Audit & Compliance Committee

September 2017

September 7, 2017
10:30 a.m. - 11:30 a.m.

West Committee Room, McNamara Alumni Center
AUD - SEP 2017

1. 2017-18 Committee Work Plan
   Docket Item Summary - Page 3
   Draft Work Plan - Page 4

2. Review of the Charters that Guide Internal Audit Work
   Docket Item Summary - Page 6
   Office of Internal Audit Charter (proposed changes red-lined) - Page 7
   Office of Internal Audit Charter (proposed changes incorporated) - Page 11
   Board of Regents Policy: Audit Committee Charter - Page 15

   Docket Item Summary - Page 17
   2014 Risk Profile - Page 19
   Risk Principles - Page 20
AGENDA ITEM: 2017-18 Committee Work Plan

☐ Review  ☐ Review + Action  ☐ Action  ☑ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Regent Linda Cohen
Gail Klatt, Chief Auditor

PURPOSE & KEY POINTS

The purpose of this item is to review and discuss the committee’s 2017-18 work plan.

BACKGROUND INFORMATION

The Resolution Related to Board Committee Structure describes the role of the Audit & Compliance Committee as follows:

The Audit & Compliance Committee oversees the University’s system of risk assessment and internal controls, audits, financial reporting practices, and the institutional compliance program. This committee also provides a direct channel of communication to the Board for the chief auditor, chief compliance officer, and independent auditor.
Audit & Compliance Committee
2017-18 Work Plan

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| September 8-9| • **2017-2018 Committee Work Plan**
                  The committee will discuss the work plan agenda items for the 2017-18 meetings.
                  • **Review of Charters that Guide Internal Audit Work**
                  The committee will review and discuss proposed changes to the internal audit charter intended to maintain alignment with professional standards and guidance. The committee will also engage in a discussion on Board of Regents Policy: *Audit Committee Charter*. Feedback will inform the Governance & Policy Committee’s formal review of the policy.
                  • **Institutional Risk Profile: Part I – Process and Plan for Updating**
                  The committee will discuss the process and plan for updating the University’s Institutional Risk Profile, completed in 2014. |
| October 12-13| • **Update on the Department of Psychiatry**
                  The committee will hear an update from the Department of Psychiatry related to human research subject protection and changes made to address the department’s culture.
                  • **Internal Audit Update**
                  This item provides an update on Internal Audit activities, results, and observations, including the status of outstanding audit recommendations.
                  • **[Update on Remediation of Audit Findings]**
                  The committee will discuss outstanding audit recommendations related to a to-be-determined internal audit. |
| December 14-15| • **External Auditor Report**
                  The purpose of this item is to communicate and discuss the results of the FY 2017 external financial statement and federal award audits.
                  • **Compliance Initiatives**
                  The Chief Compliance Officer will update the committee on the risk assessment process and standardization of UReport investigative procedures.
                  • **Update on Small Business Procurement Compliance with State Statute**
                  This item is a follow-up regarding actions taken to demonstrate compliance with State of Minnesota statutes involving small business procurement.
                  • **Institutional Risk Profile: Part II – Review Draft Profile**
                  The committee will engage in a discussion with University administrators about significant risks facing the University.
                  • **Information Items:**
                  Institutional Compliance Officer Semi-Annual Report
                  Institutional Conflict of Interest Report
                  Semi-Annual Controller’s Report* |
### 2018

**February 8-9**

- **External Auditor’s Review of Completed Audit Work and Letter to Management**
  The external auditors will share any recommendations regarding the University's financial statement/reporting practices as a result of their audit.
- **Institutional Risk Profile: Part III – Finalize Profile**
  The committee will continue discussion about the University’s Institutional Risk Profile, addressing governance-level institutional risk and development of a comprehensive Risk Profile and mitigation plans.
- **The University’s Cyber Landscape and Risk Mitigation Strategies**
  The committee will discuss the cyber landscape in which the University operates and strategies to address the highest areas of risk.
- **Update on the Remediation of Intercollegiate Athletics Audit Findings.**
  The committee will discuss outstanding audit recommendations related to internal audits performed since 2015.
- **Internal Audit Update**
  This item provides an update on Internal Audit activities, results, and observations, including the status of outstanding audit recommendations.

