may challenge the achievement of objectives related to the mission of the University of Wyoming.

The Enterprise Risk Management Advisory Committee (ERMAC) will review this report to evaluate areas of vulnerability. In the past,

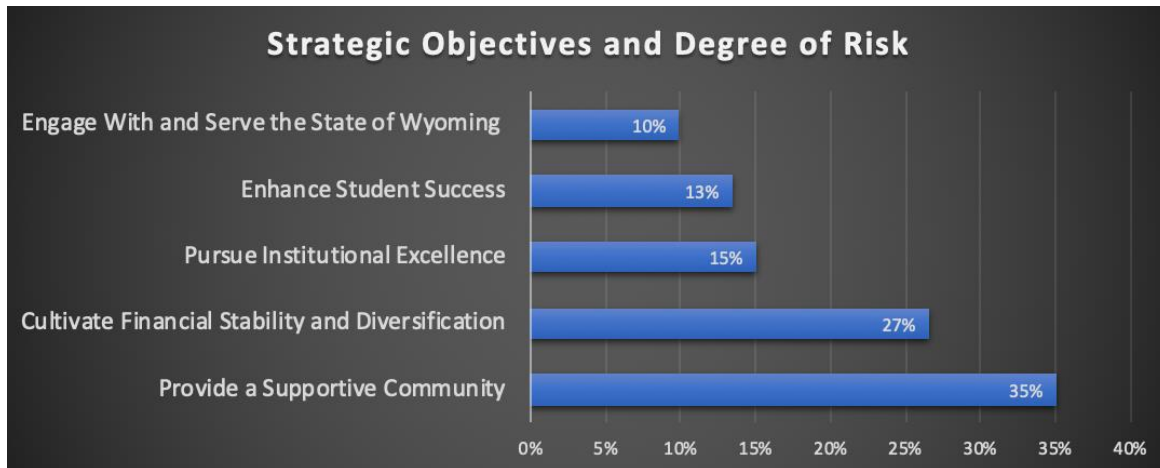
the committee has used this report to update, formulate and prioritize Enterprise Risk Management (ERM) focus projects and/or recommendations for the coming year.

Internal Audit will also use information in this report to create a risk-based audit plan and make necessary adjustments to the internal audit program.

According to the survey, the top four risks facing the University of Wyoming have changed slightly from 2022 to 2023:

2022	2023
Recruitment and Retention of Staff and Faculty	Recruitment and Retention of Staff and Faculty
Funding and Budget Cuts	Recruitment and Enrollment of Students
Recruitment and Enrollment of Students	Funding/Budget Cuts or Conditions
General Facility and Deferred Maintenance	Student Mental Health

The strategic objective most at risk of being advanced is to Provide a Supportive Community – foster a culture of community that values and cares for students, faculty, and staff.



The student component of the survey identified two objectives that represent where they felt our greatest challenges exist:

- **32% selected Enhance Student Success** - Integrate best practices in teaching and learning to produce skills required for life, work, citizenship, and adaptation to the needs of a changing world.
- **29% selected Provide a Supportive Community** - Foster a culture of community that values and cares for students, faculty, and staff.

The survey also captured specific risks related to each of the objectives. This information should be used as each unit forms their implementation plans. The risks and challenges should be considered and interpreted through the lenses of expertise that each department possess. Following this ERM model will greatly enhance the advancement of these objectives.

The following report also includes an assessment of progress on action plans developed and executed by the Enterprise Risk Management Advisory Committee (ERMAC) to address risks identified in the 2022 Risk Assessment. Overall, the survey responses indicate that these projects need continued action as the risks still present a threat to the University.

An added element to the 2022 Risk Assessment was an evaluation of the ethical culture on campus. This area was evaluated again in 2023 and a comparison made so that changes can be addressed. An assessment of culture and conduct can provide information regarding the achievement of goals and can impact the risks related to fraud, theft, compliance, and safety issues. The results were favorable as most agreed that positive cultural elements were present. However, the responses also indicate that this is an area where further attention is still needed to make improvements.

In cooperation with the Chief Risk Officer, a risk assessment will be completed annually to assess emerging risks. The information will allow both offices to monitor the risk environment and contribute toward the management of risks that could present challenges to the University of Wyoming achieving great outcomes.

SURVEY RESULTS:

The following tables represent the compiled results from Trustee, Administration, Leadership, Business Unit and Student survey responses.

Asset and Access Security and Safety:

“Do you have any building or asset security concerns?”

In fulfillment of its mission and compliance responsibilities, the University must maintain procedures that safeguard University assets. This includes human capital as well as property and equipment.

2022

171 individuals out of 462 (37%) submitted responses indicating a concern regarding building access or asset security concerns.

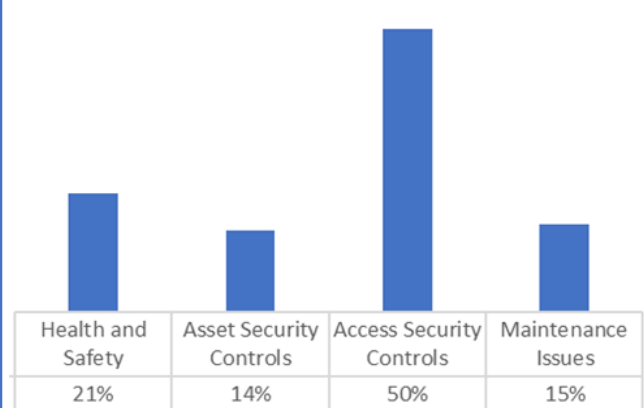
Access and Asset Concerns



2023

114 individuals out of 639 (17%) submitted responses indicating a concern regarding building access or asset security concerns.

Access and Asset Concerns



Health and Safety concerns: ice removal, asbestos in buildings, temperature control, accessibility, air quality, poor external lighting, mold issues due to leaks, shared working spaces that increase the risk of infection due to poor ventilation

Asset Security concerns: vandalism, theft, tracking of computers and other electronic devices, inadequate protection of digital assets and proprietary equipment, vulnerable exhibits and collections

Access and Security concerns: the centralized control of the S2 system requires implementation of new internal controls of review and validation of access, access issues with off-campus sites, various locking mechanisms across campus, security cameras needed in key areas, lack of security due to the reduced physical presence of staff, office doors that cannot be properly secured

Maintenance Issues: leaks and floods resulting in mildew and mold, broken elevators, peeling carpet, older buildings that require constant attention, access to maintenance of facilities off-campus

The details of these concerns has been reported the Chief Risk Officer and to the ERMAC so that the need for action can be assessed. Internal Audit will also use this information in the creation of the Internal Audit plan and program.

Operational Concerns:

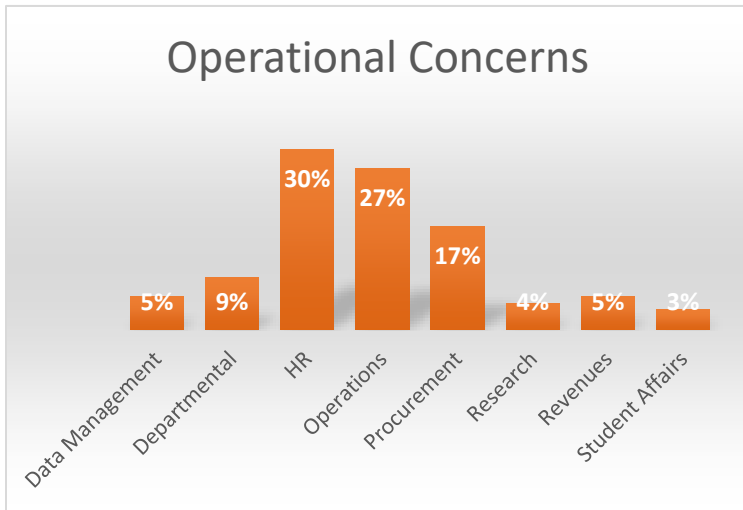
“Please describe a business process, procedure or area that should be reviewed?”

