Rapport annuel
Annual Report
uOttawa Programme de gestion des risques
Enterprise Risk Management Program

29 octobre 2012 – Bureau des gouverneurs
29 October 2012 – Board of Governors
Executive Summary

The University of Ottawa strives to offer an unparalleled university experience and, through outstanding teaching and research, play a vital role in defining the world of tomorrow. The University aspires to instil in each of our graduates an ethic of service, a culture of engagement and an awareness of shared responsibility that will prepare them for global citizenship. The University of Ottawa is unique because of its location in the heart of the nation’s capital, its bilingualism and commitment to the promotion of French culture in Ontario, and the excellence of our scholarship. As a research-intensive university, its goal is to provide our students with an outstanding education and enrich the intellectual, economic and cultural life of Canada, helping our country play an important and valued role among the nations of the world. These aspirations are not without their inherent risks and our stakeholders include the University’s students, professors, neighbouring residents, businesses, spaces and staff as well as the broader communities of research and higher learning.

Risk management activities form an integral part of operational and strategic decision-making at the University of Ottawa; to enhance the communication of these activities, the University’s senior management leads a formal Enterprise Risk Management Program. Since 2006, in compliance with policy 54 (Enterprise Risk Management Policy), an Annual Report has been prepared and submitted to the Enterprise Risk Management Committee, the Administrative Committee, and the Audit Committee of the Board and to the Board of Governors for review and approval. This annual report is an assessment of Academic, Research and Support activities, strategic and operational, undertaken by, or on behalf of, the University of Ottawa and provides detailed information regarding each enterprise risk. The report was prepared in conjunction with the ‘Risk Owners’, or their representatives, and the Office of Risk Management during the summer months. This process is consistent with that recommended by Standard and Poors and the ISO 31000 standard on enterprise risk management.

As a part of this process, best practices are monitored from across other universities as well as the public and private sectors, and as a result of this monitoring the analysis now includes a ‘time to onset’ rating for each risk to indicate how quickly the risk can change and in what time frame it may occur in. Risks with little advanced warning are of greater concern than those which have significant early indicators. To provide greater insight into the risks themselves, this executive summary has been significantly expanded.

The focus of our risk assessment is on the fifteen basic risks identified in 2004 and reviewed annually. In 2012 the Privacy and Confidentiality risk has been added. This close focus enables the University to act upon its most urgent and mission-critical risks. It is not intended to be an exhaustive list of all of the risks and concerns facing the University but rather a summary of the primary strategic risks. Operational risk assessments have been conducted and are available for review upon request to the Office of Risk Management.

This report presents the summary of the Enterprise Risk Management activities that have been undertaken in fiscal year 2011/2012 and has been subsequently updated for material issues occurring prior to August 31, 2012.

Although the process employed at uOttawa is one of the most effective among North American universities, continual improvement remains a focus. With the completion of this, the seventh, annual report, a significant revision of the process will be undertaken. A comprehensive review of the enterprise risks will be undertaken to ensure they are reflective of all the strategic risks of the University. It will also involve strengthening the links between this report and Destination 2020, including through the University’s dashboard. The level and presentation of information in the report will be reviewed to ensure that it meets the needs of the Board of Governors and senior management.
### Risk Definition Global & Environmental context

#### Information

- **Definition:** Failure to install and maintain highly reliable information systems and technology to support the learning experience, research and university management.
- **Global & Environmental context:** It is impossible for a University to fulfill its mission in today’s business climate without a sound information technology infrastructure which allows easy access to information for its professors, students and staff while also protecting the University’s data from unauthorized use. Information security continues to be an area of emphasis, with risks associated with cloud computing being a concern.
- **Improvements in 2011/2012:** The relocation of the main server room to the Social Sciences tower has resulted in significantly more reliable infrastructure.
- **Planned Activities:** The process to replace the Student Information System (SIS) by the end of 2015 has been initiated. The disaster recovery plan is under review. A third party assessment of information system security is planned.
- **Effectiveness of Controls Rating & Rationale:** The current effectiveness of controls rating is ‘acceptable-marginal’. Progress from last year was hampered by the external environment that is increasingly riskier and changes dramatically in short-term periods.