**May 10-11**

- **Review of External Auditor Relationships and Services Provided**
  This item will communicate and discuss the scope of work and fees paid for all engagements of external auditors for the last fiscal year, and a review of the University’s official external auditor’s performance.
- **External Audit Plan**
  The external audit firm will present its proposed plan for FY 2018 audit engagement including the financial statement audit, the federal uniform audit.
- **Institutional Risk Profile: Part IV – Mitigation Plans**
  The committee will review risk mitigation plans and discuss oversight responsibilities for those plans.
- **Compliance Initiatives**
  The Chief Compliance Officer will present the Risk Assessment Plan for FY 2019 and update on compliance training improvements with enhanced Learning Management System capabilities.
- **Information Item:**
  Institutional Compliance Officer Semi-Annual Report

**June 7-8**

- **Internal Audit Plan**
  The committee will review and discuss the internal audit work plan for FY 2019.
- **Internal Audit Update**
  This item provides an update on Internal Audit activities, results, and observations, including the status of outstanding audit recommendations.
- **Information Item:**
  Semi-Annual Controller’s Report

*Report required by Board policy.*
AGENDA ITEM: Review of the Charters that Guide Internal Audit Work

☐ Review ☐ Review + Action ☐ Action ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Gail Klatt, Chief Auditor

PURPOSE & KEY POINTS

The purpose of this item is to discuss the Office of Internal Audit Charter and Board of Regents Policy: Audit Committee Charter.

The committee is responsible for providing oversight of the University’s internal audit function, including review of changes to the department charter. The proposed changes included in the docket are intended to maintain alignment with professional standards and guidance.

The committee will also discuss Board of Regents Policy: Audit Committee Charter in order to provide feedback to inform the Governance & Policy Committee’s formal review of the policy. The committee will consider whether the current policy adequately addresses the committee’s:

- Responsibility for the oversight of the institutional compliance program.
- Role in the oversight of the risk identification, assessment, management, and mitigation processes.
- Role in supporting an institutional “tone at the top” that promotes a culture of accountability and ethical behavior.

BACKGROUND INFORMATION

The committee last reviewed the Office of Internal Audit Charter in September 2014. Board of Regents Policy: Audit Committee Charter was last comprehensively reviewed in February 2014.

Board of Regent Policy: Reservation and Delegation of Authority states: “The Board reserves to itself authority to adopt policies regulating the audit function; approve selection of external auditors and the chief auditor; and evaluate the performance of the independent auditor, and, jointly with the president, the performance of the internal audit function.”
CHARTER

Mission and Scope of Work

The purpose of the Office of Internal Audit is to provide independent, objective assurance and advisory services designed to add value and improve the operations of the University of Minnesota. The mission of the Office of Internal Audit is to enhance and protect organizational value by providing stakeholders with risk-based and objective assurance, advice, and insight. It helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. It strives to enhance and protect institutional value by providing stakeholders with risk-based, objective and reliable assurance, advice, and insight.

The scope of work of the Office of Internal Audit is to determine whether the University of Minnesota’s network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed to optimize the achievement of institutional strategic objectives.
- Interaction between governance groups occurs as needed.
- Important financial, managerial, and operating information is accurate, reliable, and timely.
- The results of operations or programs are consistent with established goals and objectives and are carried out effectively and efficiently.
- Employees’ actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources and assets are acquired economically, used efficiently, and protected adequately.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the University’s control processes.
- Significant legislative or regulatory issues impacting the University are recognized and addressed appropriately.

The Office of Internal Audit considers risks broadly and includes within its scope all activity posing financial, operational, technological, regulatory or reputational risk to the University. Opportunities for improving management control, efficiency and the University’s image may be identified during audits. They will be communicated to the appropriate level of management.

