

EGSC Strategic Plan Appendix

EGSC Enterprise Risk Management (ERM) Appraisals 2020, 2019, and 2013

Consistent with USG BOR Policy 7.11 Risk Management, the President's Cabinet periodically reviews the potential likelihood and impact of enterprise risks facing East Georgia State College. In Spring 2013, The Cabinet recognized and ranked 32 potential risks that may impact the College. The enterprise risks facing EGSC were again reviewed by the Cabinet in Spring 2019. The Cabinet considered 43 enterprise risks in Spring 2019, including 29 risks identified as threats to one of the College's three strategic institutional goals and 14 risks identified by the College's internal auditor. In response to the challenges posed by the COVID-19 Pandemic, an ERM exercise was again conducted at the end of the Fall Semester 2020.

For ease of comparison, the same formula was used to score risks in 2013, 2019 and 2020. Cabinet members individually scored each risk based on the likelihood and the impact of the risk. Possible values for the measure of likelihood ranged from 0 to 3 and for the measure of impact ranged 0 to 4. Based on this formula, the highest possible measure of risk is 6.0 (0.5 x 3 x 4).

$$\text{Risk Strength} = 0.5 \times \text{Likelihood Measure} \times \text{Impact Measure}$$

In Spring Semester 2019, the highest scored risk was 4.5 and while risk scores were concentrated in the high likelihood/high impact range, some scores were dispersed into the low likelihood/high Impact and low likelihood/low Impact ranges. In contrast, the highest risk score in Spring Semester 2013 was 5.9 and there was less dispersion outside high likelihood/high impact range. In Fall Semester 2020 the highest scored risk was 5.7 with no dispersion outside the high likelihood/high impact range. One risk that was scored in all three ERM exercises was risk of a rising student loan default rate. That risk was assigned the highest score of 5.9 in 2013, declined to 2.5 in 2019 following the successful implementation of a plan to lower the student loan default rate, but increased to 3.8 in 2020. The results of each of these ERM exercises are presented below, starting with the exercise conducted in Fall Semester 2020.

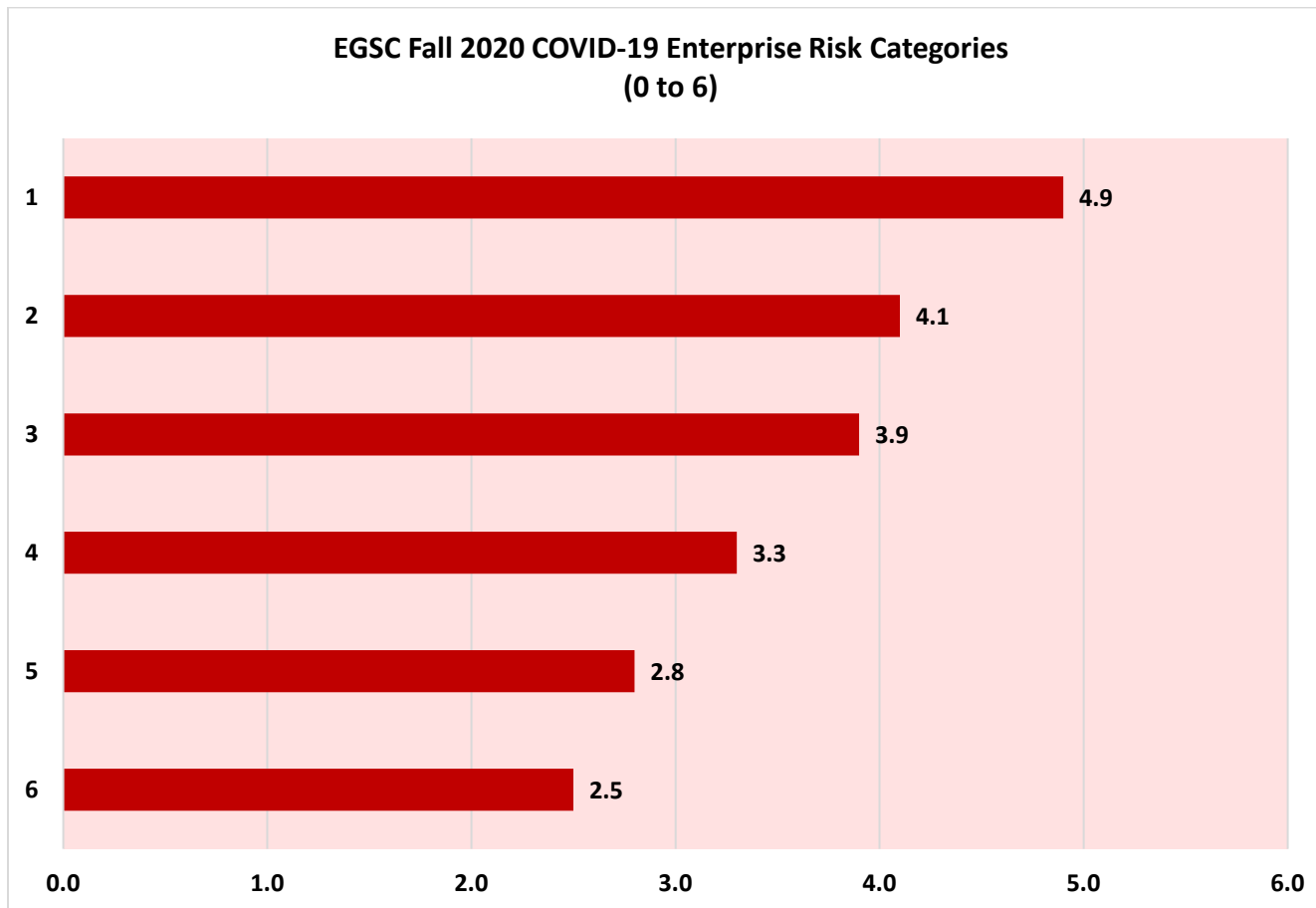
COVID-19 Enterprise Risk Management Exercise Fall Semester 2020