Implementation of the Institute of Internal Audit Performance Standard 2130 requires that the internal audit activity must evaluate the adequacy and effectiveness of controls in responding to risks within the organization’s governance, operations, and information systems regarding the achievement of the organization’s strategic objectives.

The concerns tabled below indicate areas in which operational processes are not meeting expectations.

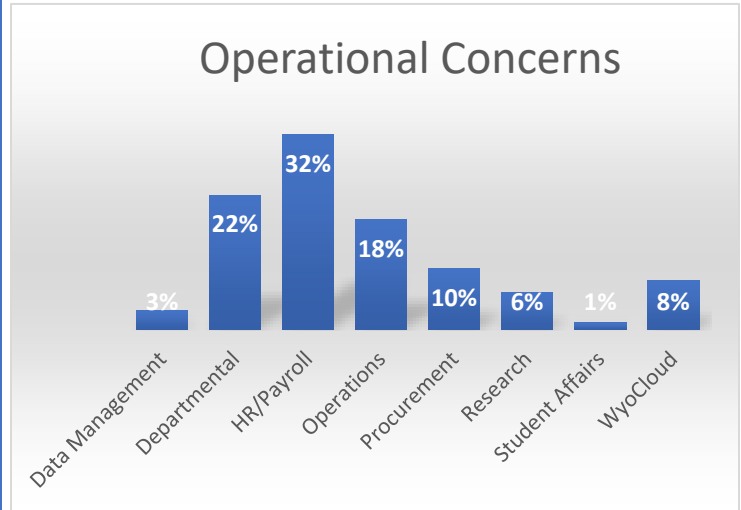
2022

98 individuals out of 462 (21%) submitted responses indicating operational concerns.



2023

102 individuals out of 639 (16%) submitted responses indicating operational concerns.



The magnitude of programs and services must be calibrated against the capacity to implement proper internal controls.

Data Management: operational concerns regarding the protection of data, data access controls, and procedures regarding the release of sensitive information

Departmental: operational concerns regarding specific departments

HR: operational concerns regarding compliance with policies and procedures, culture, hiring procedures, pay equity and wages, on-boarding training and orientation, supplemental pay

Operations: operational concerns regarding key and electronic access controls for building, timely and complete maintenance of buildings, ADA issues, accessibility and parking, inventory of capitalized and sensitive assets, custodial needs, availability of parking, condition of vehicles, safety of buildings

Procurement: operational concerns regarding timeliness of contract approvals, p-card utilization and documentation, travel requests, spending against closed Foundation sister accounts

Research: operational concerns regarding the establishment of incoming research grants, commercialization, management of sub-awards, management of start-up funds

Student related affairs: operational concerns regarding the scheduling of classes, safety of student spaces

Revenues: operational concerns regarding transparent distribution of tuition revenue, distance education revenues, electronic deposits made to UW

The details of these concerns will be reported to the ERMAC so that the need for action can be assessed. Internal Audit will also use this information in the creation of the Internal Audit plan and program.



Change in Leadership:

“Please describe the change in leadership your area has experienced?”

Effective operational risk management requires consideration of the impact of turnover on business outcomes and can impact the achievement of strategies and objectives. Turnover in leadership roles can impact internal controls, culture, and governance.

2022

89 individuals out of 462 (19%) submitted responses indicating a change in leadership.

2023

182 individuals out of 639 (28%) submitted responses indicating a change in leadership.

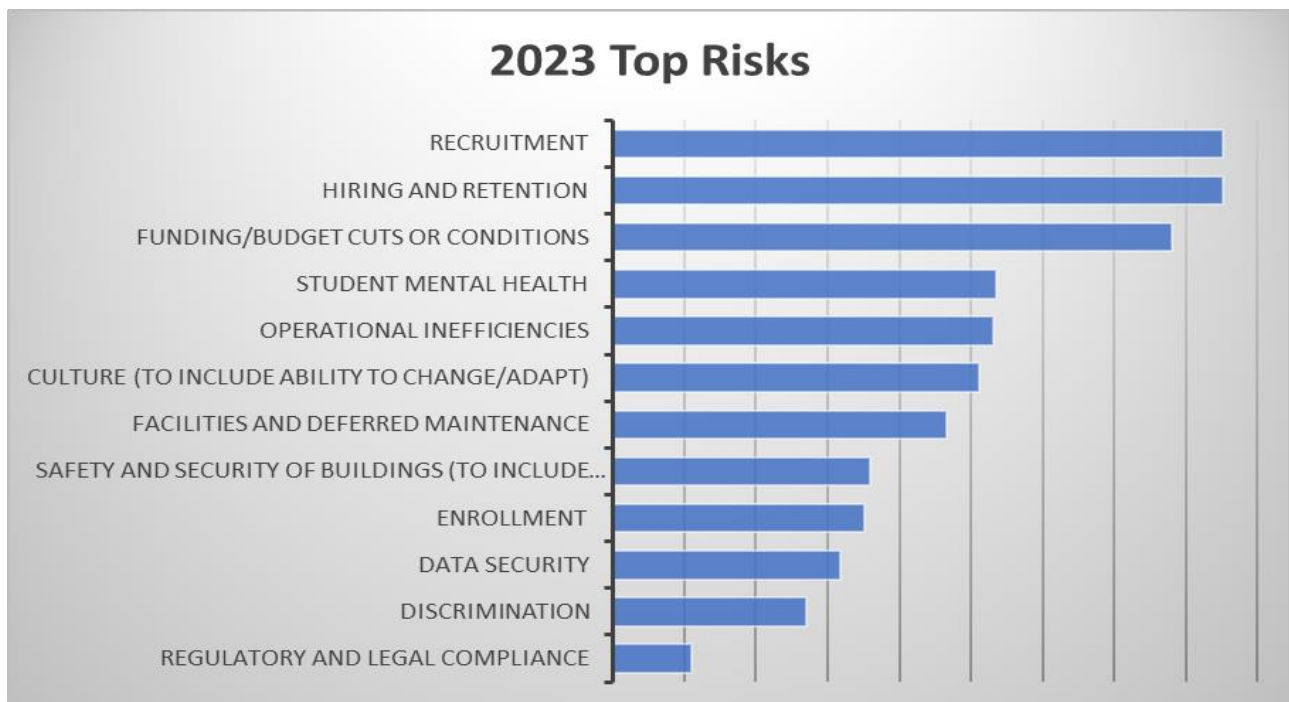
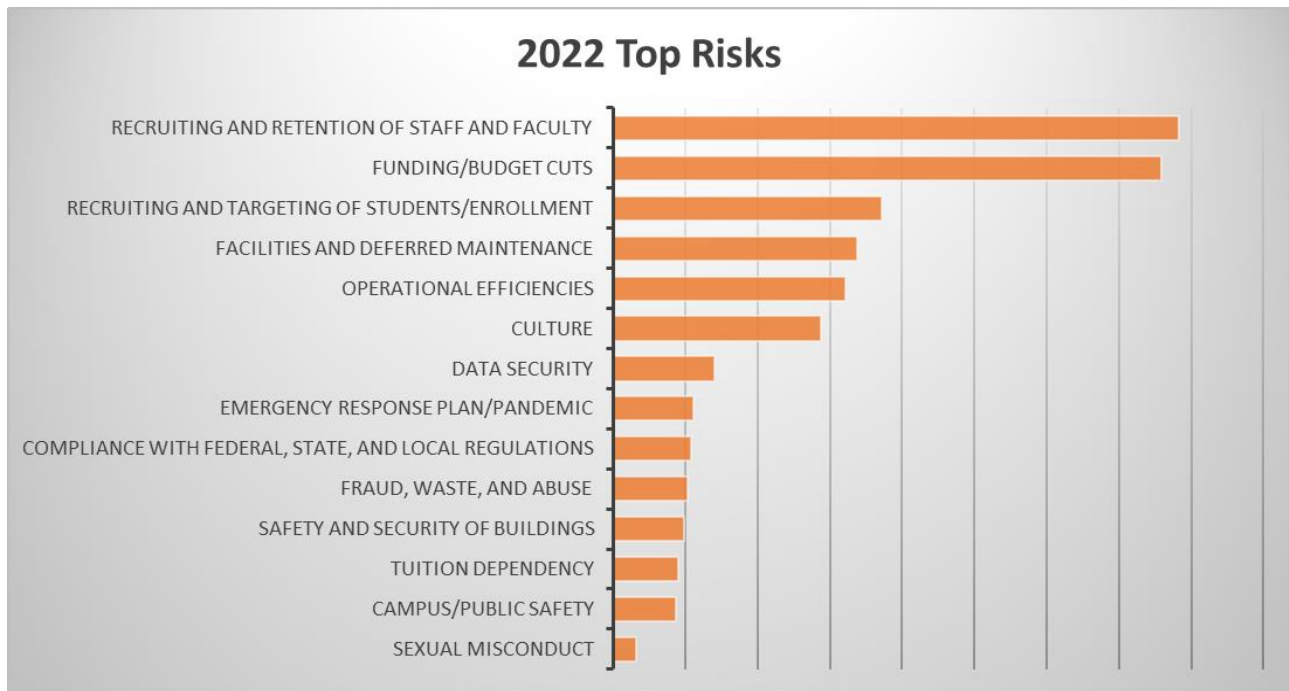
The change of leadership were identified in the following positions and will be considered in the creation of the Internal Audit plan.

