OREGON INSTITUTE OF TECHNOLOGY

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Risk Assessment Update & FY26/27 Proposed Audits

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Executive Summary

This FY26/27 Risk Assessment was conducted to provide Oregon Tech leadership with a forward-looking view of the institution's risk profile and to align internal audit coverage with the university's strategic objectives. The assessment was performed in accordance with the IIA Global Internal Audit Standards (2025) and leverages the COSO Enterprise Risk Management framework, to ensure that internal audit activities remain risk-informed, strategically aligned, and supportive of governance, accountability, and institutional resilience.

Key areas of focus include Oregon Tech's ability to sustain enrollment and financial stability, safeguard information technology assets, strengthen compliance across federal and state regulatory environments, maintain facilities, and foster a supportive campus climate. Emerging risks related to demographic shifts, technology disruption, and student/faculty well-being were also considered.

From this analysis, five priority areas have been identified as a result of the risk assessment update performed and will be included in the FY26/27 Proposed Internal Audit Plan:
1. Student Behavioral Health
2. Title IX Regulatory Compliance
3. Travel Risk Management
4. Emergency Management and Business Continuity
5. Facilities & Deferred Maintenance

Governance & Oversight
Oregon Tech is governed by a Board of Trustees, which provides fiduciary oversight and strategic direction for the institution. Risk oversight is embedded within this governance structure through:
➢ *Board of Trustees* – Establishes institutional priorities, approves budgets, and provides strategic oversight of performance and risk.
➢ *President & Executive Cabinet* – Direct daily operations, implement controls, and manage enterprise risks across functional areas.
➢ *Faculty Senate & Committees* – Provide input on academic programs, policy, and campus initiatives, ensuring shared governance in decision-making.
➢ *Audit & Risk Oversight Functions* – Support compliance, risk management, and maintain accountability to students, faculty, staff, and external stakeholders.

This model emphasizes accountability, transparency, and shared responsibility. Internal Audit plays a critical role by providing independent, objective assurance and advisory services that support Oregon Tech's mission and governance framework.

Objective & Scope

Key **objectives** include:
- Identifying and prioritizing risks that may impact Oregon Tech's ability to achieve strategic, operational, financial, compliance, and reputational objectives.
- Aligning the internal audit plan with the University's strategic goals and emerging risks in higher education.
- Providing independent, objective insights that support, challenge, and advise management, while recognizing that ownership of risk management rests with University leadership.

The **scope** encompasses all major university functions, including but not limited to academic programs, student services, facilities, finance, research, athletics, and information technology. Consistent with IIA Global Standards,

the assessment also considers governance, ethics, culture, and accountability as they relate to institutional objectives and regulatory obligations.

Approach & Methodology

This risk assessment update was conducted in accordance with the Global Internal Audit Standards, COSO Enterprise Risk Management (ERM) framework, and Eide Bailly's higher education risk assessment methodology. The process applied a multi-step approach to ensure that identified risks and proposed audit activities are both comprehensive and aligned with Oregon Tech's strategic objectives.

Risk Universe & Audit Units
- Re-evaluated the major functional areas of university operations, including academics, research, information technology, student life, facilities, finance, governance, compliance, and athletics.
- Considered changes since the prior risk assessment (January 2024) that may impact the University's risk profile.

Data Collection & Input
- Obtained input from senior management and University leadership to capture perspectives on emerging risks and priority concerns.
- Reviewed strategic plans, financial statements, regulatory guidance, and results from prior internal and external audits.
- Incorporated insights from professional judgment and prior Eide Bailly audit engagements at Oregon Tech.

Risk Evaluation
- Assessed inherent and residual risks across operational, compliance, financial, strategic, and reputational categories.
- Evaluated whether risks had shifted in likelihood or impact based on changes in operations, governance, or regulation.
- Considered both emerging higher education trends (e.g., AI governance, student wellness, cyber risk) and institution-specific developments.

Prioritization & Audit Planning
- Risks were prioritized to determine proposed internal audit topics.
- The results of the assessment were used to update the FY26/27 risk-based internal audit plan, ensuring alignment with available budget, stakeholder expectations, and coverage across key University functions.
- The plan was structured to allow flexibility for emerging issues and to include time for follow-up audits and annual reassessment.

Risk Domains

Risks have been categorized into six domains aligned with the COSO ERM framework and higher education best practices.