During November 2020, in response to the COVID-19 Pandemic, East Georgia State College conducted an ERM exercise to identify and assess the risks that the pandemic posed to the College. The exercise was conducted in two steps. First, the EGSC Institutional Effectiveness Committee identified thirty-six enterprise risks related to the pandemic and these risks were organized into six categories. Second, members of the President's Cabinet were asked to rate each of the risks based on likelihood of occurrence and potential impact on the College.

Values assigned by cabinet members for each risk were then averaged and ranked. In addition, within each risk category the assigned risk values were averaged to provide a ranking of the risk categories. A table and chart on the next page presents the ranking of the risk categories. This is followed on the next three pages with a table and chart that provide a ranking of the individual risks. In seven cases, the average risk value is the same for two risks and in one case, average risk value is the same for four risks. Four risks were found to have values greater than 5.0 and two of these high risks were assigned to the *Risks to Institutional Financial Support* category and the other two risks were assigned to the *Risks to Student Enrollment* category.

Finally, a scatter chart divided into four quadrants based on low/high likelihood and low/high impact illustrates the concentration of risk scores in the upper right high likelihood/high impact quadrant.

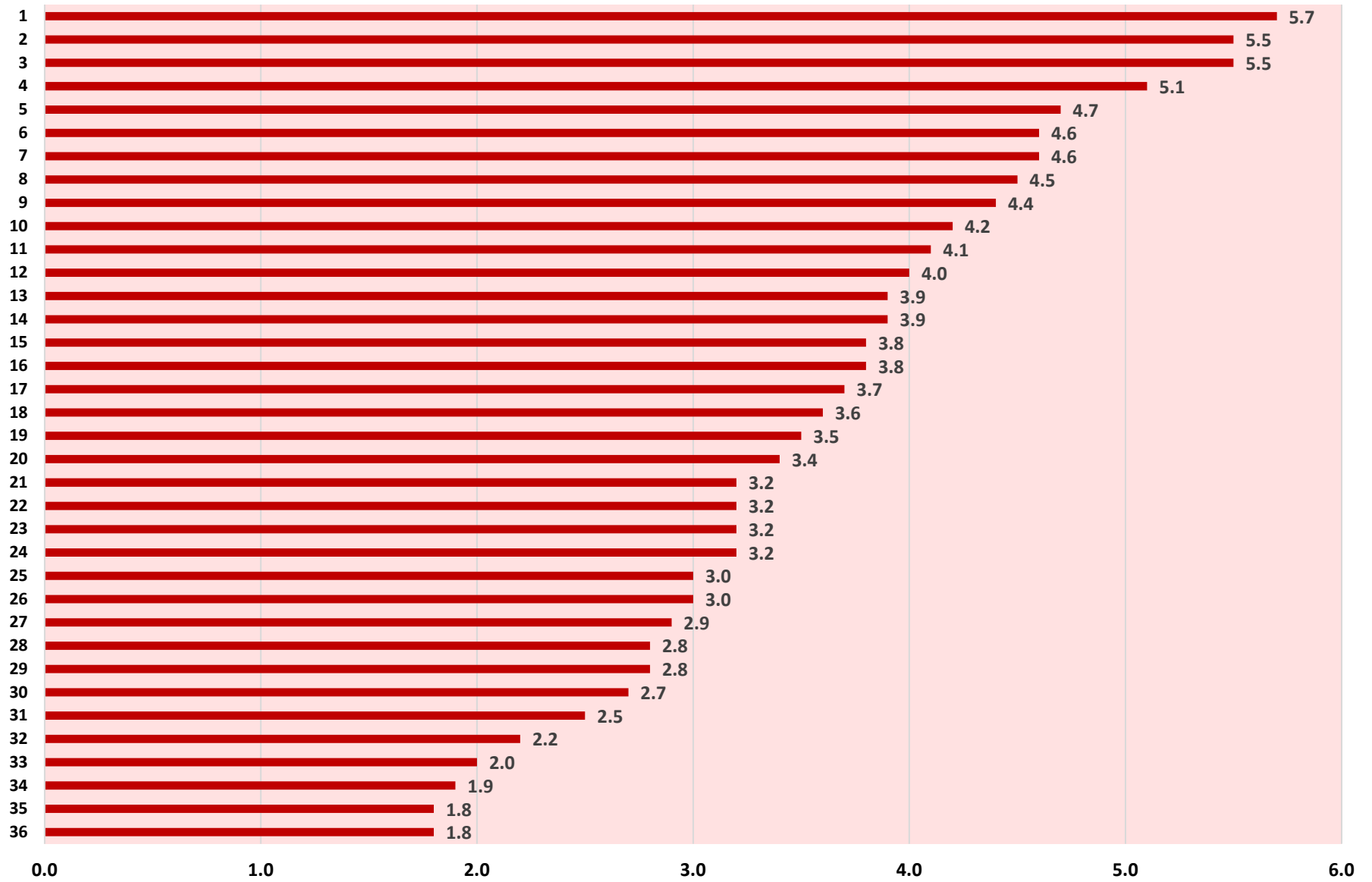
Rank	COVID-19 Enterprise Risk Categories - Fall 2020 Formula: 0.5 x Impact x Likelihood (6.0 Maximum Score)	Consensus		
		Likelihood (0 to 3)	Impact (0 to 4)	Score
1	Risks to Institutional Financial Support (3)	2.7	3.7	4.9
2	Risks to Student Enrollment (9)	2.5	3.3	4.1
3	Risks to Student Engagement and Success (6)	2.5	3.2	3.9
4	Risks to Engagement with Community Stakeholders (8)	2.2	3.0	3.3
5	Risks to College Performance and Mission (5)	1.8	3.1	2.8
6	Risks to Health of Students, Faculty, and Staff (5)	1.9	2.6	2.5

