MIDWESTERN STATE UNIVERSITY

Operating Policies & Procedures Manual

University Operating Policy/Procedure (OP)
OP 02.43: Enterprise Risk Management

Approval Authority:	President
Policy Type:	University Operating Policy and Procedure
Policy Owner:	President
Responsible Office:	Vice President for Administration and Finance
Next Scheduled Review:	12/01/2027. This OP will be reviewed in September of every fourth year, or as needed, by the Vice President for Administration and Finance with substantive revisions forwarded to the President.

I.   Policy Statement/Purpose

Midwestern State University ("MSU" or "University"), a component institution of the Texas Tech University (TTU) System, is required by TTU System Regulation 1.1.1 (Enterprise Risk Management (ERM) – Standards of Practice) to develop and implement ERM tools to effectively manage risk through successful identification, mitigation, and monitoring activities.

II.   Application of Policy

This policy is applicable to MSU faculty, staff, student organizations, and visitors, programs, activities and business operations.

III.   Definitions

A. *Environmental Health, Safety, and Risk Management (EHSRM) Committee*:

The University entity:

(1) serving as the primary campus resource for technical and administrative guidance to support University personnel designated to be responsible for specific aspects of the University's health and safety program; and

(2) identifying the appropriate administrative person(s) to develop and implement enterprise risk management tools to effectively manage risk through successful identification, mitigation, and monitoring activities.

B. *Enterprise Risk Management (ERM)*:

A process, overseen by the TTU System Chancellor and President of MSU, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and to provide reasonable assurance regarding the achievement of entity objectives.

IV.   Policy/Procedure

A. General

1. The ERM philosophy is to focus on the key elements of ERM to serve as a management and communication tool that assists in reducing risks and improving the chances of success in the accomplishment of goals found in a strategic plan and/or other key continuing operational programs. In many cases, risks cannot be eliminated, but ERM enables the University to manage them more efficiently and effectively.

2. The University has a viable, functioning EHSRM Committee that meets on a quarterly basis, or on call of the Chairperson as needed. See OP 02.29: University Boards, Councils, and Committees. The Committee is responsible for identifying the appropriate administrative person(s) to develop and implement ERM tools to effectively manage risk through successful   identification, mitigation, and monitoring activities.

B. Standards

1. The EHSRM Committee should include the following key elements in the application of ERM:

   a. Identify and Prioritize Risk - Identify and prioritize risk associated with the achievement of strategic plan goals and/or other key continuing operational programs.

   b. Determine Level of Acceptable Risk – Management determines the level of risk acceptable to the organization, including the acceptance of risks designed to accomplish the organization's objectives.

   c. Develop Mitigation Activities – Develop and implement mitigation activities to reduce, or otherwise manage, risk at levels that were determined to be acceptable to management.

   d. Conduct Ongoing Monitoring – Conduct monitoring activities to periodically reassess risk and the effectiveness of controls to manage risk.

   e. Report Periodically on ERM Process – Report and communicate periodically on the application of the Enterprise Risk Management tools in the management of risk. Risk deficiencies should be reported upstream, with serious matters reported to top management.

2. The above elements should be applied across the University in accordance with the strategic plan, but also be used as a tool to address departmental or functional unit level risk at appropriate levels of detail.

C. Biennial Requirements

1. The EHSRM Committee shall assist the University in annually providing a report to the Chancellor and Regents in conjunction with the TTU System Administration's annual strategic plan report to the Board of Regents using a standard format.

   Biennial Timeline – Even numbered years:
   • Second Friday in November of preceding odd numbered year – TTU System Administration Office of Risk Management (ORM) initiates update process with component institutions.

   • Second Friday in March of the even numbered year – Component updates due to ORM.

   • May Board meeting – TTU System Administration and component institutions presentations.

2. The biennial report requires identification of:

   a. Risks – key threats that may prevent accomplishment of a goal.

   b. Mitigation activities – controls, programs, processes, or procedures in place to reduce the likelihood or severity of the risk.

   c. Monitoring activities – systems, reports, or executive reviews use to track and analyze the risks associated to the goal and the related effectiveness of mitigation activities.

3. TTU System Office of Risk Management will provide guidance and templates annually for the   progress reports. Current information is available at TTU System Enterprise Risk Management (806-742-0212).

V.   Related Statutes, Rules, Regulations, Policies, and Resources

Related Statutes/Rules:
Texas Labor Code, Chapter 412
Texas Administrative Code (TAC), Title 28, Part 4, Chapter 252

TTU System *Regents' Rules* Chapter 07.03.4:
Duties and responsibilities. Administrators at all levels of management are accountable for setting the appropriate tone of intolerance for fraudulent acts by strictly displaying the proper attitude toward complying with laws, rules, regulations, and policies, including ethics policies. In addition, administrators shall be cognizant of the risks and exposures inherent in their area of responsibility, and shall establish and maintain proper internal controls which will provide for the security and accountability of the resources entrusted to them.

TTU System Regulation 1.1.1: Enterprise Risk Management - Standards of Practice

Related MSU Operating Policies/Procedures:
OP 02.29: University Boards, Councils, and Committees
OP 34.01: University Health and Safety Program
OP 62.08: University Emergency Management

Related Resources:
Business Continuity Plan
Emergency Management Plan
MSU Campus Safety Manual
MSU Risk Management Manual
MSU Strategic Plan

VI. Responsible Office

Contact: Vice President for Administration and Finance
Phone: _____
E-mail: _____

VII. Revision History

07 Nov. 2023:   Adopted and approved by MSU President Stacia Haynie to comply with Texas Tech University System Regulation 1.1.1: Enterprise Risk Management – Standards of Practice.