- Managers
- Directors
- Department Heads
- Deans
- Associate Vice President
- Vice President

Top risks facing our university:

“What risks could threaten the achievement of objectives?”

The following charts indicate the top risks facing all colleges and universities today and represent a compilation of top risk as reported by United Educators (UE). The results from 2022 and 2023 are presented for comparison. These risks present challenges to the achievement of our strategic objectives and are highly likely to have a detrimental impact in the next 0-4 years if left untreated. The respondents were asked to choose the top four risks that deserve the greatest degree of attention and treatment.



The **recruitment and retention of staff, faculty, and students** remain as top issues that challenge the achievement of strategic objectives. In 2023, respondents identified a greater concern regarding student mental health, operational efficiencies, culture, and facilities and deferred maintenance.

Information from this section will impact the Internal Audit program to ensure that high-risk items are assessed in each audit to the degree possible.



Strategic Risks: “Which strategic objective do you feel is most at risk of not being advanced?”

In the Strategic Planning process, the University must take account of risk in its outlook and planning. This increases the importance of understanding strategic risks and establishing strategic control solutions, rather than simply trying to establish and achieve targets despite the risks.

The University has committed to five major objectives as a part of our 2023+ Strategic Plan. The information in the following section can be used to:

- Inform the implementation and reporting phases of the strategic plan at all levels of planning
- Inform the budgeting process so that funds can be funneled strategically to mitigate risks, and take advantage of opportunities
- Inform our understanding of culture and perceptions that will impact success
- Inform and direct the Internal Audit Plan



Based on the results, the strategic objective most at risk is “Providing a Supportive Community.” Strategic treatment needs to address our ability to foster a culture of community that values and cares for students, faculty, and staff.

achieving Institutional Excellence. The following section provides information regarding the specific risks to each strategic theme and an associated risk score based on the impact and likelihood of that risk.

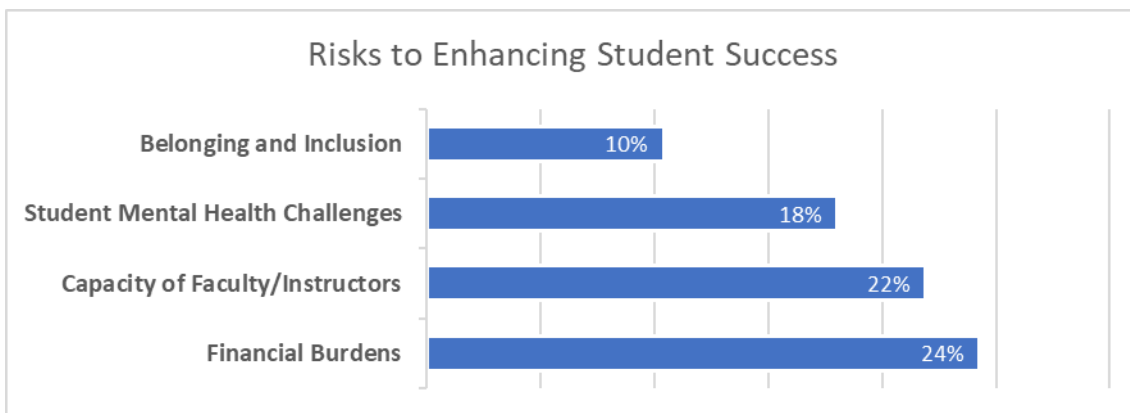
The students that participated in the survey felt that “Enhancing Student Success” was the objective that deserves the greatest amount of treatment (32%), and Providing a Supportive Community was a secondary concern at (29%).

Strategic Objectives:

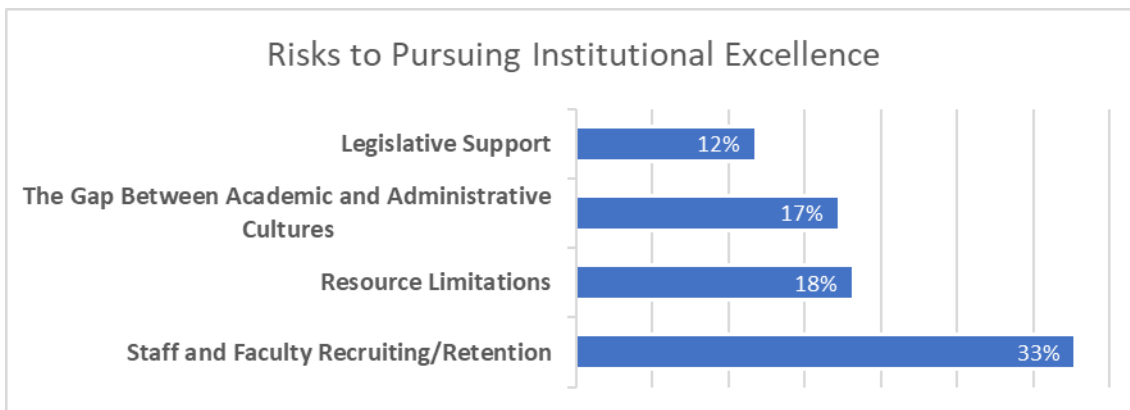
“Select the risks you believe are certain to have a significant impact on our advancement of each objective?”

The next part of the survey explored situational risks to each of the strategic objectives. During the implementation phase of planning, each department will have the opportunity to decide goals and objectives that contribute to the overall strategic plan. Goals should address these risks so that hurdles can be averted, and opportunities maximized.