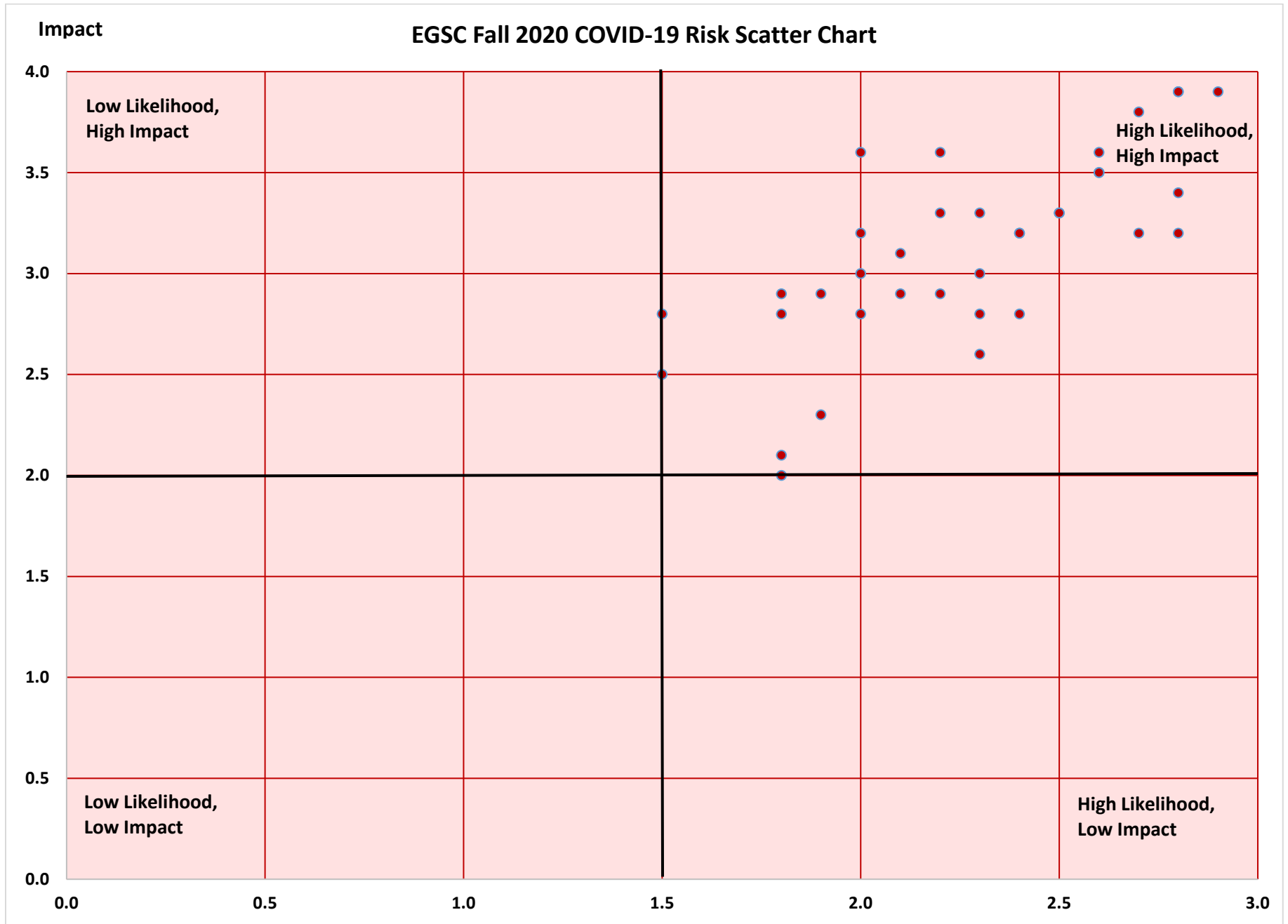


Rank	COVID-19 Enterprise Risks - Fall 2020 Formula: 0.5 x Impact x Likelihood (6.0 Maximum Score)	Risk Category	Consensus		
			Likelihood (0 to 3)	Impact (0 to 4)	Score
2-3	Declining enrollment at off-campus sites reduces USG budget allocation and tuition revenue	Risks to Institutional Financial Support (4.9 category average)	2.8	3.9	5.5
2-3	Reduced allocation caused by declining state tax revenue		2.8	3.9	5.5
15-16	Student loan default rate rises as former EGSC students have fewer job opportunities		2.4	3.2	3.8
1	Decrease of EGSC enrollment due to dropping the SAT/ACT score requirement at universities	Risks to Student Enrollment (4.1 category average)	2.9	3.9	5.7
4	Reduced opportunities to recruit high school students		2.7	3.8	5.1
6-7	Low response rates to recruitment campaigns/marketing		2.6	3.5	4.6
8	Low participation at virtual recruiting events		2.6	3.5	4.5
12	Decrease of enrollment due to students postponing their enrollment until the COVID-19 Pandemic is over		2.5	3.3	4.0
18	Loss of enrollment caused by online course delivery restrictions		2.2	3.3	3.6
19	Increasing student and parent apprehension to college in general		2.3	3.0	3.5
20	Student and parent frustration in dealing with the different levels of COVID-19 restrictions		2.4	2.8	3.4
21-24	Lower student commitment to attend college		2.0	3.2	3.2
7	Decrease passing rate and student success due to the increase of online learning		Risks to Student Engagement and Success (3.9 category average)	2.6	3.6
9	Restrictions on student activities including sporting events	2.8		3.2	4.4
11	Declining student retention caused by reduced opportunities for student engagement	2.5		3.3	4.1
13-14	Reduction in number of students living on campus	2.4		3.2	3.8
21-24	Lack of collaborative virtual programs to promote student engagement	2.3		2.8	3.2
21-24	Decline in student engagement caused by a semi-remote working environment and mismatch of preferred communication media between the College and students	2.2		2.9	3.2