Accountability
The **Chief Auditor** of the **Office of Internal Audit**, in the discharge of his/her duties, is accountable to the Board of Regents Audit & Compliance Committee and the President to:

- Provide assessments on the adequacy and effectiveness of the University’s processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- Report significant issues relating to the processes for controlling University activities including potential improvements to those processes.
- Reporting the acceptance of risk by the administration, as appropriate.
- Provide information concerning outstanding issues through their resolution.
- Periodically provide information on the status and results of the annual audit plan and the sufficiency of department resources.
- Coordinate efforts with other control and monitoring functions (e.g., compliance, security, legal environmental, external auditors, etc.).

**Independence**

To provide for the independence of the Office of Internal Audit, the Board of Regents delegates directly to the **Chief Auditor** of the **Office of Internal Audit** the authorities necessary to perform the duties set forth in the mission and scope of work. **The Chief Auditor will have full and free access to the Board of Regents Audit & Compliance Committee.**

Additionally, the **Chief Auditor** of the **Office of Internal Audit** is delegated administrative and operational authorities by the President of the University.

The Office of Internal Audit is to be free from undue influence in the selection of activities to be examined, the audit techniques and procedures to be used, and the reporting of its results.

**Responsibility**

The Chief Auditor **Director** and staff of the Office of Internal Audit are responsible for:

- Developing a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submitting that plan to the **Audit & Compliance** committee for review and concurrence, as well as providing periodic updates as to the status of and/or changes to the plan.
- Implementing the annual audit plan, as approved, including any special tasks or projects requested by management and the **Audit & Compliance** committee.
- Following up on engagement findings and corrective actions, and report periodically to the President and the **Audit & Compliance Committee** any corrective actions not effectively implemented.
- Maintaining a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Disclosing any impairment of audit independence or objectivity, in fact or appearance, to appropriate parties.
- Maintaining an ongoing audit quality assurance and improvement program that covers all aspects of the internal audit function which promotes the...
continuous improvement of the internal audit practice and including periodic assessment by independent external resources.

- Considering the scope of, and placing reliance on, the work of the external auditors, and regulators, and internal oversight units as appropriate, for the purpose of providing optimal audit coverage to the University at a reasonable overall cost.
- Issuing periodic reports to the Audit & Compliance Committee and management summarizing results of audit activities.
- Keeping the Audit & Compliance Committee informed of emerging trends and successful practices in internal auditing.
- Conducting investigations of allegations of financial and operational misconduct.

**Reporting**
The Chief Auditor will report periodically to the President and the Audit & Compliance Committee regarding:

- The Office of Internal Audit’s purpose, authority, and responsibility.
- The Office of Internal Audit’s plan and performance relative to its plan.
- The Office of Internal Audit’s conformance with the Institute of Internal Auditor’s Code of Ethics and Standards, and any actions to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit & Compliance Committee.
- Results of audit engagements and other audit activities.
- Resource requirements.
- The acceptance of risk by leadership.

**Authority**
The Chief Auditor Director and staff of the Office of Internal Audit are authorized to:

- Have unrestricted access to all University functions, records, property, and personnel, subject to state and federal law and accountability for confidentiality and safeguarding of records and information.
- Have full and free access to the audit committee.
- Obtain the necessary assistance of personnel in units of the University where they perform audits, as well as other specialized services from within or outside the institution.

The Chief Auditor Director and staff of the Office of Internal Audit are not authorized to:

- Perform any operational duties for the University.
- Initiate or approve accounting transactions external to the Office of Internal Audit.
- Direct activities of any University employee not employed by the Office of Internal Audit, except to the extent such employees have been appropriately assigned to audit teams or to otherwise assist the internal auditors.

**Standards of Audit Practice**
The Office of Internal Audit will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors’ International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, The Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The Chief Auditor will report periodically to senior leadership and the Audit & Compliance Committee regarding the Office’s conformance to the Code of Ethics and the Standards.

