Rapport annuel
2009 / 2010
Annual Report
Apprové le 6 octobre 2010
Approved on 6 October 2010

uOttawa
Programme de gestion des risques /
Enterprise Risk Management Program

Présenté le 16 décembre 2010 au Bureau des gouverneurs
Presented on 16 December 2010 to the Board of Governors
Executive Summary

The identification, assessment and control of enterprise risks are an integral part of good governance and sound management. To reinforce that these activities are a part of operational and strategic decision-making at the University of Ottawa, the University’s senior management leads a formal Enterprise Risk Management Program to enhance the communication of these activities.

In 2004, key enterprise risks were identified and assessed in terms of their probability of occurrence and the severity of their impact. Risk controls were documented, reviewed and assessed. ‘Risk owners’ were assigned and action items were developed for each key enterprise risk. These individual action items in turn were rolled into the University’s Enterprise Risk Management report. Since 2006, an Annual Report has been prepared and submitted to the Audit Committee of the Board and to the Board of Governors, for review and approval. Updates have been provided as warranted.

This annual report presents the summary of the Enterprise Risk Management activities that have been undertaken in fiscal year 2009/2010. It has been subsequently updated for material issues occurring prior to October 6, 2010.

Detailed information regarding each enterprise risk was prepared in conjunction with the ‘the risk owners’ and submitted to the Office of Risk Management’s Associate Director and Risk Analyst during the summer months. An executive summary of the process and the risks was then prepared. The documents were reviewed by Senior Management, the Enterprise Risk Management Committee; the Administrative Committee and the Audit Committee, the documents are now submitted to the full Board of Governors. A “bottom up” approach is also being undertaken with risk planning done at the Faculty and Service levels to ensure that those risks selected as enterprise risks are appropriate. The process undertaken by uOttawa is consistent with that recommended by Standard and Poors for enterprise risk management and with ISO 31000, the International Standards Organisation’s standard on risk management.

A graphical summary of management’s assessment of the effectiveness of controls and the impact of enterprise risks is presented in Annex 1.

The Enterprise Risk Management Committee has identified three risks which are likely to change materially through 2010/2011. These risks are: Student Satisfaction, Labour Relations and Government Funding. These risks, and any others that may change materially, will be the object for future reports to the Audit Committee and to the Board.

Student Satisfaction

Effectiveness of Controls: Marginal-Acceptable

The University’s future is shaped in part by the quality of the student experience. Historically, student surveys on the learning experience indicate ratings that are below the average of peer universities. In 2009/2010, concerted efforts have continued to be made to improve student satisfaction. An Associate VP, Student Services has been established to address non-academic issues, while the Associate VP, Academic is prioritizing academic issues. Two permanent
committees (academic and non-academic) were established and report into a Steering Committee chaired by the VP, Resources and the VP, Academic. Student requests such as an October break and improved food services have been implemented. Initiatives, such as uO Mobile, have been introduced to facilitate student-university communications through innovative technologies. Efforts are also underway to improve the registration process and the Strategic Plan 2020 is also expected to focus on the enhancement of the student experience.

Emergency Preparedness
Effectiveness of Controls: Acceptable
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 processes in place. These plans are never final as they are living documents, being updated with the latest changes on campus and best practices elsewhere. The Emergency Management Program Steering Committee continues to function in an advisory role in the ongoing development of an Emergency Management Program. The program team is working towards compliance with Canadian Standards Association’s CSA Z1600 ‘Emergency Management and Business Continuity Programs’, with roles and responsibilities to be documented by April 30, 2011. Successful testing of the emergency notification system was carried out on July 22, 2010 and a campus-wide scenario was conducted in the fall of 2010. Business continuity planning has continued and is now 17% complete. An integrated HAZMAT response system has been successfully implemented using both internal and external resources.

Physical Infrastructure
Effectiveness of Controls: Acceptable-Good
Adequate facilities and space are required for learning, research and administrative services. Although deferred maintenance, estimated at over $153 M, remains a source of concern, the university invested upwards of $22.9M to address deficiencies in 2009-10. The provincial government is also expected to increase funding of deferred maintenance across the public sector, including universities, as of 2011/2012. The demolition of the Child Studies building has resulted in a modest improvement of our Facility Condition Index (FCI) to ‘fair’ (previous rating was ‘poor’), with a further improvement expected upon the completion of the Social Sciences building in the fall of 2011. The University’s goal is to maintain an FCI of ‘fair’ to ‘good’. The most recent student survey (CUSC 2009) on the quality of learning space indicates a high level of satisfaction.

While the quality of the space is relatively high, the quantity of learning and communal space for students remains a challenge. The current inventory of space available versus needs is 62%, the third lowest in Ontario. The ratio of square meters per student stands at 6.03, while the Ontario university average is 7.60. With further increases in student enrolment, space requirements will increase.

The availability of very specialized research instruments and a variety of equipment for normal operations is also required. The University is developing an asset management system to facilitate maintenance and tracking of inventory.

The Sustainable Development Program has achieved significant reductions in facility costs due to three major retrofits of existing buildings. More initiatives are underway as part of the Resource Optimization Program. The program has also achieved significant waste diversion through composting. uOttawa leads many, if not all, universities in the area of sustainable development.
Labour Relations  
*Effectiveness of Controls: Acceptable-Good*  
Five collective agreements will be re-negotiated in 2010/2011, affecting part-time professors, teaching and research assistants and facilities maintenance staff. The Ontario government’s plan to extend Bill 16 (a two-year salary freeze for non-union staff) to unionized staff will create tensions in collective bargaining across the public sector in Ontario, including the university sector.