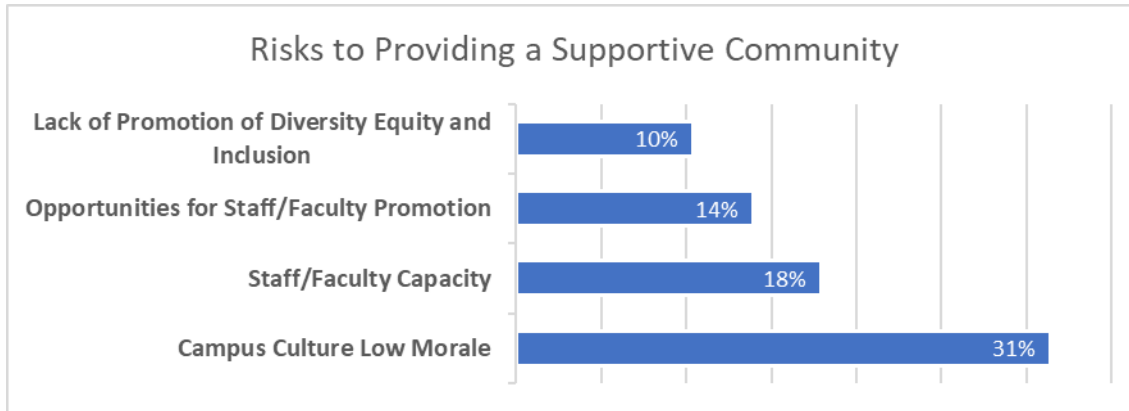
Enhance Student Success - Integrate best practices in teaching and learning to produce skills required for life, work, citizenship, and adaptation to the needs of a changing world.



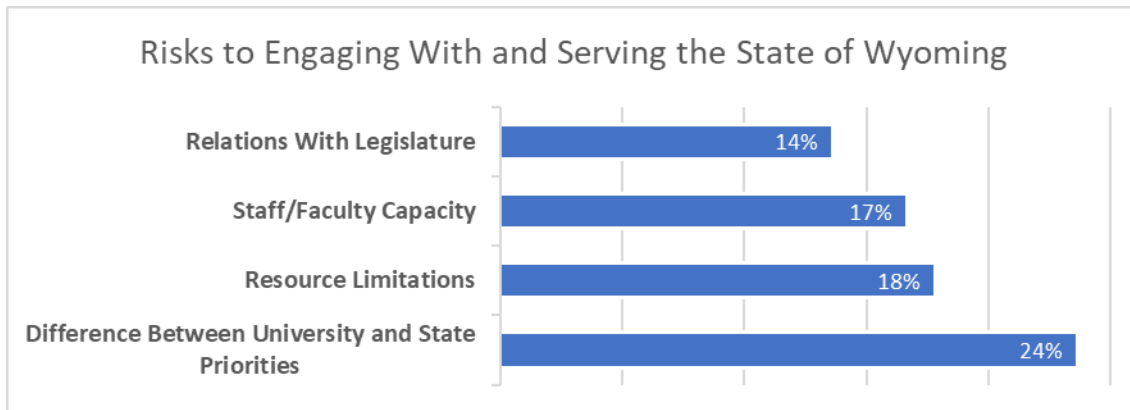
Pursue Institutional Excellence - Nurture a culture of diverse ideas and knowledge creation that promotes teaching, learning, community engagement, economic development, and world-class research.



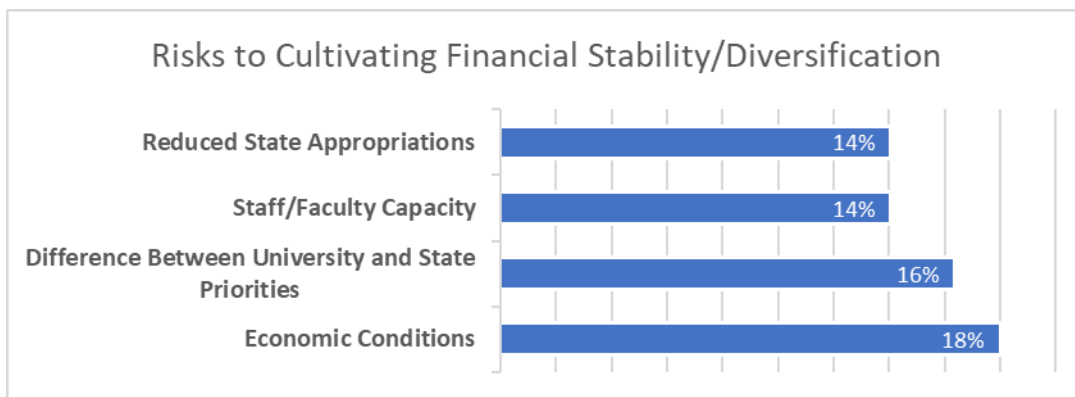
Provide a Supportive Community - Foster a culture of community that values and cares for students, faculty, and staff.



Engage With and Serve the State of Wyoming - Sustain and enhance our extensive service to and engagement with the State to improve the mental, physical, and economic health of Wyoming and its residents.



Cultivate Financial Stability/Diversification - Ensure the long-term vitality of UW through diversification and growth of revenue streams and effective application of resources, infrastructure, and processes.



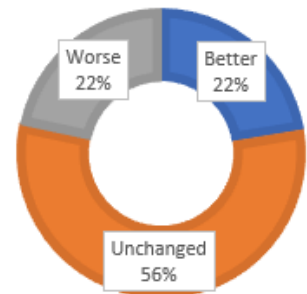
Enterprise Risk Management Projects:

“What is your impression of the current status of the following ERMAC projects as compared to the condition one year ago?”

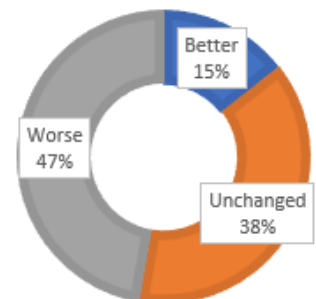
The Enterprise Risk Management Advisory Committee (ERMAC) uses the annual risk assessment to isolate projects that address campus-wide risks. Individuals from various departments across campus develop action plans to treat the risks. The purpose of this section is to assess the progress against projects identified in the 2022 Risk Assessment.

Information in this section will be used by the ERMAC in adjusting action plans and in planning risk management projects for next year.

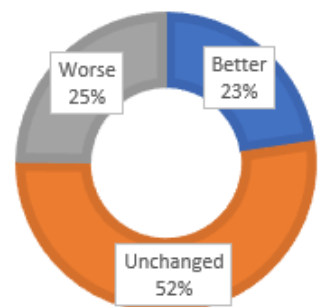
UW FISCAL SITUATION AND BUDGET: action plan addresses an assessment of risks associated with program re-alignment and budgetary adjustments; communicating with administration regarding the progress



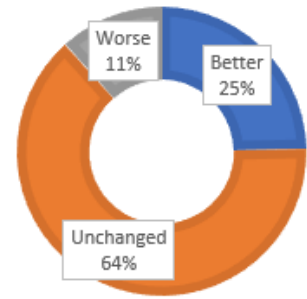
RECRUITING, HIRING, AND RETENTION OF QUALITY FACULTY AND STAFF: action plan addresses efforts to better contextualize current and planned initiatives



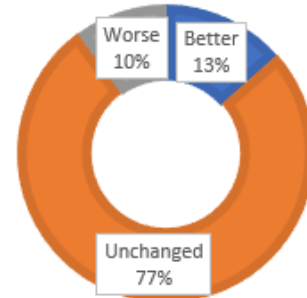
ENROLLMENT MANAGEMENT AND STUDENT SUCCESS: action plan addresses efforts and additional engagement initiatives to attract and retain students