#### Privacy and Confidentiality

- **Definition:** The unintended or malicious release of private or confidential information; be it in electronic or hard copy, which has been entrusted to uOttawa by donors, students, research participants and partners, employees or other stakeholders.
- **Global & Environmental context:** The Privacy and Confidentiality risk is being introduced as of this report to reflect the potential for the unintended or malicious release of private or confidential information entrusted to uOttawa. Amongst other factors, given that leading edge companies with significant investments into data security, such as government, financial institutions and technology companies regularly experience these releases, the probability of this occurring in uOttawa’s highly decentralized environment is very high.
- **Improvements in 2011/2012:** The governance framework for Access to Information and Protection of Privacy was formalized with policies and procedures during 2011/2012. Policies surrounding PCI (Payment Card Industry) standards compliance have also been approved.
- **Planned Activities:** Efforts will continue in 2012/2013 to evaluate the extent and implications of this risk and to develop specific risk reduction and risk mitigation programs.
- **Effectiveness of Controls Rating & Rationale:** With the governance framework established, the implementation of risk reduction and risk mitigation measures will follow.
## Risk Definition Global & Environmental context

### Physical Infrastructure

- **Risk:** Failure to acquire or build and maintain the land, buildings and other physical assets needed to fulfill our mission and achieve our strategic objectives in a timely and cost-effective manner.

- **Global & Environmental context:**
  - Our mission as a research-intensive university must be supported by adequate facilities and space. These facilities need to be maintained and upgraded in order for the University to plan adequately for its needs. The increase in student enrolment (graduate and undergraduate) increase pressure for space.
  - Downtown Ottawa is entering a 5 year period of intensive construction; including the widening of the 417 and the construction of the Light Rail Train. While these projects will be an asset to the University in the long term, they will present challenges in terms of construction impacts (primarily noise) to be mitigated by uOttawa in the short term.

- **Improvements in 2011/2012:**
  - Although deferred maintenance, estimated at over $150 MM, remains a source of concern, the university has invested $24.2MM to address deficiencies in 2011-2012. The University’s Facility Condition Index (FCI) has improved to the provincial average of 0.10 (‘fair’). Using provincially accepted methodologies, the university’s space inventory is 62% of its needs; this is the third lowest in Ontario. The Faculty of Social Science Tower will add 246,000 gross square feet, improving both metrics in the fall of 2012.

- **Planned Activities:**
  - The university will invest $11.9MM to address deficiencies in 2012-2013. Major construction projects underway or imminent include the Open Air Stadium, Grad House, Advanced Research Complex (ARC), Morisset Hall expansion and planning for the new Health Sciences building. The new Advisory Committee on Campus Development will advise on the elaboration of the long term master plan for the uOttawa’s infrastructure.
  - The 5 year plan, approved in 2012 and well underway, includes numerous construction and renovation projects and should help ease the need for space in the short term. The on time/on budget delivery of projects is being improved through the commencement of a review of the PRS management structure and processes.

- **Effectiveness of Controls Rating & Rationale:**
  - The effectiveness of controls rating is currently at ‘acceptable’ due to many projects currently underway and on the horizon and it is expected to improve in the next year.
## Emergency Preparedness

**Risk**

The University’s failure to respond effectively to an emergency, including natural disasters, terrorist acts, pandemics, active shooters, work disruptions or other unforeseen events that compromise service quality and continuity.

**Definition**

In order to respond effectively to a potential emergency situation (violence, natural disaster, chemical spill or pandemic for example), the University must have clear decision making, communications and planning process in place. With many of these events, the reaction must be swift and decisive as the events themselves only typically last minutes and effective response depends on the pre-planned actions taken in those critical minutes by emergency responders and the broader community. These plans are never considered final as they are living documents, being updated with changes on campus and best practices elsewhere.

**Global & Environmental context**

The Emergency Notification System (ENS) is operational with screen alerts, an emergency information line (5555), emergency e-mail notification, a “dark site” to replace the uOttawa welcome page in the event of emergency, emergency banners for gateway pages on the uOttawa website and automated notification of the Emergency Coordination Team (ECT). Despite elements of this program being delayed, emergencies that occur are dealt with.

**Improvements in 2011/2012**

The effectiveness of controls is rated as ‘acceptable’ as, despite improvements to the notification processes, new tools (such as Hotdesking phone numbers and Virtual Emergency Operations Centre) are still underway. The program did lose some momentum due to staffing issues in supporting departments but the effectiveness of controls is expected to improve as these roles are staffed.

**Planned Activities**

In the fall of 2012 an “Are You Ready?” website will be launched in concert with a preparedness and awareness campaign to increase awareness throughout the University community on what preparations can be made for and actions to be taken in the event of an emergency. Training for new ECT members will commence once all the vacancies are filled. The emergency plan continues to be modified based on experiences at uOttawa and other organizations.

