



University of Toronto

OFFICE OF THE VICE-PRESIDENT, BUSINESS AFFAIRS

TO: Audit Committee

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DATE: April 20, 2011 for May 10, 2011

AGENDA ITEM: 5

ITEM IDENTIFICATION: Risk Assessment: Recommended Areas of Focus

JURISDICTIONAL INFORMATION:

The Audit Committee is responsible for reviewing financial controls.

PREVIOUS ACTION TAKEN:

At the last meeting of the committee, it was requested that a list of potential areas of focus be provided for the committee to consider in planning the agenda for meetings in 2011-2012. The suggested items are described below.

HIGHLIGHTS:

IT risk – in a decentralized IT environment like the University of Toronto it is tempting to assume that any risk will be small and will not affect the whole organization. Is that in fact the case? Does distributed computing reduce or increase risk? What other IT risks should the committee understand? How well is the university mitigating those risks? Is the mitigation adequate?

Investment risk management – many people believe that because investment risk tolerance has been expressed as a volatility measure that no other risk measures are considered. In fact, UTAM has spent a great deal of time reviewing the risk of the portfolio and how to reduce it. A full discussion of investment risk and how it impacts the University is important for the Audit Committee, as is the related discussion of how the risks are mitigated.

Student crisis management – stories get larger headlines than those describing a student crisis, whether individual or related to a group of students. U of T has a

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well disciplined process for identifying potential students at risk and intervening to prevent a crisis before it happens. A presentation on how this operates would be informative and eye-opening.

All of the above are important to the University and provide a good range of the types of risk we face and manage daily.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

None

RECOMMENDATION:

For Information

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