Risk Domain	Risk Description	Potential Risks
Strategic	The ability of Oregon Tech to achieve its long-term objectives depends on effective governance, alignment of academic programs with workforce needs, and maintaining institutional relevance in a competitive higher education environment.	➢ Enrollment Management ➢ Student Success & Outcomes ➢ Academic Program Relevance ➢ Reputational Risk

Risk Domain	Risk Description	Potential Risks
Operational	Day-to-day activities, including facilities management, research administration, athletics, and student life must be executed efficiently and effectively to support the institution's mission. Weaknesses in these areas can disrupt academic delivery and student experience.	➢ Facilities & Deferred Maintenance ➢ Research Operations & Compliance ➢ Athletics & Student Life ➢ Emergency Preparedness & Campus Safety
Financial	Oregon Tech's fiscal health depends on reliable revenue streams, sound financial reporting, and effective resource allocation. External funding pressures, coupled with rising costs, directly influence affordability, access, and sustainability.	➢ Tuition & Funding Dependency ➢ Reserves ➢ Grants & Sponsored Programs ➢ Rising Labor & Benefit Costs
Compliance	Adherence to regulatory, legal, and accreditation standards is critical to Oregon Tech's ability to operate effectively. Noncompliance can result in penalties, reputational damage, and restrictions on institutional authority.	➢ Title IX, Clery, FERPA ➢ ADA & Accessibility ➢ Accreditation ➢ Environmental Health & Safety
Information Technology	Technology underpins student learning, research, and operations. Security, resilience, and governance of IT systems are essential to protect sensitive data, enable reliable services, and support informed decision-making.	➢ Cybersecurity Threats ➢ Data Privacy ➢ ERP/Student System Failures ➢ IT Governance & Disaster Recovery
Human Capital	Oregon Tech's performance is shaped by its people, faculty, staff, and students. Workforce capacity, organizational culture, and talent management influence the institution's ability to innovate, retain talent, and provide a positive academic environment.	➢ Faculty & Staff Recruitment / Retention ➢ Succession Planning ➢ Training and enforcement of policies / procedures ➢ Union Relations & Collective Bargaining ➢ Campus Climate & Mental Health

Emerging Higher Education Risks

In addition to traditional risk areas, higher education institutions face dynamic forces requiring adaptability and foresight. For Oregon Tech, these risks carry heightened significance given its polytechnic mission, enrollment-driven revenues, and responsibility to prepare Oregon's workforce. The following areas represent critical emerging risks with direct implications for Oregon Tech's long-term sustainability, competitiveness, and ability to deliver on its mission.

Demographic Shifts
National and regional trends point to a declining population of high school graduates, often referred to as the "enrollment cliff." For Oregon Tech, which relies heavily on enrollment and tuition for revenue, this

presents both a financial and strategic challenge. A shrinking applicant pool increases competition among institutions, potentially impacting enrollment numbers, tuition revenue, and long-term sustainability. Oregon Tech must also consider how demographic changes affect diversity, equity, and inclusion goals, as well as workforce readiness in Oregon's STEM-focused economy.

Regulatory and changing landscape of Higher Education and Funding
The regulatory landscape for higher education is undergoing significant transformation, with increasing demands for transparency, accountability, and measurable student outcomes. Oregon Tech faces growing exposure to federal and state mandates related to accreditation, financial aid compliance, equity reporting, and institutional governance. These requirements require agile responses and robust internal controls to avoid compliance failures and reputational harm. The funding model for public higher education is shifting, with declining enrollment, performance-based funding formulas, and heightened competition for grants and appropriations. Institutions must navigate these complexities while maintaining affordability, academic quality, and strategic relevance in a rapidly evolving educational marketplace. Failure to adapt could result in financial strain, reduced access to funding, and diminished institutional resilience.

AI and Technology Integration
The rapid evolution of information technology changes and cybersecurity threats is transforming higher education, from academic integrity and student learning to research and administrative functions. Oregon Tech, as a polytechnic institution, faces heightened expectations to integrate AI responsibly into curriculum and research. Risks include maintaining academic standards, ensuring ethical use of AI in instruction and research, and protecting sensitive data from AI-enabled cybersecurity threats. Governance structures must evolve to balance innovation with risk mitigation.

Sustainability and ESG
Students, regulators, and community stakeholders increasingly expect universities to adopt environmentally sustainable practices and embrace ESG (Environmental, Social, and Governance) commitments. For Oregon Tech, with its STEM focus and visibility across Oregon, sustainability is both an opportunity and an expectation. Pressure to reduce carbon footprints, modernize facilities, and align with state and federal climate initiatives could strain already limited financial resources. Failure to act may affect student recruitment, public trust, and accreditation-related reporting.