**Effectiveness of Controls Rating & Rationale**

The effectiveness of controls is rated as ‘acceptable’ as, despite improvements to the notification processes, new tools (such as Hotdesking phone numbers and Virtual Emergency Operations Centre) are still underway. The program did lose some momentum due to staffing issues in supporting departments but the effectiveness of controls is expected to improve as these roles are staffed.
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<tr>
<td>Student Satisfaction</td>
<td>A significant proportion of our students not satisfied with the quality of their University experience</td>
<td>The University’s future is shaped in part by the quality of the student experience. While it may take years for a University to build a positive student experience, this can be offset by a small number of negative experiences. The expectations of students continue to rise, and are expected to do so for the foreseeable future. Social media plays a role in the increase in expectations as positive experiences by students with initiatives put in place in other post-secondary establishments are quickly known and allow for quick, broad distribution of negative experiences.</td>
<td>Considerable efforts and focus have been placed on student satisfaction which is showing early signs of success. Students are actively engaged in the identification and planning of initiatives. The expanded orientation program conducted in August has been expanded and continues to be very well received by students and their parents. The One Card program was rolled out in 2011 with success and will continue to be expanded, particularly to off-site food services. The 2011 End of Program Survey indicates that 84% of undergraduate students are satisfied or very satisfied with their program of studies and 83% are satisfied or very satisfied with the quality of teaching, satisfaction with academic services is 70%. Due to the frameworks that have been established and initiatives underway, the probability of this risk occurring has been decreased to low.</td>
<td>To continue to achieve cultural change, the training programs that were piloted in 2012 for new academic administrative staff to provide better, more complete assistance to students when questions are initially asked will be continued. A service culture training program is scheduled to be implemented in the fall of 2012 to improve information and support to students by administrative support. The process to identify, plan and implement actions that will enhance student satisfaction will continue.</td>
<td>The effectiveness of been raised to ‘acceptable-good’ due to the positive initial feedback on the many initiatives to improve student satisfaction. The rating is expected to improve in the next 1-2 years.</td>
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<td>Financial</td>
<td>Failure to provide strong internal cost controls, investment management, financial reporting and decision support, resulting in deficits and unsustainable debt loads.</td>
<td>The Ontario economy is recovering, but remains fragile and under an atmosphere of restraint. Although in better shape than other Canadian universities, a material ‘solvency’ deficit is affecting the pension plan and will require significantly increased special payments as of 2013. The university’s AA bond rating and stable trend was confirmed by Dominion Bond Rating Service in March 2012, but was decreased by Moody’s to AA2 in January 2012 due to the downgrade in the Province’s rating. The budget continues to present an increasing challenge as no funding increases are available from the provincial government to offset inflationary cost increases, including labour. Deferred maintenance continues to be a challenge.</td>
<td>A detailed report on key assumptions of the Pension Fund completed in June 2012 resulted in the revision of some assumptions leading to negative impacts on the ‘going concern’ and ‘solvency’ deficit despite gains on investments. The Capital Plan for 2012-2017 was approved with a reduced borrowing capacity (from $100MM to $80MM), resulting in the new Visual Arts facility to remain a priority, albeit unfunded.</td>
<td>The pension valuation statement is formally required in 2013. To ensure long-term financial sustainability of the pension plan, realignment of cost-sharing and plan design are required for which discussions have begun. Provincial government initiatives to freeze wages will assist in holding this cost steady while we are still awaiting a firm tuition framework.</td>
<td>The effectiveness of controls was decreased to ‘acceptable-good’ and is expected to remain stable due to the pension and external economic environment. The probability that this risk would occur was elevated due to the increasingly unsustainable pension formula and global markets uncertainty.</td>
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<td>Labour Relations</td>
<td>Adversarial labour relations that impede the achievement of strategic objectives.</td>
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<td>Ontario public service is seeing an increase in high profile labour relations issues due financial restraints. The increasing presence of social media has accelerated the trend of issues that were previously private or individual in nature to become public. This increases the complexity of addressing issues. Additional challenges are resulting from the trend of new legislation being introduced with very short timeframes to implement the requirements.</td>
<td>Four collective bargaining agreements were successfully renegotiated in 2011/2012. Two agreements remain under discussion as of 31 August 2012 (Association of Professors at University of Ottawa (APUO) ratification is anticipated and Ontario Secondary School Teacher’s Federation (OSSTF). The salary freeze for non-union employees imposed under Bill 16 expired in the spring 2012; a strategy was subsequently implemented for those affected.</td>
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<th>Planned Activities</th>
<th>Effectiveness of Controls Rating &amp; Rationale</th>
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<td>Pension reform is the subject of discussions with the unions/associations impacted outside of any ongoing collective bargaining agreement negotiations. Implementation of Provincial government initiative.</td>
<td>The effectiveness of controls rating for this risk is ‘acceptable-good’.</td>
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<td>Risk</td>
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<tr>
<td>Reduction in Government Funding</td>
<td>Changes in government higher education or research policies that impact the University’s funding levels.</td>
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<td>Risk</td>
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<tr>
<td>Reputation</td>
<td>Failure to establish and maintain a positive reputation and brand, impacting our ability to achieve our goals and objectives.</td>
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<td>Human Resources</td>
<td>The inability to attract, retain and satisfy highly qualified academic staff, management, professional and technical staff.</td>
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<td>Risk</td>
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<td>Student Enrolment - Undergraduate</td>
<td>Unable to meet the enrolment targets set for our programmes.</td>
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### Leadership