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Chief Auditor
_________________________
Director of Internal Audit

_________________________
President

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Audit & Compliance Committee Chair

Dated____________________
CHARTER

Misson and Scope of Work
The purpose of the Office of Internal Audit is to provide independent, objective assurance and advisory services designed to add value and improve the operations of the University of Minnesota. The mission of the Office of Internal Audit is to enhance and protect organizational value by providing stakeholders with risk-based and objective assurance, advice, and insight. It helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The scope of work of the Office of Internal Audit is to determine whether the University of Minnesota’s network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed to optimize the achievement of institutional strategic objectives.
- Interaction between governance groups occurs as needed.
- Important financial, managerial, and operating information is accurate, reliable, and timely.
- The results of operations or programs are consistent with established goals and objectives and are carried out effectively and efficiently.
- Employees’ actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources and assets are acquired economically, used efficiently, and protected adequately.
- Quality and continuous improvement are fostered in the University’s control processes.
- Significant legislative or regulatory issues impacting the University are recognized and addressed appropriately.

The Office of Internal Audit considers risks broadly and includes within its scope all activity posing financial, operational, technological, regulatory or reputational risk to the University. Opportunities for improving management control, efficiency and the University’s image may be identified during audits. They will be communicated to the appropriate level of management.

Accountability
The Chief Auditor, in the discharge of his/her duties, is accountable to the Board of Regents Audit & Compliance Committee and the President to:
• Provide assessments on the adequacy and effectiveness of the University's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.

• Report significant issues relating to the processes for controlling University activities including potential improvements to those processes.

• Report the acceptance of risk by the administration, as appropriate.

• Provide information concerning outstanding issues through their resolution.

• Periodically provide information on the status and results of the annual audit plan and the sufficiency of department resources.

• Coordinate efforts with other control and monitoring functions (e.g., compliance, security, legal environmental, external auditors, etc.).

Independence

To provide for the independence of the Office of Internal Audit, the Board of Regents delegates directly to the Chief Auditor the authorities necessary to perform the duties set forth in the mission and scope of work. The Chief Auditor will have full and free access to the Board of Regents Audit & Compliance Committee.

Additionally, the Chief Auditor is delegated administrative and operational authorities by the President of the University.

The Office of Internal Audit is to be free from undue influence in the selection of activities to be examined, the audit techniques and procedures to be used, and the reporting of its results.

Responsibility

The Chief Auditor and staff of the Office of Internal Audit are responsible for:

• Developing a flexible annual audit plan using an appropriate risk based methodology, including any risks or control concerns identified by management, and submitting that plan to the Audit & Compliance Committee for review and concurrence, as well as providing periodic updates as to the status of and/or changes to the plan.

• Implementing the annual audit plan, as approved, including any special tasks or projects requested by management and the Audit & Compliance Committee.

• Following up on engagement findings and corrective actions, and report periodically to the President and the Audit & Compliance Committee any corrective actions not effectively implemented.

• Maintaining a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.

• Disclosing any impairment of audit independence or objectivity, in fact or appearance, to appropriate parties.
• Maintaining an ongoing audit quality assurance and improvement program that covers all aspects of the internal audit function which promotes the continuous improvement of the internal audit practice and includes periodic assessment by independent external resources.

• Considering the scope of, and placing reliance on, the work of the external auditors, regulators, and internal oversight units as appropriate, for the purpose of providing optimal audit coverage to the University at a reasonable overall cost.

• Issuing periodic reports to the Audit & Compliance Committee and management summarizing results of audit activities.

• Keeping the Audit & Compliance Committee informed of emerging trends and successful practices in internal auditing.

• Conducting investigations of allegations of financial and operational misconduct.

**Reporting**

The Chief Auditor will report periodically to the President and the Audit & Compliance Committee regarding:

• The Office of Internal Audit’s purpose, authority, and responsibility.
• The Office of Internal Audit’s plan and performance relative to its plan.
• The Office of Internal Audit’s conformance with the Institute of Internal Auditor’s Code of Ethics and Standards, and any actions to address any significant conformance issues.
• Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit & Compliance Committee.
• Results of audit engagements and other audit activities.
• Resource requirements.
• The acceptance of risk by leadership.

**Authority**

The Chief Auditor and staff of the Office of Internal Audit are authorized to:

• Have unrestricted access to all University functions, records, property, and personnel, subject to state and federal law and accountability for confidentiality and safeguarding of records and information.

