



# Risk Framework

A Presentation to the USC  
Board of Directors

December 1, 2017



# BACKGROUND

Two kinds of risk at the USC:

- 1) Normal, day-to-day risk - associated with running of services and operations
- 2) **High impact risk** - could threaten the viability of the organization



# ROUTINE RISK VS. CRITICAL RISK

## Management Oversight - Routine Risk

- Experienced managers are able to provide training to staff to mitigate day-to-day risk

## Board of Directors Oversight - Critical Risk

- Chart details management's assessment of the USC's top risks
- The Board of Directors must be aware of these risks and monitor them regularly through policy and procedure



# Strategic Risk

Involves poor strategy formulation or an inability to execute strategy due to internal or external factors.

**Risk #1** - Lack measurement of progress towards well-defined strategic goals



# Financial Risk

Involves anything that might affect our current funds or access to future funds.

**Risk #2** - 95% of our revenue comes from a single source, student fees.



# Organizational Risk

Performance and retention of key organizational leaders poses the greatest operational risk to any corporation.

**Risk #3** - Core student leadership positions turn-over frequently, as do volunteers and part-time staff.

**Risk #4** - Potential loss of senior managers or personnel with specialized knowledge within the USC's administrative staff.



# Organizational Risk Continued...

**Risk #5** - A persistent downtrend in students who are willing to volunteer or seek election.

**Risk #6** - Issues with elections can impact the organization significantly.

**Risk #7** - Lack a comprehensive file management strategy, which can result in data loss and information gaps.



# Operational Risk

These are unique to every operation, but commonly include customer satisfaction, service quality, unique constraints, input costs and quality, and reliance on a single vendor or distribution network.

**Risk #8** - Significant cooperation from Western University is required to operate most of our core functions.



# External Risk

Unanticipated volatility in the economy or other external factors can impact the viability of an organization.

**Risk #9** - Changing PSE financial modeling will impact enrollment numbers going forward.