**An absence of a well-defined and communicated delegation framework, motivation, credibility or confidence either internally or externally, which has been caused by a lack of leadership.**

**Leadership is critical to maintaining uOttawa’s competitive edge, attracting students and successfully gaining funding for research.**

**Improvements in 2011/2012:**

Destination 2020 continues to be implemented with the objective of its four strategic goals to make uOttawa one of the great universities of our time, with a reputation to match its achievements. uOttawa’s Administration Committee has a revised mandate with increased delegation for operational issues. The Deans/Administration Committee Council is meeting regularly to provide a formal forum for strategic consultations. Consultations with students is also increasing and occurring earlier in the decision making process. The Advisory Committee on Campus Development has been formed to advise on the elaboration of the long term master plan for the University’s infrastructure. Senior management positions continue to be filled with high quality candidates. A new performance review system has been rolled out.

**Planned Activities:**

A scorecard has been developed to monitor our progress to achieve Destination 2020. With the new leadership team in place, the focus will be on meeting the goals outlined in Destination 2020.

**Effectiveness of Controls Rating & Rationale:**

The effectiveness of controls rating is ‘good’ because the University’s long term plans are in place. Now that the new leadership team is in place, trend is expected to be stable.
## Risk Definition Global & Environmental context

### Competitor

- Competitors, including other universities, colleges, and new market entrants, that can impact the University’s ability to achieve its goals and strategic objectives.

- While the competitive environment in which uOttawa operates is becoming more intense (for example, an increasing number of researchers competing for the same amount of funding), we are well positioned to excel. In academics, uOttawa continues to offer a very competitive scholarship programs. Colleges are seen as a higher risk from an academic (students completing entire or first years at college) than a research perspective. The colleges will be partners that will have to be considered into the future. The overall economic environment has resulted in more competition for tax-deductible donations.

### Student Enrollment – Graduate

- Unable to meet the enrolment targets set for our programmes.

- Graduate enrolment is critical to our mission as a research-intensive university and as outlined in Destination 2020. Graduate student enrolment has increased in line with expectations, however this will increase already constrained space requirements.

### Improvements in 2011/2012

- New programs have been introduced at both an undergraduate and graduate level to meet student interests and employer needs, including through the Centre for Global and Community Engagement. Recruitment programs continue to be updated and optimized as student’s needs and wants change, with focuses on Francophone and international students.

### Planned Activities

- Hiring of an Online Community Strategist to support Communications, Alumni, Development and Recruitment to engage stakeholders through social media. An intra-faculty social media working group was created to produce and share best practices in social media in a University context.

### Effectiveness of Controls Rating & Rationale

- The effectiveness of controls rating is ‘good’ as uOttawa continues to compete successfully despite the threats presented by colleges.

- The effectiveness of controls on this risk is ‘good-very good’ due to the richness of programming offered and interest, the trend is stable for the foreseeable future.
## Risk Definition Global & Environmental context

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<td>Partnering</td>
<td>Failure to establish effective and beneficial relationships with key business, government and non-profit partners in support of the University's goals and objectives</td>
<td>The University has key partnerships with local hospitals, technology and business organizations as well as strategic international institutions that allow it to access key resources to pursue research and academic opportunities. Partnerships are increasingly approached in a joint manner between academic/research and fund raising objectives to focus on value added partnerships, such as the Telfer/IBM Centre for Business Analytics and Performance. Care must be taken to ensure that roles and responsibilities are not blurred and that academic freedom and integrity of research are preserved.</td>
<td>The trend towards shorter term, more focused research projects with industry has resulted in less financial risk as the contracts have lower average revenue. However, the increased internationalization of research collaboration has resulted in increased regulatory impacts such as Export Control and Controlled Goods which cover the transfer of information or knowledge outside the country as well as the regulations that may apply in the countries of the collaborative partners and the country which is sponsoring the research.</td>
<td>Risk assessments will continue to be conducted for all industry partnerships to reduce unexpected events and allocate oversight resources</td>
<td>The effectiveness of controls rating for this risk is ‘good-very good’ due to the University’s successful partnerships; the trend is stable for the foreseeable future.</td>
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