University of Alabama System

Looking Ahead…
Emerging and Undervalued Risks

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Learning Objectives

Higher education institutions are struggling to respond to any number of high profile, enterprise wide challenges and opportunities.

During today’s session, participants will:

• Explore systemic and emerging risks facing higher education
• Engage in a group discussion to identify key emerging risks at UAS
• Engage in a group discussion to identify undervalued risks at UAS
What is Risk?

- Risk is omnipresent
- Risk can be a threat or opportunity
- Risk = the effect of uncertainty on your objectives
  - ISO 31000, the international standard on risk management
- Risk is anything that could harm, prevent, delay or enhance your ability to achieve your objectives
Why We Need to Manage Risk

“The purpose of managing risk is to increase the likelihood of an organization achieving its objectives by being in a position to manage threats and adverse situations and being ready to take advantage of opportunities that may arise.”

National Guidance on Implementing ISO 31000:2009
From NSAI in Ireland
Black Swans, Emerging & Undervalued Risks

Are they really Black Swans?
Remember the calamity of the great tsunami. Never build houses from this point down... No matter how many years pass, keep vigilance high.
Identification & Assessment of Emerging Risks and Undervalued Risks

**Characteristics of emerging risks:**

- High level of uncertainty
- Lack of consensus
- Uncertain relevance
- Difficult to communicate
- Difficult to assign ownership
- Often related to “business practice” issues

**Characteristics of undervalued risks:**

- They are recognized as a risk
- The risk may be evolving in complexity
- The risk may be a sacred cow
- The risk may have important revenue implications
- Usually have high reputational implications
Emerging Risks

- Loss of Federal Funding
  - NIH & NSF funding
  - Elimination of NEA and NEH
  - Reductions in funds for low income stds
- Traumatic Brain Injury
- Aging Workforce
- Concealed Carry
- Immigration Policies/Trump Administration
Emerging Risks

- Protection of People with Intellectual Disabilities
- Scientific Misconduct
- Diversity & Inclusion
- Retirement Plans/Fiduciary Liability
- Zika Virus/Infectious Disease
Emerging Risks

- Airbnb by employees/students
- Implementation of ERM procedures
- Drones
Undervalued Risks

- **Sponsored Projects/Research**
  - Financial accountability

- **IT Related Risk**
  - Social Engineering
  - Property Damage/Business Income
  - Contingent Business Income
  - Internet of Things – BI/PD

- **Domestic & International Terrorism**

- **FLSA Exempt/Non-Exempt**

- **International Travel/Research**
  - Research in Conflict Areas
  - Increased Terrorism in Europe
  - Connect the Dots

- **Business Continuity/Crisis Response**
Undervalued Risks

- Scientific Misconduct
- Minors on Campus
- Student Clubs
Risk and Opportunity/UVM
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Questions?