• Allocate departmental resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives, and report content without subordinating their judgment on audit matters to others.

• Obtain the necessary assistance of personnel in units of the University where they perform audits, as well as other specialized services from within or outside the institution.

The Chief Auditor and staff of the Office of Internal Audit are not authorized to:

• Perform any operational duties for the University.

• Initiate or approve accounting transactions external to the Office of Internal Audit.
• Direct activities of any University employee not employed by the Office of Internal Audit, except to the extent such employees have been appropriately assigned to audit teams or to otherwise assist the internal auditors.

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_________________________
Chief Auditor

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President

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Audit & Compliance Committee Chair

Dated____________________
AUDIT COMMITTEE CHARTER

Subd. 1. Organization. The Audit Committee of the Board of Regents (Board) shall be a permanent committee consisting of at least four members of the Board. Audit Committee members shall be appointed by the Board chair, recognizing the need for financial expertise and continuity of membership from year to year.

Subd. 2. Reservation of Authority. Consistent with Board of Regents Policy: Reservation and Delegation of Authority, the Board reserves to itself authority to adopt policies regulating the audit function; approve selection of external public accountants and the chief auditor; review audit plans; and evaluate the performance of the independent auditor and, jointly with the president, the performance of the internal audit function.

Subd. 3. Purpose. The Audit Committee oversees the University’s system of risk assessment and internal controls, audits, financial reporting practices, and the institutional compliance program. The Audit Committee is to assist the Board in discharging its oversight responsibilities related to the audit and compliance functions by:

(a) promoting the development of an effective, efficient, and continuously improving control environment, in concert with the administration, to achieve the institution's objectives through an appropriate system of risk assessment and internal control;

(b) overseeing the University’s integrated framework of internal control, risk management practices, and institutional compliance program to ensure that the administration executes the provisions of Board of Regents Policy: Internal Control;

(c) serving as an informed voice on the Board by relaying the audit and compliance perspective when related issues are brought before the Board and its standing committees; and

(d) providing a direct channel of communication to the Board for the chief auditor and the independent public auditor.

Subd. 4. Duties. Specific duties of the Audit Committee include the following:

(a) Oversight of the Independent Auditor. The independent auditor reports directly to the Board through the Audit Committee. The Audit Committee shall recommend for Board approval the engagement and related fees of the independent auditor to perform the annual financial statement and federal compliance audits. The Audit Committee shall approve in advance all audit and non-audit services provided by the independent auditor with a value greater than $100,000 or that may impair the audit firm's independence regarding the University. Such impairment of independence is currently limited to prohibited non-audit services as defined in the United States General Accounting Office Government Auditing Standards. Engagements not requiring approval by the Board shall be reported to the Audit Committee at the next scheduled meeting of the committee. The Audit Committee shall annually review and evaluate the independent auditor’s performance, independence, and effectiveness of coordination with other assessment activities, including internal audit.
(b) **Oversight of the Internal Audit Function.** The Audit Committee shall recommend for Board approval (1) the appointment or removal of the chief auditor, (2) changes to the Office of Internal Audit's charter, and (3) any material revisions to internal audit plans or budgets. In consultation with management and the chief auditor, the Audit Committee shall review the annual internal audit plan and the extent to which it addresses high risk areas.

(c) **Review of Financial Statements.** The Audit Committee shall review, in advance of final issuance, the proposed formats and wordings of the annual financial report, including the management's discussion and analysis, financial statements, footnotes, statistics, and disclosures.

(d) **Review of Audit Results.** The Audit Committee shall review the internal and external audit results and discuss significant issues of internal control and compliance with the independent auditor, chief auditor, and management. The Audit Committee shall monitor management's progress in addressing audit recommendations.

(e) **Investigation of Reported Concerns Regarding Accounting or Auditing Matters.** The Audit Committee shall be apprised of investigations conducted under administrative policy.

(f) **Requests for Audits.** The Audit Committee is authorized to request supplemental reviews or other audit procedures by the chief auditor, the independent auditor, or other advisors.

