Risk Assessment and Crisis Management
A Clear and Compelling Danger

Presenter: Dr. John Derry
President Emeritus, Hope International University
Board Governance Risk Assessment
Purpose of Session One

• To raise awareness of the increasing demand for compliance with regulations and the consequences of failure to do so.

• To briefly cite current trends that have created a climate of disruption and pose a risk to the sustainability of our mission.

• To provide a framework for college boards and presidents to monitor compliance with regulations and to manage risk.
Risk Management Research

• 60% of boards do not have a way to assess major risks to mission success

• Less than half actively discuss institutional risks with senior administrators

• Only 5% have exemplary practices to manage major risks

Association of Governing Boards
The Board’s Responsibility

• Establish risk assessment and crisis management as a priority

• Consider the institution’s tolerance for risk in each area

• Establish a process for identifying and assessing risk

• Monitor implementation by appropriate senior administrator
Sample Policy Statement

Annually at the fall board of trustees meeting, the administration will provide to the executive committee a risk management assessment report identifying the status of the risks monitored and measures taken to mitigate those risks.

The administration will maintain a record of regulation compliance and ensure the required reports, policies, and procedures are in place by the appropriate deadlines each year.

The administration will maintain a comprehensive crisis management plan and conduct appropriate preparedness drills and training.
Defining Risk

• Operational
• Safety and Security
• Legal and Regulatory
• Financial
• Political and Reputational
• Academic and Student Life
• Cybersecurity
• Student Press
Risk Assessment Checklist

Operational Risks

___ Emergency Preparedness/ Safety Policies and Procedures
___ Technology Protection
___ Faculty and staff employment

Legal and Regulatory Risks

___ State and Federal Regulation Compliance
___ Pending Litigation
2021 ABHE Annual Meeting

Risk Assessment Checklist

Financial Risks

- Financial Stewardship – Finance Ratios and Compliance Score
- Adequate Property Insurance
- Directors and Officers Liability Insurance
- Financial Aid
- Enrollment Management
- Investments

Political and Reputational Risks

- Conflict of Interest Policy Signed by all Trustees and Senior Administrators

Academic and Student Life

- Intercollegiate Athletics
- Educational Programs on Crime Prevention, Sexual Assault, Alcohol Abuse
- Academic Quality and Results (Graduation and Retention)
Conducting a Risk Assessment

• Clearly Identify the Risk
• Rate the Impact and Likelihood
• Describe the Mitigation Actions Taken
• List the Frequency the Risk is Reviewed
• Name the Office that Monitors the Risk
• Assign a Grade (A to F)
• Indicate Changes from Previous Year
### 2021 ABHE Annual Meeting

**Risk Assessment Spreadsheet**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Impact</th>
<th>Likelihood</th>
<th>Mitigation Activities</th>
<th>Monitoring Frequency</th>
<th>Detect &amp; Respond</th>
<th>Risk Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility</td>
<td>3</td>
<td>5</td>
<td>Correct hazards, fully disclose of assessment, train, SOP, PPE, documentation, supervision</td>
<td>Semiannual</td>
<td>SP, Coaches, MR</td>
<td>N/A</td>
</tr>
<tr>
<td>Financial</td>
<td>3</td>
<td>4</td>
<td>Ensure financials support, serve as financial advisor</td>
<td>Semi-annual</td>
<td>SP, Coaches, MR</td>
<td>N/A</td>
</tr>
<tr>
<td>Reputation</td>
<td>5</td>
<td>4</td>
<td>Correct malfeasance, fully disclose assessment, train, SOP, PPE, documentation, supervision</td>
<td>Semiannual</td>
<td>SP, Coaches, MR</td>
<td>N/A</td>
</tr>
<tr>
<td>Security</td>
<td>3</td>
<td>5</td>
<td>Correct hazards, fully disclose assessment, train, SOP, PPE, documentation, supervision</td>
<td>Semiannual</td>
<td>SP, Coaches, MR</td>
<td>N/A</td>
</tr>
<tr>
<td>Overall</td>
<td>3</td>
<td>5</td>
<td>Correct hazards, fully disclose assessment, train, SOP, PPE, documentation, supervision</td>
<td>Semiannual</td>
<td>SP, Coaches, MR</td>
<td>N/A</td>
</tr>
</tbody>
</table>
## Risk Assessment Scale