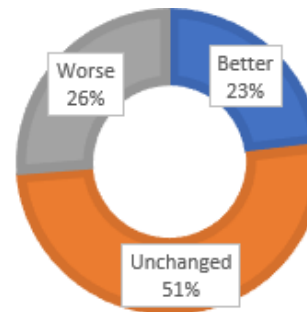
BUILDING SECURITY AND ACCESS CONTROLS: action plan addresses the assessment of high-risk situations and monitoring of the design plan to implement improvements



EMERGENCY RESPONSE PLAN UPDATE: action plan addresses a review and edit of the current plan to ensure departmental business continuity planning



INCLUSIVENESS: action plan addresses the dialogue surrounding the current status, risk identification, and response



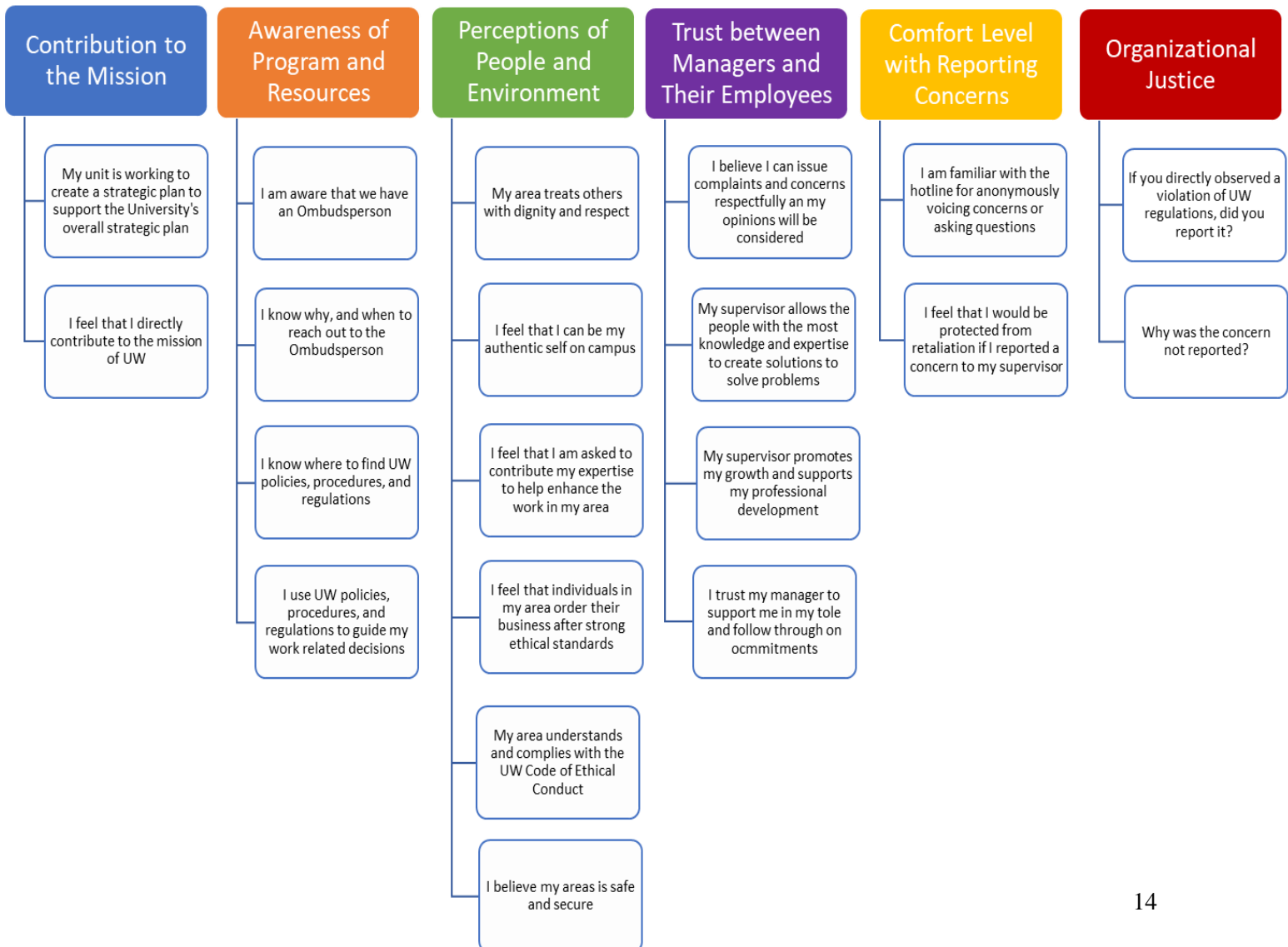
Culture and Ethics

“Please provide answers related to the culture and ethical climate in your area.”

An assessment of culture and conduct can provide information regarding the achievement of goals and can impact the degree of issues related to fraud, theft, compliance, and safety issues.

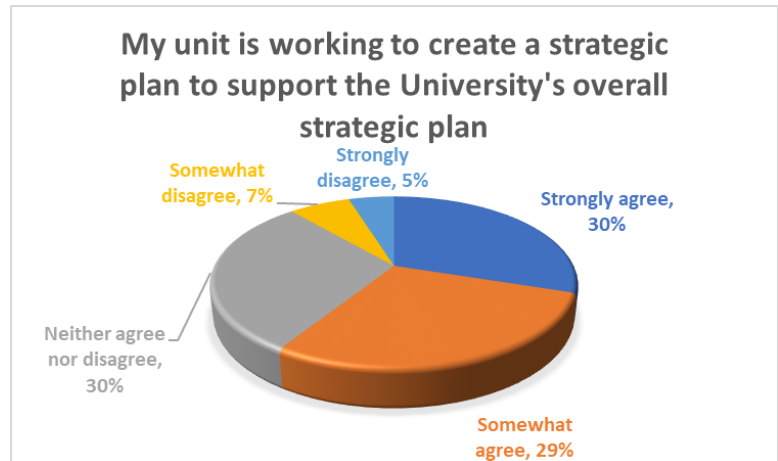
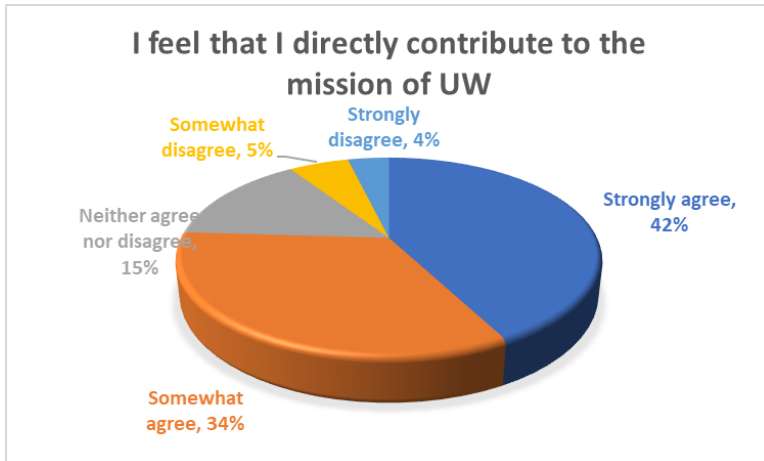
Peter Drucker (an Austrian-American management consultant) famously said, “culture eats strategy for breakfast”, and that is why so many organizations spend millions on strategy and get poor results because an unhealthy culture acts as brakes and/or misalignment element that make the organization move slowly or veer off course. An assessment of culture can help identify areas of attention so that this element can be addressed.

