



An integrated approach to empower a more risk intelligent institution

The Higher Education landscape continues to experience crises

The recent college admissions crisis is just the latest in a seemingly never ending series of events ranging from student safety to athletic violations. While some shifts have been years in the making, others are more abrupt due to recent disruptions within the sector itself and magnified by adjacent shifts in technology, the #MeToo movement and increased levels of media scrutiny. In response, a number of institutions have begun reflecting on their capabilities to identify and mitigate risks. Many of these institutions have proactively implemented risk management capabilities, while others have found themselves in the headlines. Higher Education institutions who have implemented risk management structures and capabilities have found enhanced visibility of emerging risks and have identified key strategies for mitigating risks.

Each crisis and disruption in the higher education industry highlights the potential need for a culture shift in the industry's approach to risk management.

Deloitte's integrated approach to risk management in Higher Education

We believe that a combination of three foundational capabilities can provide the framework for a fully functioning, effective capability. This includes Enterprise Risk Management, Fraud Risk Management, and Program Integrity which can be further enhanced by Risk Sensing.



*Effective **risk sensing** helps to create predictive intelligence on events, trends and risks providing the foresight to address threats or opportunities before they arise.*

Integrated risk capabilities drive a culture of empowered risk awareness on campus

Implementing a risk intelligent culture can support the active identification, monitoring, assessment, and ability to respond to risks in a consistent and transparent manner. The diagram below provides our perspective on the components of a risk intelligent institution

Enterprise Risk Management

Develop a robust capability to identify and manage the most critical risks which may impede delivery of mission and strategic objectives

Enhanced Communication

Promote transparent, proactive, and consistent visibility of key risks and areas of potential compliance issues across the university community

Active Risk Sensing

Predict social trends and conversations, and enhance the ability to manage and respond to emerging events

Training & Development

Build common awareness and understanding of risk principles, ethics standards and policies across the campus community

Fraud Risk Management

Comprehensive, proactive approaches to preventing, detecting, and responding to fraud and abuse through innovative, risk informed, data driven solutions

Program Integrity

Enables the institution to demonstrate accountability to brand and reputation

Rapid Response

Build in resiliency through understanding how to respond to crisis situations – and implement plans if and when required

Strategy Aligned Governance

Empower leadership to make funding decisions based on an understanding of risk and in alignment with organizational strategy



An integrated approach to risk management in Higher Education



Enterprise Risk Management (ERM)

ERM can provide the tools, processes, and underlying culture to help uncover risks that could adversely impact reputation and ability to deliver on core mission objectives. Our approach includes;

- A common framework to identify, assess, prioritize, respond to and monitor risks
- Development of a common understanding of risk principles, policies, and approaches across the campus community and wider stakeholder groups
- Transparent, proactive, and consistent visibility of key risks and areas of potential compliance issues



Fraud Risk Management

Fraud Risk Management provides a proactive, enterprise approach to understanding and mitigating fraud and abuse risks impacting the integrity of the program. Effective management includes strategic, measurable, and actionable solutions that integrate into the organization's operations and culture.

Strategic Solutions

- Support **governance** for clear accountability and coordination across the enterprise
- **Assess risk** of fraud + abuse by systematically identifying inappropriate behavior across all programs

Measurable

- **Measure and report** outcomes to inform and improve program integrity



Actionable

- Leverage Deloitte's Anti-Fraud Enterprise Solution (AFES) to implement actionable analytics and identify issues through **data science**
- **Investigate** identified issues
- Prevent inappropriate activities through **behavioral insights and nudging**



Comprehensive Program Integrity Solutions

Coordinated and comprehensive approaches to improve compliance, risk mitigation and integrity across the organization to demonstrate **accountability to brand and reputation**.

Response and Investigations

- Supports leadership/outside counsel to conduct **internal investigations** including financial transaction analytics
- Apply commercially **enabled intelligence** and **social media** exploitation to better understand relationships and identify associates
- Provide **litigation and discovery** support including collection, hosting, analytics and document review

Key Strategies for Program Integrity

Educate and train staff

Monitor **compliance** with rules and SOPs



Use sensing technology to **monitor and identify** trends (i.e. social media)

Use sophisticated data science to **gain insights** and inform decision making

Why Deloitte?

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- Regulatory Compliance
- Reputation Risk and Crisis Management
- Cybersecurity



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¹ Source: Gartner, Magic Quadrant for Data and Analytics Services, Worldwide, Jorgen Heizenberg, Twigg Lo, Ehtisham Zaidi, Shubhangi Vashisth, Gareth Herschel, 12 February 2019

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