Rank	COVID-19 Enterprise Risks - Fall 2020 Formula: 0.5 x Impact x Likelihood (6.0 Maximum Score)	Risk Category	Consensus		
			Likelihood (0 to 3)	Impact (0 to 4)	Score
5	Institutional Advancement has reduced resources to pursue development initiatives	Risks to Engagement with Community Stakeholders (3.3 category average)	2.8	3.4	4.7
10	Limited in-person contact greatly reduces opportunities to make the fundraising pitch in person		2.7	3.2	4.2
13-14	Reduced donations to the EGSC Foundation		2.3	3.3	3.9
21-24	Not staying in touch with donors through events anymore		2.1	3.1	3.2
25-26	Reduced interest in higher education due to uncertainty		2.1	2.9	3.0
28-29	Not staying in touch with stakeholders in an effective way		2.0	2.8	2.8
30	EGSC donors do not find the value in its mission that they did prior to the pandemic		1.8	2.9	2.7
35-36	Reduced participation by area businesses in the Bobcat Card Discount Program		1.8	2.0	1.8
13-14	Consolidation of colleges in the State College Sector with USG universities triggered by declining college enrollments and reduced state funding	Risks to College Performance and Mission (2.8 category average)	2.2	3.6	3.9
17	College lockdown caused by dramatic spike in COVID-19 cases in Southeast Georgia		2.0	3.6	3.7
28-29	Reduced functional performance as senior staff and faculty retire		1.9	2.9	2.8
33	Software and hardware failures that disrupt college operations and cause security breaches		1.5	2.8	2.0
34	Do not follow our business continuity plans consistently		1.5	2.5	1.9
26	COVID-19 challenges to morale and mental health	Risks to Health of Students, Faculty, and Staff (2.5 category average)	2.3	2.6	3.0
27	Rapid rise in COVID-19 cases at Augusta and Statesboro instructional sites		2.0	3.0	2.9
31	Rapid rise in COVID-19 cases on the Swainsboro campus		1.8	2.8	2.5
32	Susceptibility to COVID-19 caused by preexisting medical conditions		1.9	2.3	2.2
36	Inconsistent application of COVID-19 restrictions and requirements		1.8	2.1	1.8

EGSC Fall 2020 COVID-19 Enterprise Risks (0 to 6)