According to the Fraud Triangle developed by Donald R. Cressey, the three key elements surrounding fraud are opportunity, pressure, and rationalization. Of the three elements, opportunity is hardest to spot – and it’s typically managed via operational controls like user access restrictions and approval thresholds. An assessment of culture helps the administration to **evaluate the potential magnitude of rationalization**. The following elements of the ethical culture were assessed:



Contribution to the mission of the university

A strong culture is one in which each unit understands its unique contribution to the mission and strategic plan of the University. For the 2023 assessment, the following questions evaluated this element.

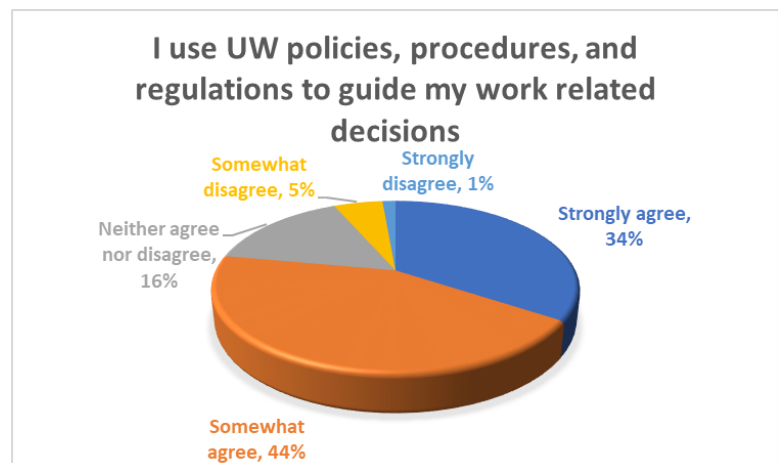
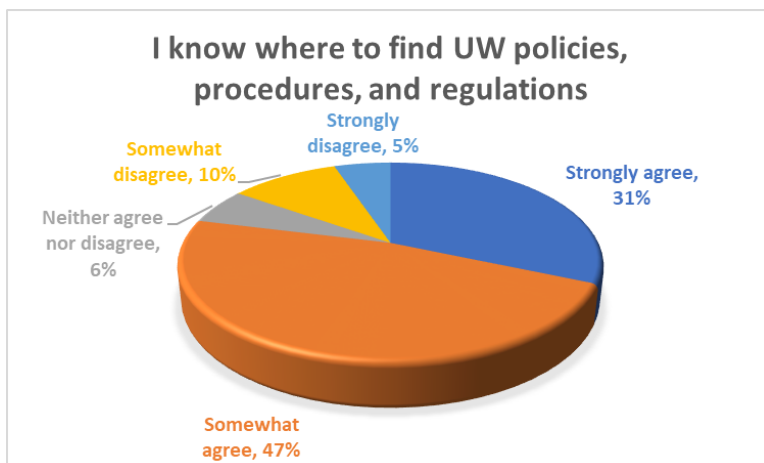


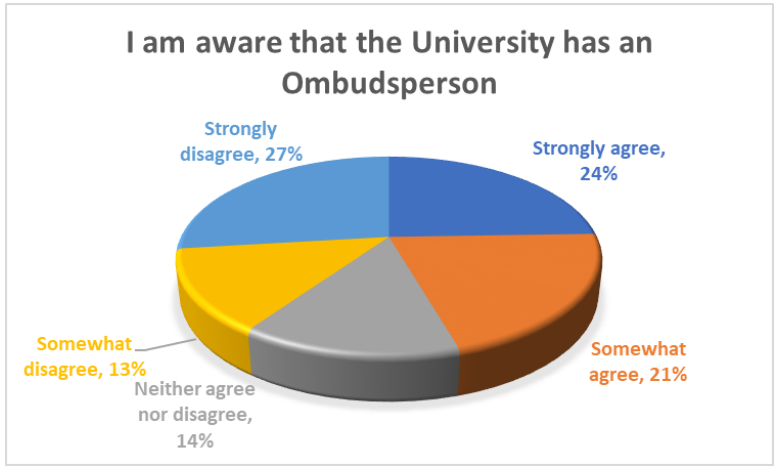
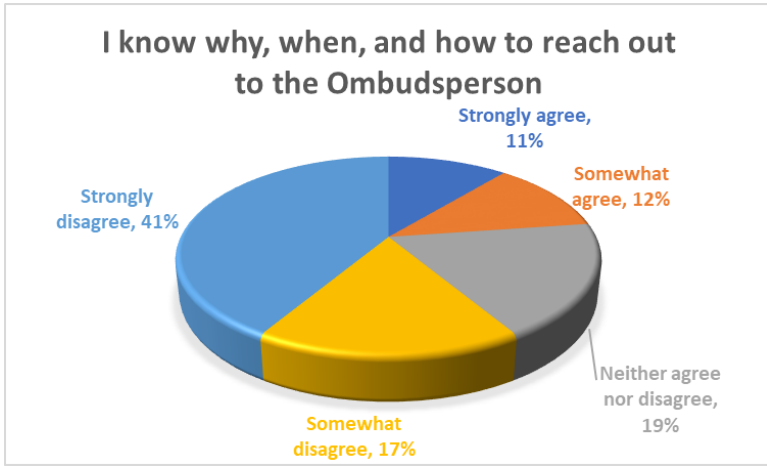
The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2022 and 2023. Slight changes in perception were noted.



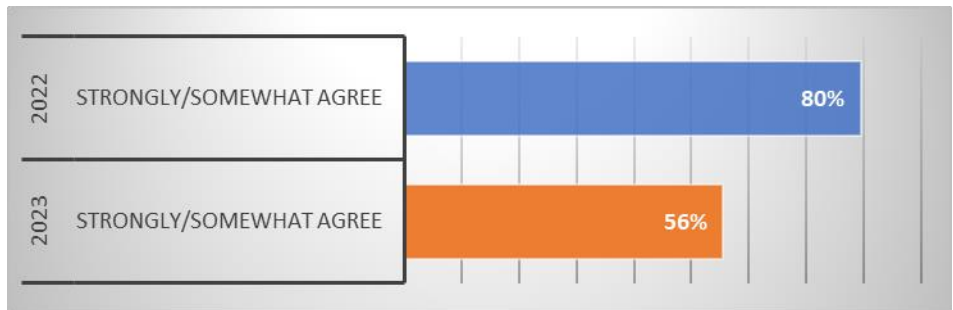
Awareness of Programs and Resources

General Counsel serves as a resource to the university community, providing guidance and tools such as the UW Code of Ethical Conduct, and Policy Library. The following questions measure the familiarity with these resources and the degree to which these resources are used on a daily basis to guide decisions. For the 2023 assessment, the following questions evaluated this element.