Reduction in Government Funding  
*Effectiveness of Controls: Good*  
Government funding of academic and research activity is the University’s most significant source of capital and operating revenues. With growing levels of debt, the public sector and post-secondary education will be challenged to find other sources of revenue and deliver services more economically. The University completed a Resource Optimization exercise to balance the operating budget in 2010-11 and projections for the next 3-5 years indicate the need for caution and cost-containment. On the research front, there continue to be more applicants for a static pool of research grants, making it increasingly difficult to win funding. The most recent CFI monitoring visit showed a positive response to recent improvements in the administration of research funding. Finally, there is a risk that government funding for the construction of the Social Sciences Tower and the renovation of Vanier Hall may be reduced due to construction delays but all efforts are being made to accelerate work scheduling and the ordering of materials.

Reputation  
*Effectiveness of Controls: Good*  
The annual Ipsos-Reid Reputational Survey indicates progress in improving the University’s reputation and visibility within Canada. Marketing strategies focused on enhancing the University’s visibility in Toronto and Montreal as well as many international financial centres and other locations. The University’s reputation can be affected by single events in the short term but it reverts to the trend line with time.

Financial  
*Effectiveness of Controls: Good*  
The Resource Optimization Project started in 2009 has resulted in a balanced Budget for 2010/2011, despite some of the initiatives not being fully implemented until 2011/2012. A material deficit is affecting the pension plan and over $6M is required as of 2011-12 to fund ‘going concern’ liabilities. The provincial government is expected to introduce new pension plan financing rules that may require significant changes in pension plan design and cost-sharing arrangements between employers and employees. Negotiated or arbitrated settlements with unions also carry financial risk as the Government of Ontario clearly indicated that they will not adjust operating grants to cover any compensation costs for the 2010-11 and 2011-12 fiscal years.

The University’s credit rating is among the highest rated university debt in Canada.

Human Resources  
*Effectiveness of Controls: Good*  
Attraction of high quality faculty is currently not a material risk. The University has been recognized as one of the National Capital region’s top 25 employers in 2010 and one of the 35 *Best Employers for New Canadians*. The leadership model that is currently under development
will serve as the foundation for succession planning and efforts to maintain and improve a healthy work climate are on-going across faculties and services.

**Student Enrolment – Graduate**  
*Effectiveness of Controls: Good*  
Graduate enrolment is critical to our mission as a research-intensive university. The scholarship program was re-designed as a part of the optimisation program to reduce the amount of administration involved and continue to be competitive compared with other institutions. Several processes at the Graduate Studies faculty have been streamlined (registration, thesis management, grade average calculation) to reduce the administrative workload and improve the quality of service offered to students. Twelve new programs for graduate studies have been approved by the Senate. The Ontario government has increased the number of graduate students at uOttawa above the system’s share, which is seen as a vote of confidence.

**Student Enrolment – Undergraduate**  
*Effectiveness of Controls: Good*  
Undergraduate student enrolment is critical to enhancing the University’s reputation and providing a strong foundation for graduate studies and research. Recruitment is a university-wide responsibility and care has been taken to avoid duplication and maximize the use of resources. Also the recruiting events are carefully selected and timed to ensure maximum impact on prospective student’s decision making processes. Emphasis is placed on facilitating the registration process by holding registration seminars in local high schools and keeping select services open over the Labour Day weekend. With increased emphasis on the recruitment of Francophone students, the Anglophone/Francophone mix is stabilizing, thus preserving our unique character.

**Leadership**  
*Effectiveness of Controls: Good*  
The University is articulating a new strategic plan to guide its development over the next decade. In addition to its strategic plan, the University is developing a new leadership model. The academic leadership and leadership management programs continue to facilitate strong leadership throughout the organisation. A revised performance appraisal system is also being developed.

**Information Technology**  
*Effectiveness of Controls: Good*  
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 is critical for business continuity. The Social Sciences Building project includes a new data centre to improve power and air conditioning facilities, access control and seismic mitigation measures. Innovative solutions are also being deployed to facilitate student-University communications (student portal, events calendar) and to facilitate administrative processes (payroll, work flow software).

**Competition**  
*Effectiveness of Controls: Good*  
uOttawa continues to offer a very rich array of professional and academic programs along with one of the most generous scholarship and financial assistance programs. New programs are introduced at both an undergraduate and graduate level to meet student interests and employer needs. The main differentiator for uOttawa continues to be its location in the nation’s capital and
its dynamic bilingual character. Participation in externally funded programs is actively encouraged through faculties and central services. The Office of the VP, Research is now restructuring to enhance the project development function and to facilitate post-award management. uOttawa has had the second-largest increase in peer-reviewed funding of any Canadian university over the past six years. This is expected to position uOttawa well if colleges or the private sector are permitted to compete for research funding and to provide degrees.

**Partnering**

*Effectiveness of Controls: Good-Very Good*

The University has several key partnerships with local hospitals, technology and business organizations as well as international strategic institutions that allow it to access key resources to pursue research opportunities.
ANNEXE 1: REPRESENTATION GRAPHIQUE DES RISQUES

ANNEX 1: GRAPHICAL SUMMARY OF RISKS
2010 Summary of Enterprise Risks

- Competition
- Emergency Preparedness
- Reduction in Gov't Funding
- Student Enrollment
- Graduate
- Human Resources
- Partnership
- Labour Relations
- Leadership
- Information Technology
- Reputation
- Financial
- Physical Infrastructure
- Management's Assessment

Effectiveness of Controls - Management's Assessment

8 December 2010
Comparison of 2010 and 2009 Enterprise Risks

Numbers in ( ) indicate changes between 2009 and 2010 in the format (controls, impact)

Effectiveness of Controls - Management's Assessment

8 December 2010