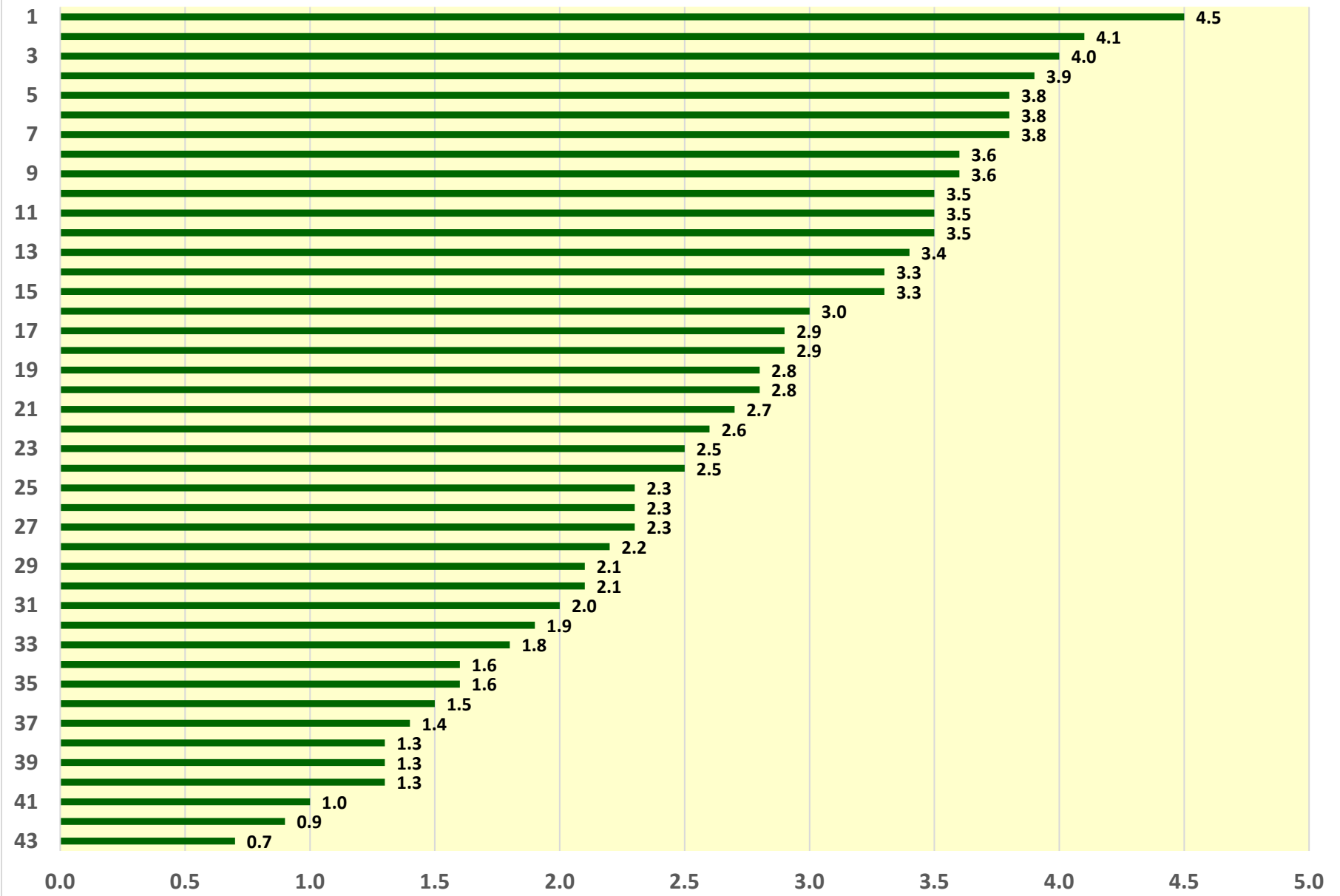


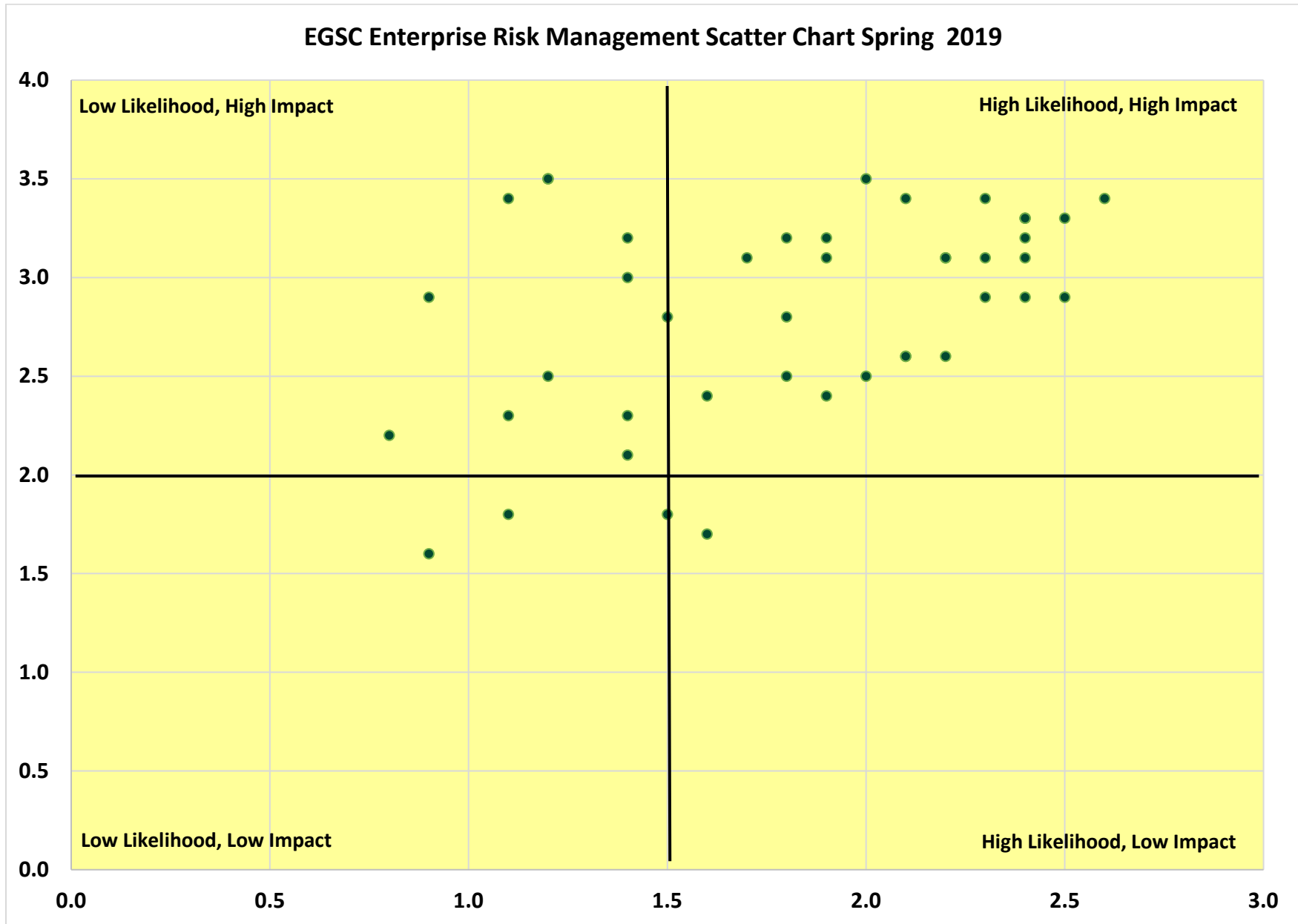
Enterprise Risk Management Exercise Spring Semester 2019

