


UNIVERSITY RISK MANAGEMENT AND INSURANCE ASSOCIATION



Risky Business:
A Week Focusing on Risk Management's
Contributions to Higher Education


Presented by: **The Pennsylvania State University**
Risk Management Office

TODAY'S TOPIC

ERM: It's Not A Solo Gig!

Or

How to Use a Risk Committee Effectively



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TODAY'S TOPIC

What we'll cover in this session:

- Why the committee approach may be useful
- Membership selection
- Scope and activities of the committee
- Getting the most out of "yet another committee"



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THINGS YOU MAY NOT KNOW ABOUT PENN STATE UNIVERSITY

UNIVERSITY PARK CAMPUS

- 8 million sq. ft. of janitored floor surface in 700 buildings
 - 4 million gallons of water, in and out, daily
 - 45,000 students
 - 16,000 faculty and staff
 - 15,000 beds in 56 residence halls
 - 14,000 parking spaces
- and 35,000 more on seven Saturdays each Fall



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MORE NUMBERS

- 12,000 farm and research animals
(not counting lab rodents)
- 3,000 fire extinguishers
- 2,000 licensed motor vehicles
- 300 elevators
- 31 miles of paved roads and 23 miles of walkways
- 5 recreational buildings our neighbors think they own
- 2 large hotel/conference centers
- 200,000 non-student minors served each year
- The 7th-busiest commercial airport in PA



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AND...



- The second-largest outdoor stadium in the US



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ONE UNIVERSITY, GEOGRAPHICALLY DISPERSED

- And all these statistics are just for the one campus of which you are most aware.
- We have 21 undergraduate campuses across the Commonwealth of Pennsylvania,
- Plus, two law school campuses, one academic medical center and a separate community hospital.
- Any questions about why we need a risk committee?



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WHY USE A COMMITTEE?

- Hey, it's higher education!
- Varying, equally valuable and valid perspectives.
- You will learn something about your institution that you didn't know.
- Different constituencies with different audiences (i.e., someone may not believe you but they will believe another member).
- Parallel processing to get more accomplished in a short time (more hands make the chores lighter).



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OUR RISK COMMITTEE/COUNCIL

- 12 members from across the institution
- Includes two faculty
- Mid-level administrators from varying units
 - Athletics, Audit, General Counsel, EH&S, Ethics & Compliance, Finance & Business, HR, Medical Center Compliance, Research Protection, Student Affairs
- Meets monthly
- Gets more accomplished than relying upon senior executives.



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ROLE OF THE RISK COMMITTEE

- Our vision: Create a risk-aware culture, permitting the University to ensure an effective means to identify, measure, control and assign responsibility to manage risks, while encouraging the acceptance of reasonable opportunities.
- Structure has been in place since 2006.
- Acts as sounding board, brainstorming, and pushes back on assumptions.



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PRIMARY ACTIVITIES

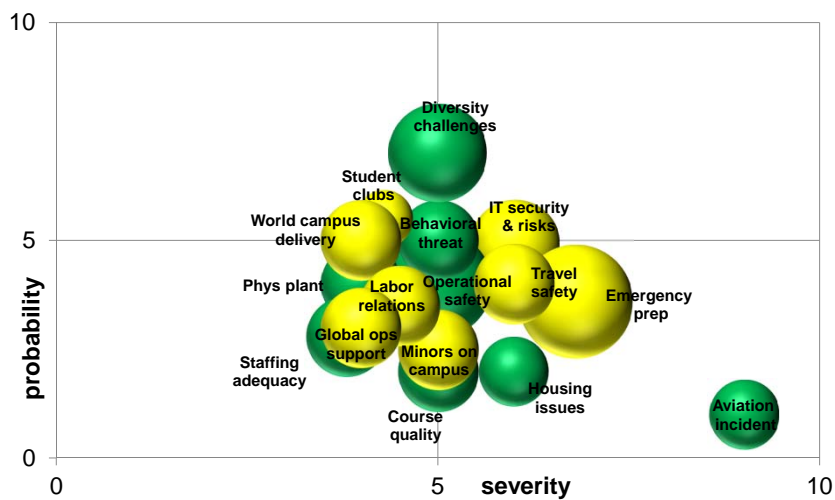
- Develop and review risk matrix.
- Hears from risk “leaders” about the risks.
- Assigns risks for specific oversight by a Committee of the Board of Trustees.
- Annually re-assesses relative frequency, severity, impact and maturity of risks.
- Sponsored training: “Managing Decisions for Minimizing Risks” for PSU employees.



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OPERATIONAL RISKS



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GETTING THE MOST OUT OF A GROUP

- Keep them engaged – but not overwhelmed!
- Ask what keeps THEM awake at night.
- Never strive for perfect attendance.
- Keep them informed of Board of Trustees' interest and actions relative to the risks under their oversight.
- Seek their input as new risks arise, and to review risks that may have changed in placement on the heat map.



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**Thank You for Helping Us Celebrate
Risky Business on Our Campus!**

Questions?



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Who Is URMIA?

- The University Risk Management and Insurance Association is dedicated to the advancement of risk management in higher education
 - URMIA helps institutions of higher education reach their academic, social, and economic goals
- Goals:
 - To protect the reputation and resources of institutions of higher education through sound risk management practices
 - To make available the best risk management information for institutions of higher education
 - To provide excellent professional development opportunities for risk management professionals



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