<table>
<thead>
<tr>
<th>Scale</th>
<th>Impact</th>
<th>Likelihood</th>
<th>Score*</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Minor Changes</td>
<td>Not likely in 10 yrs.</td>
<td>A</td>
<td>Risk is well mitigated</td>
</tr>
<tr>
<td>2</td>
<td>Maintain Operation</td>
<td>Not likely in 5 yrs.</td>
<td>B</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Moderate Adj.</td>
<td>May occur in 5 yrs.</td>
<td>C</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Major Shifts</td>
<td>May occur in 1 yr.</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Mission Impaired</td>
<td>High probability</td>
<td>F</td>
<td>Risk is not controlled</td>
</tr>
</tbody>
</table>

* = Decrease from previous year  
** = Increase from previous year
## Risk Assessment Spreadsheet

<table>
<thead>
<tr>
<th>Risk</th>
<th>Impact</th>
<th>Likelihood</th>
<th>Mitigation Activities</th>
<th>Monitored by</th>
<th>Frequency</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residence Hall Safety and Security</td>
<td>4</td>
<td>3</td>
<td>Cameras, 24/7 Campus Security, Card Access Doors, Resident Training</td>
<td>Residence Hall Staff and VP Student Affairs</td>
<td>Weekly</td>
<td>A**</td>
</tr>
</tbody>
</table>
## 2021 ABHE Annual Meeting

### Risk Assessment Spreadsheet

<table>
<thead>
<tr>
<th>Risk</th>
<th>Impact</th>
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<th>Mitigation Activities</th>
<th>Monitored by</th>
<th>Frequency</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in enrollment of more than 10% in one year</td>
<td>4</td>
<td>3</td>
<td>Enrollment management plan; Marketing; Tuition Discount</td>
<td>VP for Enrollment</td>
<td>Monthly</td>
<td>C</td>
</tr>
</tbody>
</table>
### Risk Assessment Spreadsheet

<table>
<thead>
<tr>
<th>Risk</th>
<th>Impact</th>
<th>Likelihood</th>
<th>Mitigation Activities</th>
<th>Monitored by</th>
<th>Frequency</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Maintenance</td>
<td>3</td>
<td>4</td>
<td>Maintenance Master Plan; Capital Imp. Loan;</td>
<td>VP for Business</td>
<td>Annually</td>
<td>D*</td>
</tr>
</tbody>
</table>
Compliance and Reporting

• Federal (IPEDS, Financial Aid, EPA, Title IX, Form 990, etc.)
  resource: www.higheredcompliance.org

• State (Incorporation, SARA, etc.)

• Accrediting Associations (Conflict of Interest, Student Outcomes)

• Constituents, Churches, Foundations (Audit, Annual Reports)

• Consequences of Non-compliance
Conducting a Compliance Audit

- The Compliance Item
- Month and Due Date
- Regulation Code
- Why it is Required
- How/Where it is Reported

