

TO: Emily Knopp, Director of Internal Audit
FROM: Grady Price Blount, Dean, College of Sciences
DATE: March 9, 2011

re: Risk Management Questionnaire

Per your request of February 23, 2011, I have prepared our responses to a *Risk Management Questionnaire*. This document was vetted by all of my department heads and they concur with those portions which pertain to their areas of responsibility.

I am displeased with the overall results and would like to explain the reasons why in this narrative. At my previous institution (Texas A&M University-Corpus Christi), I could have responded to all of your bulleted inquiry points (e.g. formal mechanisms, risk inventories, coverage of key risks, communication of risks, and monitoring activities) with specific answers, documents, and policies. With the notable exception of the [EEP for the Vincent Building](#), those specifics are rare at ASU. Not for lack of interest, but for lack of personnel. As a result, virtually all of our traditional risk management is handled in a centralized fashion by Mr. Skip Bolding and his Office of Environmental Health, Safety and Risk Management. In some sense, this is a more robust arrangement since there is little possibility for conflicts of interest when enforcing safety regulations. But I have found the ASU institutional culture supporting that office to be indifferent. As a result, most traditional risk management activities do not directly impinge on my students, faculty, and staff.

Less traditional risk management activities, particularly those involving institutional policies and practices towards fiduciary responsibility, liability, and proactive stewardship of public funds are particularly murky. As noted in the attached *Risk Matrix*, the communications disconnect between upper-level administrators and mid-level administrators is, in my professional judgment, our single most profound area of risk. Allow me to provide three anecdotal examples:

1. At the end of FY10, the CFO "swept up" \$32,438 from the college IDC account. Part of those funds had been internally allocated to fund development of a CB-mandated (and presidentially supported) distance education certificate program in Computer Gaming. Other portions were (and still are) contractually-obligated to extramural federal grants. In spite of repeated requests for the return of these funds, no response has been forthcoming.
2. At the end of FY10, approximately \$80,000 in the College of Sciences IE account (which had originally been promised as being capable of being rolled over) were "swept" into a consolidated account in the Provost' Office. Timely memos were filed and approved to use these funds for the intended purposes, including replacement of an antiquated autoclave to support burgeoning enrollments of Nursing students in our A&P courses. In spite of repeated memos and requests to act on this requirement, we are now seven months into the new fiscal year and the funds to purchase the needed equipment still have not been released.
3. In summer 2010, \$89,000 of local funds were "swept up" from the account dedicated to ASU Ranch Operations. The faculty and staff first became aware of this action when they went to purchase animal feed and mineral supplements and found the account empty. There was neither advance information nor any after-the-fact advisory. Needless to say, their ability to function was seriously impaired.

It would be easy to look at anecdotes like this and consider them nothing more than grouching. But the problem (and the associated risk) goes beyond the usual whining. Our people are dedicated to proactively addressing the priorities given them by President Rallo and the Coordinating Board. When those efforts are thwarted (or perhaps simply ignored) by our existing practices, the individually irritating events begin to affect morale and by extension, employee motivation. Thus we have a much larger risk of allowing our human capital to be jeopardized by poor communication. Please do not hesitate to ask if any additional information is required.

Risk Matrix: College of Sciences					
	Impact	Likelihood			Executive Management Reporting Process
	High	High			
	Medium	Medium	Mitigation Activities	Monitoring Activities	
Risk	Low	Low			
Lab Accidents in Cavness involving chemicals, electrical, animals, and off-site field activities.	High	Medium	All chemicals are stored under approved conditions and are used only under faculty supervision or by students who have been trained in the potential hazards. Professional lab manager hired in August 2010 to create centralized chemical inventory & storage, HazMat disposal, and lab oversight.	ASU Environmental Health, Safety & Risk Management employs David Hardin as a fulltime Lab Safety Specialist for safety oversight & monitoring activities.	There is not currently any formalized reporting mechanism for Mr. Hardikn's activities. Skip Bolding reports that they are currently working on a student-specific incident reporting procedure.
Lab accidents in Vincent involving chemicals, electrical and/or fires.	Medium	Low	All chemicals are stored under approved conditions and are used only under faculty supervision or by students who have been trained in the potential hazards. Activities in Vincent governed by a written plan (* see below).	See attachment	See attachment

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	High	High			
	Medium	Medium	Mitigation	Monitoring	Reporting
Risk	Low	Low	Activities	Activities	Process
Meats Lab Activities at MIR	Medium	Low	Every lab begins with specific lectures & demonstrations of potential risks and safety protocols. Specialized metal aprons & gloves are mandatory for all activities.	USDA inspections occur routinely and without warning to ensure proper processing protocols for both safety and sanitation.	Tenure-track faculty oversee all meat lab activities and report any safety issues to their department chair (Gil Engdahl).
Exposure to pathogenic microorganisms	High	Low	All potential human pathogens are handled in approved biosafety vent hoods. All persons accessing these organisms are trained in appropriate handling techniques.	Cognizant faculty member.	Trained ASU faculty or staff oversee all microbiology lab activities and report any safety issues to their department chair (Kelly McCoy).
Legislative deletion of developmental math courses	High	Unknown. Currently in legislative committee.	Academic Dean's Council has been briefed on the status of two bills proposing to delete developmental coursework and are monitoring status of same.	None	We currently offer 38 sections of developmental math which generate about \$600,000 annually. Similar offerings come from English.

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	High	High			Reporting
	Medium	Medium	Mitigation	Monitoring	Reporting
Risk	Low	Low	Activities	Activities	Process
Uncontrolled access to departmental and college fiscal accounts	High	High	None available to us at this level. Funds routinely "disappear" without explanation.	Individual "account responsible persons" have to continuously monitor their account balances for unauthorized and/or unexplained activities, particularly withdrawals, by other employees within the organization.	This is apparently a condoned practice which occurs at higher administrative levels within ASU.
Lack of merit-based reward system.	High	High	None available to us at this level.	Legislature requires that all raises be based on merit. The organization lacks a simple merit-based system other than the current "everyone is above average" mechanism.	Stalled.

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Antiquated rank system of supposed temporary "Lecturers" who are in fact continuing full-time instructors.	Low	High	None available to us at this level.	None	None
Lack of response plan for mental health emergencies. Lack of associated EAP.	High	High	Preliminary discussions have been held with HR Director Kurtis Neal and TTUS. Extant plans for student mental health emergencies, but not for faculty or staff.	None	None
Mid-level administrators not empowered to make routine operational decisions	High	High	Many routine operational decisions funneled through Provost' office where they are routinely lost. This results in operations being halted, often for months at a time. Often results in higher costs for purchases as bids expire.	None	None

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<p>* According to OP 34.01-3, health, safety, and hazards are defined for the University. OP 34 also requires each building to have an emergency evacuation plan (EEP) that includes defining hazards. The Vincent plan written by Zach Pope and I is available for viewing at www.sci.angelo.edu/doc/eep_vincent.pdf. In the event of a concentrated acid, concentrated base, or flammable liquid event, we would respond as stated in the EEP. All 3 of these hazards are in the research annex which is a non-public space of the Vincent building. We are required to separate acids and bases, store them in properly, and use them under the fume hood in the research annex. Flammable liquids are stored in appropriate flammable liquid cabinets. The limited access to the research annex, proper storage of acids, bases, and flammable liquids coupled with faculty supervising students in the research annex reduces the risk of an incident. The University also has an emergency operations plan defined in PO 34.26 in case we have to teach and conduct research with the loss of the Vincent building.</p>					
	Click here to view Vincent EEP				