

**Clayton State University
Risk Categories**

STRATEGIC RISKS

Risks that directly impact the organization's ability to achieve goals and objectives.

<p>1. Industry/Market/Competitor Risk. Changes in opportunities threats or alternative educational options, or actions of other educational outlets or new entrants threaten institution competitive posture.</p>	<p>2. Partner Relations Risk. A breakdown in relations with strategic partners.</p>	<p>3. General Economy Risk. Movements in economic indices or other economic factors (e.g., economic recession) threatens institution success.</p>
<p>4. Governmental/Political Risk. Adverse governmental or political actions (funding cuts or increase regulation) threaten INSTITUTION's resources and future cash flows.</p>	<p>5. Infrastructure Risk. The risk that the university does not have effective information technology, hardware, networks, software, people, and processes to effectively support the current and future needs in an efficient, cost-effective, and well-controlled fashion.</p>	<p>6. Environmental Scan Risk. The risk that INSTITUTION does not have an effective process to obtain relevant information about the environment/market, or key assumptions about the environment are inconsistent with reality and may have an impact on accomplishment of goals and objectives.</p>

COMPLIANCE RISKS

Impacting laws, rules, regulations which, if violated, can result in significant penalties. An example of where a compliance risk may manifest itself would be the false reporting of time and expense related to a federal grant program.

<p>7. Compliance Risk - Regulatory. Nonconformance with laws, regulations exposes the university to sanctions, fines, and penalties and threatens reputation, opportunities, and expansion potential.</p>	<p>8. Compliance Risk - Industry Standards or Expectations. Nonconformance with industry standards like the PCI Data Security Standard exposes the university to sanctions, fines, and penalties and threatens reputation, opportunities, and expansion potential.</p>	<p>9. Compliance Risk - Policy/Procedures. Nonconformance with policies or procedures exposes the university to sanctions, fines, and penalties and threatens reputation, opportunities, and expansion potential.</p>
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REPUTATIONAL RISK

Situations where media attention can significantly increase the organization's potential exposure. Examples of situations involving reputational risks include where acts of malfeasance become a significant drain on the institution due to perceptions of incompetence, lack of accountability or other perceptions of mismanagement. Also includes situations and scenarios where students and employees may lose or fail to gain trust in the organization. Examples may include unfriendly work/study environments, preferential treatment, or unbalanced resource allotments.

Reputational risks often have a secondary strategic risk impact.

<p>10. Customer Satisfaction Risk. Processes do not consistently meet or exceed student or customer expectations.</p>	<p>11. Human Resources Risk. A lack of training, knowledge, skills, or experiences of key personnel threatens the achievement of critical objectives.</p>	<p>12. Change Readiness Risk. Employees are unable to implement process and service improvements quickly enough to keep pace with student/customer expectation.</p>
<p>13. Cultural Risk. Lack of sensitivity to cultural differences or sensitivities leads to situations where trust is lost or fails to be gained.</p>		

OPERATIONAL RISKS

Process related risks that impact the efficiency or effectiveness of operations. Risk situations may manifest themselves in operations which fail to satisfy student's or other customers expectations.

<p>14. Labor Supply Risk. Labor shortage affects critical work groups.</p>	<p>15. Efficiency/Cycle Time Risk. Inefficient operations and unnecessarily slow processes threaten the ability to accomplish goals or objectives.</p>	<p>16. Obsolescence Risk. Lack of adequate technology or facilities creates an adverse effect jeopardizing the success of goals or objectives.</p>
<p>17. Leadership Risk. The risk that people are not being led effectively, which may result in a lack of direction, customer focus, motivation to perform, management credibility and trust.</p>	<p>18. Authority/Limit Risk. The risk that ineffective lines of authority and/or failure to establish clear policies or limits on personnel actions may cause managers or employees to do things they should not do or fail to do things they should.</p>	<p>19. Communications Risk. Ineffective communication channels may result in messages that are inconsistent and could impede accomplishment of goals and objectives.</p>
<p>20. Access and Availability of Information Risk. Access to information, regardless of the media on which it is stored (data or programs) will be inappropriately granted or refused or that upon have gained access, the necessary information or system is unavailable.</p>	<p>21. Completeness and Accuracy Risk of Operational Information. Incomplete and/or inaccurate nonfinancial information may cause inappropriate operating decisions.</p>	<p>22. Catastrophic Loss Risk. A major disaster or security event threatens the ability to sustain safe operations, provide essential services, and/or recover operating expenses.</p>

FINANCIAL RISK

Situations leading to financial deterioration affecting assets, technology, financial reporting and auditing. Additionally this includes situations where the information needed to make financial decisions is not relevant, complete, accurate or timely.

23. Data Integrity Risk. The risk that data upon which you rely is not authorized, complete and accurate or is cryptic and difficult to interpret.

24. Management/Employee Fraud Risk. Fraud, Waste, Abuse or other illegal activities by INSTITUTION personnel adversely impact the university's reputation or exposes INSTITUTION to financial loss.

25. Cash Flow Risk. Risk that enrollment fluctuations expose the university to financial difficulties impacting the accomplishment of goals and objectives.

26. Opportunity Cost Risk. The risk that funding is allocated in a manner that has an adverse impact on the department's ability to accomplish goals and objectives.

27. Budget and Planning Risk. The risk that budgets and business plans are not (1) realistic, (2) based on appropriate assumptions, (4) accepted by key managers, and/or (5) useful. This also includes the risk that budget to actual information and performance measures are not available and therefore threaten management's ability to monitor performance.

28. Completeness and Accuracy Risk. Incomplete and/or inaccurate financial information may cause inappropriate financial conclusions and decisions.