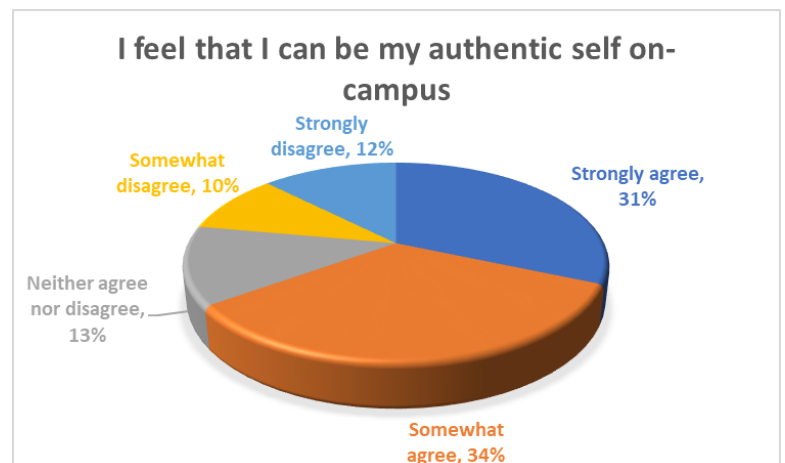
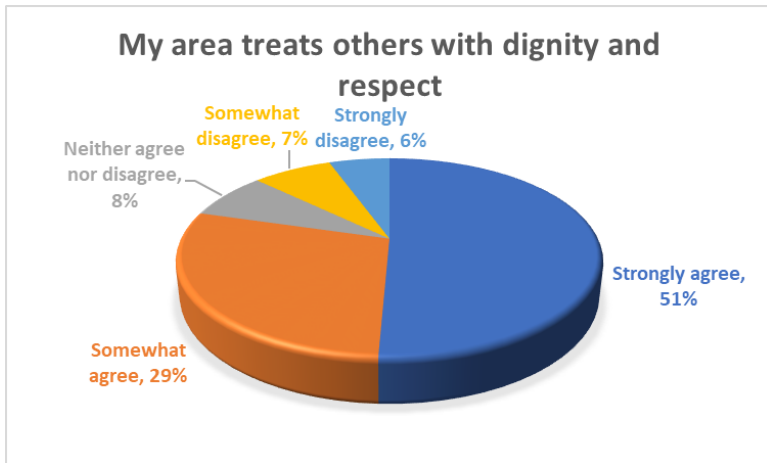


The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2022 and 2023. Slight changes in perception were noted.

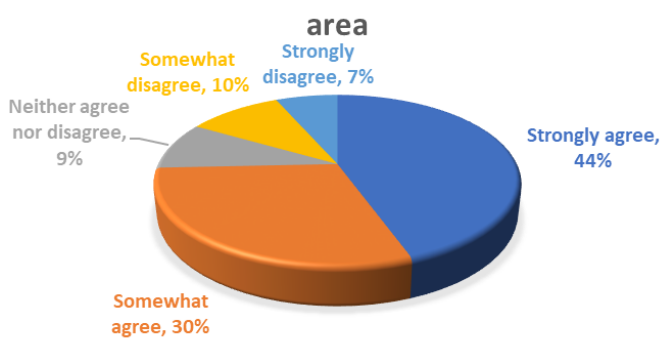


Perceptions of People and Environment

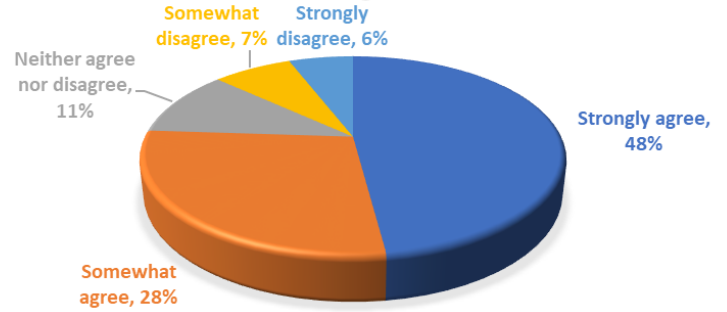
The following questions were included in the survey to measure conditions in the work environment including safety, security, and ethical perceptions of peers and those in leadership roles. For the 2023 assessment, the following questions evaluated this element.



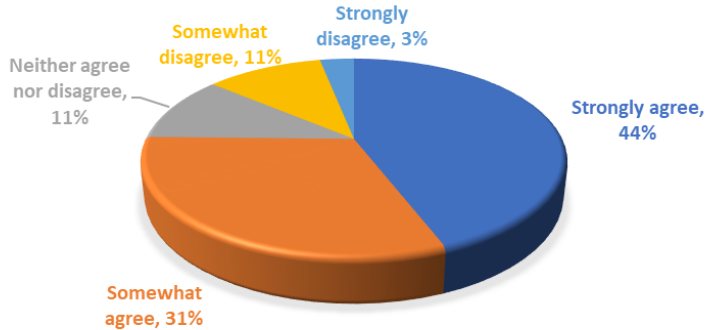
I feel that I am asked to contribute my expertise to help enhance the work in my



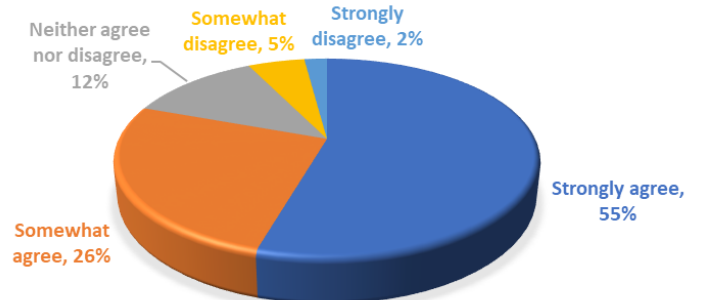
I feel that individuals in my area conduct business with strong ethical standards



I believe my work environment is safe and secure



My area understands and complies with the UW Code of Ethical Conduct

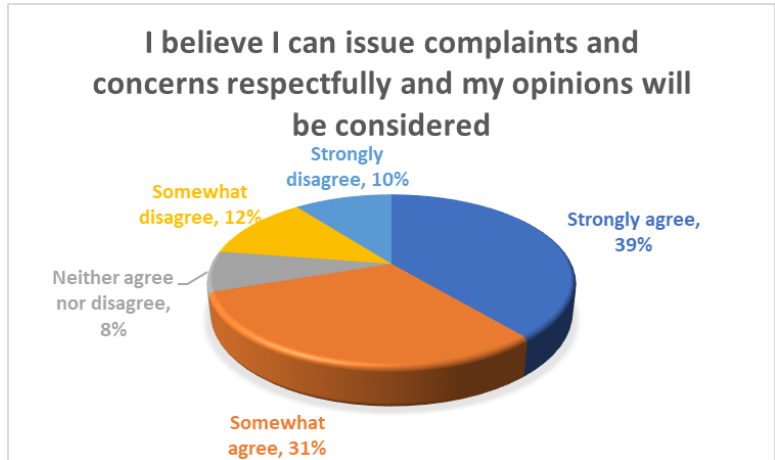


The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2022 and 2023. Slight changes in perception were noted.

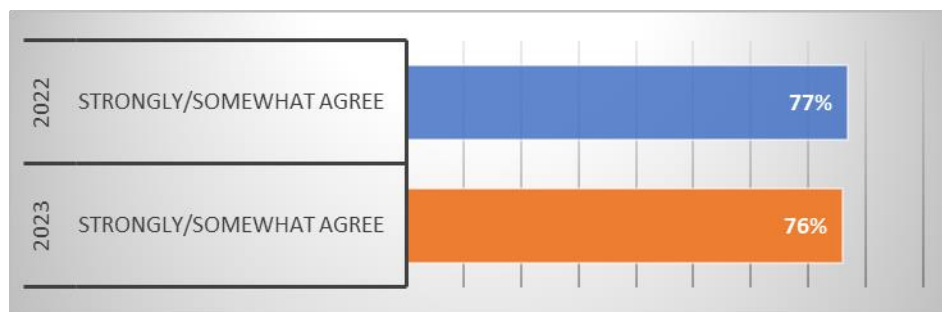


Trust Between Managers and Their Employees

These questions measure the level of trust employees feel with their direct manager, which impacts comfort in speaking up to establish clarity or to report concerns, demonstrating ethical conduct and accountability, and contributing to overall university health. For the 2023 assessment, the following questions evaluated this element.