(g) **Approval of Engagements of Audit Firms Other Than the University's Principal External Auditors.** The Audit Committee shall approve all engagements of external audit firms to perform work or provide services with a value greater than $100,000 or that may impair the audit firm's independence regarding the University. Such impairment of independence is currently limited to prohibited non-audit services as defined in Subd. 4 (a) of this policy. Engagements not requiring approval by the Board shall be reported to the Audit Committee at the next scheduled meeting of the committee.
AGENDA ITEM: Institutional Risk Profile, Part I: Process and Plan for Updating

- Review
- Review + Action
- Action
- Discussion

This is a report required by Board policy.

PRESENTERS: Gail Klatt, Chief Auditor

PURPOSE & KEY POINTS

The purpose of this item is to discuss the process and plan for updating the University's Intuitional Risk Profile. The profile is used to identify enterprise-level risks to the Board of Regents.

Updates to the risk profile are necessary given changes in leadership and the risk landscape of the University over time, and to ensure the profile remains a relevant governance tool. The committee will review the existing profile, which was developed in 2014, and discuss current risks facing the University.

The committee work plan outlines a proposed process and plan:

- December 2017: *Institutional Risk Profile, Part II: Review Draft Profile*
The committee will engage in a discussion with University administrators about significant risks facing the University.

- February 2018: *Institutional Risk Profile, Part III: Finalize Profile*
The committee will continue discussion about the University's Institutional Risk Profile, addressing governance-level institutional risk and development of a comprehensive Risk Profile and mitigation plans.

- May 2018: *Institutional Risk Profile, Part IV: Mitigation Plans*
The committee will review risk mitigation plans and discuss oversight responsibilities for those plans.

BACKGROUND INFORMATION

The Audit & Compliance Committee developed the current Institutional Risk Profile in 2014. The Board expressed support for the Strategic Risk Management Work Group's operational strategy and risk principles at its February 2011 meeting. Those principles provided the framework that guided conversations of the committee over two years as they reviewed and discussed the risks associated with each major operational component of the University, including:
• Research (December 2012); updated June 2014
• Human Resources (February 2013)
• Information Technology (May 2013)
• University Operations (June 2013)
• Finance (September 2013)
• Intercollegiate Athletics (December 2013)
• Compliance (February 2014)
• Health Sciences (February 2014)
• Academics (May 2014)
University of Minnesota Institutional Risk Profile

The institutional risk profile is used to identify those risks of greatest import to the Board of Regents at a governance level. This profile is a synthesis of the committee’s work in reviewing a broad range of risks identified by the administration over the last two years.

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- **High Likelihood**
  - **Low Impact**: • Campus Safety & Security
  - **Moderate Impact**: • Athletics: Program Integrity & Success of Business Model • IT Infrastructure & Costs • Managing Brand & Reputation
  - **High Impact**: • Autonomy • Attracting & Retaining Talent • Data Privacy/Security • Student Demographics & Enrollment Strategies

- **Moderate Likelihood**
  - **Low Impact**: • Maximizing Value of Multiple Campuses • Meeting Expectations on Workforce Development • Preparedness of Students • Public Perception of the Value of Higher Education
  - **Moderate Impact**: • Facilities: Strategic Needs & Aging Infrastructure • Federal Research Funding • Higher Education Operating Model • Human Subjects Research • Implementation of Strategic Plans • Prioritization: Balancing Breadth & Quality of Offerings • State Funding • UM Health Success
  - **High Impact**: • Commercialization of Intellectual Property

- **Low Likelihood**
  - **Low Impact**: • Effective Communication
Institutional Risk Principles
Endorsed by the Board of Regents
February 2011

1. High tolerance for risks in the pursuit of innovative, breakthrough research, scholarship and public engagement.

2. High tolerance for strategic risk-taking that enhances instructional quality.

3. High tolerance for strategic risk-taking that promotes productivity, creativity and reputation.


5. Low tolerance for risks arising from inappropriate discharge of fiduciary responsibilities.

6. Low tolerance for risks that undermine actual safety, or the perception of safety, on our campuses.

7. Zero tolerance for intentional non-compliance with laws or regulations.