Rank	East Georgia State College Enterprise Risk Management Evaluation Cabinet Survey (2 Rounds) Spring 2019 Consensus Formula: 0.5 x Impact x Likelihood (6.0 Maximum Score)	Strategic Plan Institutional Goal (Cabinet) or Internal Auditor	Likelihood	Impact	Average Strength
			(0 to 3)	(0 to 4)	
1	Possible Changes in Georgia’s Dual Enrollment by Georgia Legislature Could Result in Decline in Dual Enrollment	Complete College	2.6	3.4	4.5
2	Loss of Key Faculty and Staff Due to Dissatisfaction with Work Climate	Innovative Performance	2.5	3.3	4.1
3	Decline in Enrollment Due to Competition from TCSG	Complete College	2.4	3.3	4.0
4	Inadequate Number of Faculty to Meet Academic Needs	Innovative Performance	2.4	3.3	3.9
5-7	Loss of Key Faculty and Staff/Inability to Replace Due to Salary Levels	Innovative Performance	2.4	3.1	3.8
5-7	Failure to Meet External Private Fundraising Goals	Innovative Performance	2.4	3.2	3.8
5-7	Customer Service Not Adequate	Innovative Performance	2.3	3.4	3.8
8-9	Decline in Enrollment Due to Low College Attendance Expectations/Low College Going Rate in Region	Complete College	2.1	3.4	3.6
8-9	Student Misconduct On or Off Campus Resulting in Damage to EGSC’s Reputation	Economic Development	2.5	2.9	3.6
10-12	Low State Funding Relative to Peer Institutions in USG	Innovative Performance	2.4	2.9	3.5
10-12	Inadequate Number of Staff to Meet Operational Needs	Innovative Performance	2.3	3.1	3.5
10-12	Failure to maintain financial viability caused by failure to meet student recruitment targets	Internal Auditor	2.0	3.5	3.5
13	Decline in Enrollment Due to Low Growth Rate in Region’s Population	Complete College	2.2	3.1	3.4
14-15	Failure to Meet Retention/Graduation Targets	Complete College	2.3	2.9	3.3
14-15	Deterioration of services due to drain or loss of personnel due to inadequate development of human resources or inequality of human resources management	Internal Auditor	2.2	3.1	3.3
16	Campus Housing Management may not be sufficient to ensure safety and security of students, accountability for maintenance and repair, and fiscal stewardship and sustainability	Internal Auditor	1.9	3.2	3.0
17-18	Failure to Meet External Grant Funding Goals	Innovative Performance	2.2	2.6	2.9
17-18	Decline in Quality of Relationship with Local Community (Swainsboro/Statesboro/Augusta)	Innovative Performance	1.9	3.1	2.9
19-20	Inadequate Management Succession Plan	Innovative Performance	2.1	2.6	2.8
19-20	Data Security or Privacy Breach	Internal Auditor	1.8	3.2	2.8