- Focus of the Requirement
- College Area Responsible
- Office and Position Responsible
- HEOA Requirement
- Posted on Web Site
- Date Completed
<table>
<thead>
<tr>
<th>NO.</th>
<th>Due Date</th>
<th>Compliance Item</th>
<th>Code Reference</th>
<th>Requirement</th>
<th>How Reported</th>
<th>General Focus</th>
<th>Area Responsible</th>
<th>Offs Responsible</th>
<th>HECD Accountability</th>
<th>College Website</th>
<th>Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>TBD</td>
<td>2021 ABHE Annual Meeting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Aug</td>
<td>Title IX Compliance</td>
<td>34 C.F.R. 90.1, 90.2, 90.34, 90.35, 90.36, 90.37</td>
<td>Conduct a report on the existence of Title IX compliance.</td>
<td>Conducted, as per requirement</td>
<td>Conducted, as per requirement</td>
<td>By or on behalf of the President</td>
<td>President</td>
<td>President</td>
<td>President</td>
<td>Complete</td>
</tr>
<tr>
<td>2</td>
<td>Aug</td>
<td>Compliance Monitoring and Audit Spreadsheet</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Sep</td>
<td>Privacy of Student Records</td>
<td>34 C.F.R. 99.1, 99.2, 99.3, 99.4, 99.5, 99.6, 99.7</td>
<td>Conduct a report on the existence of Privacy of Student Records.</td>
<td>Conducted, as per requirement</td>
<td>Conducted, as per requirement</td>
<td>By or on behalf of the President</td>
<td>President</td>
<td>President</td>
<td>President</td>
<td>Complete</td>
</tr>
<tr>
<td>4</td>
<td>Sep</td>
<td>Drug &amp; Alcohol Abuse Prevention Program</td>
<td>28 C.F.R. 601.7, 601.8, 601.9, 601.10, 601.11, 601.12, 601.13</td>
<td>Conduct a report on the existence of Drug &amp; Alcohol Abuse Prevention Program.</td>
<td>Conducted, as per requirement</td>
<td>Conducted, as per requirement</td>
<td>By or on behalf of the President</td>
<td>President</td>
<td>President</td>
<td>President</td>
<td>Complete</td>
</tr>
<tr>
<td>5</td>
<td>Oct</td>
<td>Cook and Dining Services</td>
<td>28 C.F.R. 601.14, 601.15, 601.16, 601.17, 601.18, 601.19, 601.20</td>
<td>Conduct a report on the existence of Cook and Dining Services.</td>
<td>Conducted, as per requirement</td>
<td>Conducted, as per requirement</td>
<td>By or on behalf of the President</td>
<td>President</td>
<td>President</td>
<td>President</td>
<td>Complete</td>
</tr>
<tr>
<td>6</td>
<td>Oct</td>
<td>On-Campus Security Report</td>
<td>28 C.F.R. 601.21, 601.22, 601.23, 601.24, 601.25, 601.26, 601.27</td>
<td>Conduct a report on the existence of On-Campus Security Report.</td>
<td>Conducted, as per requirement</td>
<td>Conducted, as per requirement</td>
<td>By or on behalf of the President</td>
<td>President</td>
<td>President</td>
<td>President</td>
<td>Complete</td>
</tr>
<tr>
<td>7</td>
<td>Oct</td>
<td>Emergency Notification &amp; Response</td>
<td>28 C.F.R. 601.28, 601.29, 601.30, 601.31, 601.32, 601.33, 601.34</td>
<td>Conduct a report on the existence of Emergency Notification &amp; Response.</td>
<td>Conducted, as per requirement</td>
<td>Conducted, as per requirement</td>
<td>By or on behalf of the President</td>
<td>President</td>
<td>President</td>
<td>President</td>
<td>Complete</td>
</tr>
<tr>
<td>8</td>
<td>Oct</td>
<td>Campus Athletics &amp; Recreation</td>
<td>28 C.F.R. 601.35, 601.36, 601.37, 601.38, 601.39, 601.40, 601.41</td>
<td>Conduct a report on the existence of Campus Athletics &amp; Recreation.</td>
<td>Conducted, as per requirement</td>
<td>Conducted, as per requirement</td>
<td>By or on behalf of the President</td>
<td>President</td>
<td>President</td>
<td>President</td>
<td>Complete</td>
</tr>
<tr>
<td>9</td>
<td>Oct</td>
<td>Fire Safety Report</td>
<td>28 C.F.R. 601.43, 601.44, 601.45, 601.46, 601.47, 601.48, 601.49</td>
<td>Conduct a report on the existence of Fire Safety Report.</td>
<td>Conducted, as per requirement</td>
<td>Conducted, as per requirement</td>
<td>By or on behalf of the President</td>
<td>President</td>
<td>President</td>
<td>President</td>
<td>Complete</td>
</tr>
<tr>
<td>10</td>
<td>Oct</td>
<td>Missing Person Notification Policy</td>
<td>28 C.F.R. 601.50, 601.51, 601.52, 601.53, 601.54, 601.55, 601.56</td>
<td>Conduct a report on the existence of Missing Person Notification Policy.</td>
<td>Conducted, as per requirement</td>
<td>Conducted, as per requirement</td>
<td>By or on behalf of the President</td>
<td>President</td>
<td>President</td>
<td>President</td>
<td>Complete</td>
</tr>
<tr>
<td>11</td>
<td>TBD</td>
<td>Cybersecurity</td>
<td>28 C.F.R. 601.57, 601.58, 601.59, 601.60, 601.61, 601.62, 601.63</td>
<td>Conduct a report on the existence of Cybersecurity.</td>
<td>Conducted, as per requirement</td>
<td>Conducted, as per requirement</td>
<td>By or on behalf of the President</td>
<td>President</td>
<td>President</td>
<td>President</td>
<td>Complete</td>
</tr>
</tbody>
</table>
## Compliance Monitoring and Audit