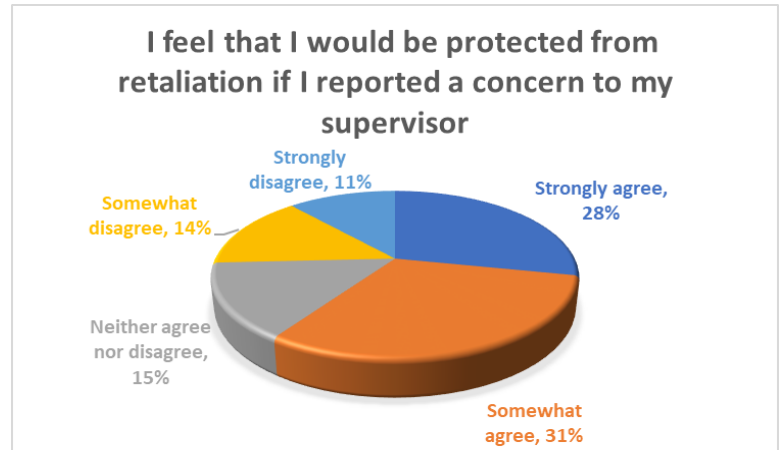
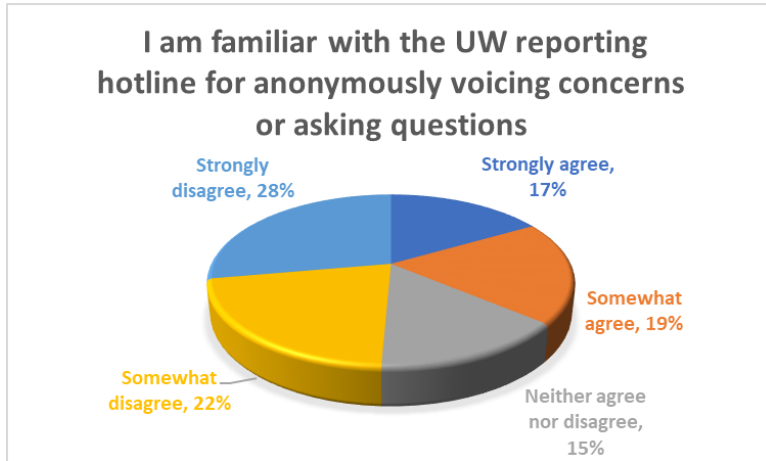


The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2022 and 2023. Slight changes in perception were noted.



Comfort Level with Reporting Concerns

Employees were asked about their knowledge of UW’s anonymous reporting line and to rate their comfort level with reporting issues to their manager. They were also asked whether they felt they would be protected from retaliation when reporting through various channels. This data was collected to evaluate whether respondents felt they could raise concerns without fear of retaliation. For the 2023 assessment, the following questions evaluated this element.

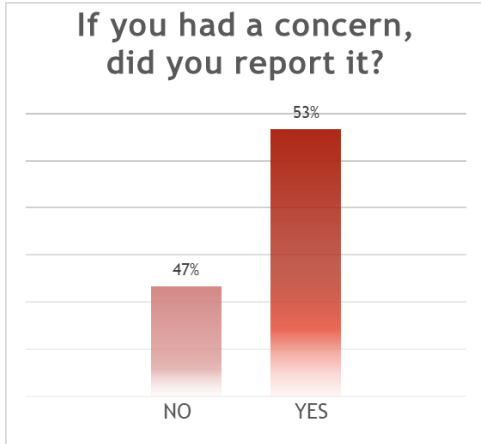


The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2022 and 2023. Slight changes in perception were noted.



Organizational Justice

Organizational justice refers generally to employee perceptions of fairness in the workplace (more specifically related to outcomes, processes, information, and treatment). This survey section aimed to measure the satisfaction of issue response and resolution and inquired as to feelings and perceptions related to conduct in the workplace after voicing concerns. Measuring and monitoring these components is critical to understanding more about what is, or is not, reported *and why*.



APPENDIX

DEFINITIONS:

Enterprise Risk Management (ERM) – describes a broader approach to managing risk. It is the coordinated activities to direct and control an organization with regard to risk.

- It defines risk as the effect of uncertainty on objectives. It, therefore, ties the management of risk to what is most important to the organization. This uncertainty about outcomes can be either positive or negative.
- The responsibility for managing risk is spread across the organization to those who have accountability and authority – risk owners.
- It is an approach to managing all of an organization’s key business risks and opportunities with the intent of maximizing the shareholder value [or stakeholder satisfaction].
- Major Risk Categories: Strategic, Financial, Operational, Compliance, Reputational.

Strategic risk – situations related to the University’s ability to achieve its overall goals and objectives including the ability to hire and retain competent personnel, and/or the ability to attract and retain students

Financial risk – situations related to budgetary challenges and financial deficits

Operational risk – situations related to systems, processes, and procedures to prevent errors, waste, misuse

Compliance risk – situations related to compliance with laws, regulations, rules, policies, and procedures; ability to enforce physical and data security protocol

Reputational risk – situations related to public perception, political issues, fraud, etc.

Risk - the threat that an event, action, or non-action will adversely affect UW’s ability to achieve its objectives and execute its strategies successfully

Risk assessment – overall process or method of identifying, analyzing, and evaluating hazards and risk factors that have the potential to cause harm

Risk register – a tool in risk management and project management used to list potential risks to an organization and used to recognize potential issues that can derail intended outcomes for the University of Wyoming

Audit universe – a list of auditable entities, processes, systems, and activities within the University including an evaluation of risk based on predetermined factors. As such, the audit universe is determined and updated based on assessed risks, information from the risk register, past audits, and emerging risks

Enterprise Risk Management Advisory Committee (ERMAC):

- 19 members from all areas of the university plus additional subject matter experts/advisors
- Meets regularly and has a growing university “best practices” reference library

PURPOSE:

The annual risk assessment is an important piece of the Enterprise Risk Management framework. It provides leadership and other risk owners information regarding threats and opportunities that might affect the achievement of strategic goals. The results also contribute toward keeping the risk register current.

The results of an annual risk assessment can be meaningful for various levels of the University as it has the potential to identify threats and diagnose the current state of strategic goal achievement.

There is a tendency to view risk assessment and risk management as an effort to identify compliance issues that can be solved by drawing up lots of rules and making sure that all employees follow them. Many such rules are sensible and do reduce some risks that could severely damage the University. But rules-based risk management will not diminish either the likelihood or the impact of major threats to the strategic vision.

Not only does this risk assessment provide strategic information regarding risks to our strategic goals, but it also provides Internal Audit with information to update the audit universe and develop the Internal Audit Plan for the coming year.

[Section 2010 – Planning – 2010.A1](#) of the International Standards issued by the International Professional Practices Framework (IPPF) state: The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.

This standard:

- Makes the best use of limited resources
- Improves ability to impact the organization
- Generates buy-in from management
- Assists with maintaining value

ENTERPRISE RISK MANAGEMENT (ERM) Background:

- UW has a strong vision for ERM implementation with the introduction of key aspects of the framework to senior leaders and trustees in Year 0 (2020), a launch of Year 1 actions/activities (2021), and plans to build upon the ERM foundation in years to come.
- A more comprehensive approach to identifying and managing our institutional risks helps us maintain our credibility with stakeholders (elected officials, parents, donors, students, alumni, accreditation bodies, rating agencies, etc.).
- By addressing our risks proactively and avoiding negative consequences (many of which have a huge financial penalty aspect), we keep scarce resources intact for uninterrupted application toward UW's strategic objectives.
- Our goal is not risk elimination, but rather risk awareness and solid controls to help us avoid damaging consequences of unnecessary risk exposure associated with our activities.