Rank	East Georgia State College Enterprise Risk Management Evaluation Cabinet Survey (2 Rounds) Spring 2019 Consensus	Strategic Plan Institutional Goal or Internal Auditor	Likelihood	Impact	Average
			(0 to 3)	(0 to 4)	Strength
21	Inability to Support Athletic Programs Due to Declining Fee Revenue	Innovative Performance	2.1	2.6	2.7
22	Loss of Institutional or Employee Data Due to Security Breaches	Innovative Performance	1.7	3.1	2.6
23-24	High Student Loan Default Rates	Complete College	2.0	2.5	2.5
23-24	Non-Compliance in Human Resources Administration	Internal Auditor	1.8	2.8	2.5
25-27	Inadequate Student Housing to Meet Student Demand	Innovative Performance	1.9	2.4	2.3
25-27	Consolidation /Merger with another USG Institution	Economic Development	1.4	3.2	2.3
25-27	Remote campus administration could have operational, academic or student affairs/enrollment issues	Internal Auditor	1.8	2.5	2.3
28	Institution may suffer service interruptions or a loss from failures in computer operations or illegal or unauthorized use of computer systems.	Internal Auditor	1.2	3.5	2.2
29-30	Loss of Institutional Data Due to Damage to Servers/Server Failure	Innovative Performance	1.5	2.8	2.1
29-30	Loss of Relationship with Augusta University	Complete College	1.4	3.0	2.1
31	Financial Aid Eligibility and Award may not be in compliance with federal regulations.	Internal Auditor	1.2	3.5	2.0
32	Lack of New Degree Programs to Meet Emerging Needs of Region/State	Complete College	1.6	2.4	1.9
33	Failure to Achieve Reaffirmation of Accreditation or Need to Submit Monitoring Reports Due to Inadequate Assessment Programs	Complete College	1.1	3.4	1.8
34-35	Changes in Advancement Cash and Donor management system and it's integration with Accounting System could create financial reporting errors or impact operations.	Internal Auditor	1.4	2.3	1.6
34-35	Auxiliary operations my not be sustainable	Internal Auditor	1.2	2.5	1.6
36	Potential for limited student success, safety, engagement and compliance with USG policy related to student affairs activities.	Internal Auditor	1.4	2.1	1.5
37	Loss of Relationship with Georgia Southern University	Complete College	0.9	2.9	1.4
38-40	Failure to Adequately Serve Military Student, Could Result in Loss of Enrollment	Complete College	1.5	1.8	1.3
38-40	Decline in Quality of Facilities/Grounds Due to Inadequate Funding	Innovative Performance	1.1	2.3	1.3
38-40	The addition of a number of USG objectives for Access and Faculty promotion and tenure changes have increased costs.	Internal Auditor	1.6	1.7	1.3
41	Third Party Risk Management	Internal Auditor	1.1	1.8	1.0
42	Unallowable items could be purchased with Procurement Card	Internal Auditor	0.8	2.2	0.9
43	Financial Statement Audit Assistance	Internal Auditor	0.9	1.6	0.7

Enterprise Risk Management Ranking Chart Spring 2019





Enterprise Risk Management Exercise Spring Semester 2013

Rank	EGSC ERM Committee Risk Ranking April 2013 Formula: 0.5 x Impact x Likelihood (6.0 Maximum Score)	Likelihood	Impact	Average Strength
		(0 to 3)	(0 to 4)	
1	High Student Loan Default Rates	3.0	3.9	5.9
2	Decline in Enrollment	2.6	3.3	4.4
3	Inability to Retain Faculty/Staff due to No Raises	2.8	3.1	4.3
4-5	Lack of Sound Funding Model/ now based on low performing students	2.4	3.3	3.9
4-5	Decrease in State Funding Percent-Employee/student recruitment efforts hampered	2.3	3.4	3.9
6-7	Increasing Education Costs to Students	2.5	3.0	3.8
6-7	Lack of Student Housing	2.5	3.0	3.8
8-9	Loss of Key Personnel	2.5	3.0	3.7
8-9	Inadequate Institutional Fund Raising	2.4	3.0	3.7
10-12	Decline in Student Retention	2.0	3.4	3.5
10-12	Loss of Students /Major Changes in HOPE Scholarship	2.3	2.9	3.5
10-12	Lack of Community Growth	2.6	2.6	3.5
13	Consolidation-Failure to be Relevant	1.9	3.5	3.4
14	Space Utilization Needs for Swainsboro, Statesboro	2.4	2.6	3.2
15-16	Mission Creep by Technical College System of GA	2.2	2.6	3.1
15-16	Failure to Market Value Added to Associate Degree	2.2	2.7	3.1
17	Lack of Management Succession Plan	2.3	2.6	3.0
18-21	Lack of Private Capital Development	2.2	2.6	2.9
18-21	Loss of Critical Servers and Data-Loss of student data	1.6	3.6	2.9
18-21	Inadequate Contingency Reserve	1.8	3.2	2.9
18-21	Loss of Internal Data	1.5	3.6	2.9
22	Bad Customer Service and Support: both locations	1.7	3.1	2.7
23-24	Non-Compliance with Laws and Regulations	1.5	3.3	2.6
23-24	Understaffed Public Safety and Plant Ops	1.9	2.6	2.6
25-26	Policy and Procedure Inconsistencies-Operationally Lost in the Weeds	1.9	2.5	2.5
25-26	Inability to Update Infrastructure, Physical Facility	1.9	2.5	2.5
27	Lack of Equalization of Institutional Fees Among Locations	2.0	2.3	2.4
28	Loss of Relationships with GA Southern	1.5	2.8	2.2
29	Loss of Current Relationship w/ Local Community	1.3	2.9	2.0
30	Not Perceived as a Military Friendly College	1.6	2.2	1.9
31	Compliance with Athletics Travel Policies	1.5	2.5	1.8
32	Arrests on Campus that could Tarnish Public image	1.5	2.0	1.6

EGSC Enterprise Risk Ranking April 2013