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>How Reported</th>
<th>Responsible Office</th>
<th>Date Posted</th>
<th>HEOA Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduation Rates</td>
<td>By July 1, notice must be distributed to current and prospective students about completion rates, from previous year ending August 31, through appropriate publications, mailing, and electronic media.</td>
<td>Notice emailed to students. Data link posted on web site.</td>
<td>Registrar and Office of Institutional Research</td>
<td>By July 1</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(20 USCode, 1092 a.1.L)
### Compliance Monitoring and Audit

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>How Reported</th>
<th>Responsible Office</th>
<th>Date Posted</th>
<th>HEOA Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Records Privacy (FERPA)</td>
<td>By the time of fall registration, notice must be distributed to all students and parents of a list of information the college is required to provide with a statement of how to obtain such information.</td>
<td>Statement in Catalog, Notice to incoming students with orientation material.</td>
<td>Registrar</td>
<td>By Aug. 1</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Consumer Information Page

This webpage provides a gateway to consumer information for prospective and current students, members of the campus community, and the general public. The information is presented in compliance with the Higher Education Opportunity Act of 2008 (HEOA) which contains numerous federal reporting and disclosure requirements with respect to various institutional policies, procedures, operations, and costs.

Please click subject heading to access consumer information. If you desire any of the following information in written form, please contact ________.
The College operates in compliance with all applicable federal and state non-discrimination laws and regulations in conducting its programs, activities and employment decisions. Such laws and regulations include:

- Title VI of the Civil Rights Act of 1964
- Title VII of the Civil Rights Act of 1964
- The Age Discrimination in Employment Act of 1967
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title IX of the Education Amendments of 1972
- The Americans with Disabilities Act of 1990 (*Public Law 101-336*)
- The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act
Consumer Information - Institutional

- Academic Support Services
- Accreditation
- Career and Job Placement Services
- Catalog
- Common Data Set
- Copyright Infringement Policy
- Equity in Athletics
- Family Educational Rights and Privacy Act (FERPA)
- Filing A Complaint
- Learning Accommodations
- Misrepresentation Policy
- Peer to Peer File Sharing
- Religious Organization Exemption Disclosure
- Student Handbooks
- Student Outcomes - Graduation & Retention
- Teach-Out Policy
- Title IX Compliance and Coordinator
- Transfer of Credit Policies and Articulation Agreements
- Voter Registration
Consumer Information - Financial

- Cost of Attendance
- Financial Aid Assistance and General Information
- Financial Aid Guide
- Institutional Code of Conduct for Student Loans
- Net Price Calculator
- Refund Policy & Requirements for Withdrawal and Return of Federal Financial Aid
Consumer Information – Health & Safety

- Annual Security & Fire Safety Report (Clery Act)
- Campus Safety Plan
- COVID-19 Prevention Program
- Disabled Students
- Immunizations
- Sexual Harassment and Assault Information
Concluding Observations

Risk Management and Regulation Compliance are two areas that can be easily pushed to the back burner.

Procrastination and neglecting to give attention can subject your college to increased liability.

Please ensure your board has a policy to at annually request an updated report from the Administration.
Discussion Questions
Prudent Principles of Crisis Management
Purpose of Session Two

• To survey the range of potential crises.

• To consider the consequences of how well or poorly crises are managed.

• To identify appropriate responses to a crisis.
Reflections on 2020

Following the crisis of 2020, American higher education must prepare for transformational change, whether it be a renewal or reinvention of higher education as we know it. Governing boards are largely responsible for managing these changes and ensuring institutional responses to crises align with institutional missions and support the common good.

Trusteeship, Nov/Dec 2020
Change often comes in waves.
Sometimes it’s a Tsunami.
Crisis Management

• A crisis is “a situation with significant newness or novelty where one must solve problems and make decisions in real time with rapid innovation under stress embedded in fear.” (Harvard Business School)

• Crisis management is a series of steps an organization performs to deal with a catastrophic event. A crisis disrupts business operations, threatens to harm people, damages your reputation, and negatively impacts your finances.

• Types of Crises
  • Emergency
  • Controversy
Three Phases of Crisis Management

1. Preparing for a Crisis
2. Experiencing the Crisis
3. Recovering from the Crisis
Trustees Role in Crisis Management

- Establish a Crisis Management Policy
- Ensure the President has Appointed a Crisis Management Team
- Review the Crisis Management Plan/Handbook with the Administration
- Consider the Risk Assessment Study for High Impact Scenarios
- Determine the Best Way to Keep Trustees Informed
President’s Role in Crisis Communication

• Know Where to go to Coordinate Communication
• Designate Appropriate Person to Speak on Behalf of the College
• Determine What Information is to be Released and How
• Inform Campus Community First, not Last
• Rehearse Your Message
• Manage Social Media
Preparing for the Next Crisis

• The Quality of Governance Leadership is Revealed in Crisis

“This is not the time for motivational speeches or a pep talk. This is a time to be totally authentic and serious and confront the reality that exists. Great leaders don’t really get paid for what they do in good times. You get paid for what you do in hard times. Just make peace with that.”

Marshall Goldsmith, author of What Got you Here Won’t Get You There
Preparing for the Next Crisis

• The Quality of Governance Leadership is Revealed in Crisis
• Good Decisions in a Crisis Require Collaborative Wisdom
• Productive Paranoia - Expecting the Unexpected
• Without a Crisis Management Plan the College is Vulnerable
• A Crisis can be an Opportunity to Strengthen the Institution
2021 ABHE Annual Meeting

Crisis Management Handbook

I. Introduction
   A. Purpose and Scope
   B. Declaration of Crisis or State of Emergency

II. Organization
   A. Crisis Management Team Composition and Responsibilities
   B. Emergency Preparedness Coordinator
   C. Crisis Management Command Center

III. Emergency Response Plans
   A. Emergency Notification System
   B. Information Technology
   C. Maintenance and Operations
   D. Food Service
   E. Human Resources Records
   F. Legal Counsel
   G. Media/Public Relations
   H. Medical and Health
   I. Student Volunteers
   J. Telecommunications

IV. Campus Security

V. Emergency Procedures
   A. Building Evacuation
   B. Earthquake/Tornado/Hurricane Flood
   C. Fire
   D. Hazardous Material Leak or Spill
   E. Active Shooter
   F. Hostage Situation
   G. Bomb
   H. Suicide
   I. Death or Serious Injury
   J. Civil Disturbance or Demonstration
   K. Triage
   L. Kidnapping
   M. Assault
   N. Robbery
   O. Harassment
   P. Disorderly Conduct
   Q. Physical or Verbal Threats
   R. Property Damage
   S. Bomb Threat
   T. Power Failure
   U. Securing Operations

Appendix
   A. Off-Campus Disaster Resources (Phone Numbers)
   B. Campus Communications Phone List
   C. Emergency Preparedness Checklist
   D. Campus Disaster Supply List
   E. Hazardous Material Spill Site Specifics Checklist
   F. Smith Tower Site Specific Checklist
   G. Power Failure Site Checklist
   H. Building Floor Plans
Crisis Management and Emergency Preparedness
Sample Table of Contents

Introduction - Purpose and Scope
Organization and Responsibilities
• Crisis Management Team
• Crisis Coordinator

Emergency Response Plans and Procedures
• Natural Disasters
• Health and Safety
• Public Relations

Appendices
• Off-Campus Disaster Resources (Phone Numbers)
• Communication Plan
• Checklists
• Building Floor Plans
Lessons learned from the COVID-19 Crisis

• Be prepared for a crisis to last longer than expected
• Embrace differentiated learning
• Recognize the disparity in student’s ability to adjust
• Be resourceful in identifying leadership support from employees
• Be sensitive and flexible to the emotional demands on people
• Don’t plan on a government bailout every time
• Retain the positive changes that were implemented
Summary

• It is impossible to eliminate all risk or to avoid all crises, but it is possible to take precautionary steps to reduce or manage the likelihood and impact. Advance preparation is critical.

• Failure to give attention to these important areas can have far-reaching and long-term consequences for individuals associated with the college as well as the institution.
Discussion Questions
“Lately we have heard the words “unprecedented” and “now more than ever” so much they have almost lost their impact, but they could certainly be applied to what is happening in higher education and to the need for outstanding Christian leaders in our culture. Embracing change rather than resisting it can be the best course of action when faced with an unpleasant alternative. Colleges and universities within our fellowship are a valuable resource. I believe they are resilient, and with innovative leadership, can emerge from this period with an even stronger commitment to serving churches and impacting the world for Christ”

• Stay Focused on the Mission
• Be Prepared to Pivot
• Form Strategic Partnerships

Christian Standard by John Derry