Cyber-Physical Security
The convergence of physical safety systems and information technology creates a complex security environment. For Oregon Tech, this includes risks tied to campus safety, financial aid, cyber security, facilities management systems, and integration of digital and physical infrastructure. Threats such as ransomware, fraudulent financial aid submissions, smart-building vulnerabilities, or coordinated attacks could disrupt academic and administrative functions. Because Oregon Tech operates across multiple campuses and depends heavily on technology-driven learning environments, it is essential for the university—and higher education institutions more broadly—to strengthen security governance frameworks and regularly update incident response plans. This focus is critical to ensuring operational continuity and protecting both digital and physical assets in today's evolving threat landscape.

Mental Health Crisis
The growing prevalence of student and employee mental health challenges represents a significant risk for higher education institutions. Oregon Tech must address increasing demand for counseling, wellness services, and supportive campus environments. The institution faces unique challenges balancing limited staffing and resources with student needs in a STEM-intensive environment where stress and burnout can be pronounced. Unaddressed mental health issues may negatively impact retention, academic success, faculty/staff engagement, and overall campus climate.

Proposed Internal Audit Topics

The FY26/27 Internal Audit Plan is designed to provide Oregon Tech with the flexibility to address both planned and emerging risks. The selection of audits reflects a deliberate effort to achieve broad coverage across critical functions, ensuring that both operational and strategic priorities are addressed.

Estimated hours for each engagement are provided as a planning guide and may be refined as scoping discussions progress. To maintain alignment with institutional needs, the plan will be reassessed quarterly. Adjustments will be made as necessary to reflect progress on current audits, incorporate new priorities, and respond to unanticipated risks or requests from leadership and the Board of Trustees.

Based on the results of the risk assessment update, professional judgment, findings from previous audit work, and information provided by university management, the following areas are potential audit topics for FY26/27.

Audit #	FY26/27 Proposed Internal Audits	Estimated Hours	Estimated Fees
1.	**Student Behavioral Health** – Review adequacy of student threat assessment team and student health resources, including threat assessment processes, student health center, and campus safety. Confirm policies, staffing, systems, communication and response protocols collectively support a safe environment. *Associated Risks:* • Inherent risks are associated with student health threat assessment teams' ability to proactively identify and respond to behavioral risks. • Growing mental health needs strain campus resources. • Inherent risk associated with the adequacy of systems for tracking student conduct and wellness interventions (e.g., Maxient) and cross-departmental communication may present a challenge.	200 – 250	$45,000 – $55,000
2.	**Title IX Regulatory Compliance** – Evaluate the effectiveness of Oregon Tech's Title IX compliance program, focusing on case handling, timeliness, training, and cross-departmental coordination. Confirm alignment with federal requirements and institutional accountability expectations. Assess communication and coordination among functional areas including Student Affairs, Housing, Athletics, and Campus Safety. Evaluate the structure and consistency of the Title IX appeal process to determine levels of transparency and institutional accountability. *Associated Risks:* • Frequent changes in federal Title IX regulations create compliance uncertainty and require procedural adjustments, increasing the risk of non-compliance. • Limited internal staffing and reliance on external investigators lead to delays in case resolution and strain documentation and oversight processes.	250 – 300	$55,000 – $65,000

Audit #	FY26/27 Proposed Internal Audits	Estimated Hours	Estimated Fees
	• Title IX responsibilities are not fully integrated across departments, resulting in gaps in coordination, reporting, and institutional accountability.		
3.	**Travel Risk Management** – Assess adequacy and consistency of Oregon Tech's travel risk management framework, including policies, insurance coverage, financial oversight, and safety procedures across all institutional travel (students, faculty, staff, research, administrative, and athletics). Confirm that controls promote compliance, transparency, and institutional accountability. *Associated Risks:* • Sufficiency of student and athletic travel insurance coverage and University exposure to financial and legal risks. • Inconsistent alignment and oversight of travel policies across departments, creating risk of non-compliance and reputational exposure. • Centralization of donor fund oversight, including transparency.	200 – 250	$45,000 – $55,000
4.	**Emergency Management & Business Continuity** – Assess whether Oregon Tech has a coordinated, tested, and externally integrated emergency management and business continuity framework that supports institutional resilience. Review plan completeness, crisis communication protocols, and readiness across critical functions (IT, campus safety, academic continuity). *Associated Risks:* • Threat assessment activities are concentrated within student affairs, and a University-wide approach has not yet been fully established. • An enterprise risk management framework is not currently in place, which may limit the ability to proactively identify and address institution-wide risks.	180 – 200	$40,000 – $45,000
5.	**Facilities & Deferred Maintenance** – Evaluate the effectiveness of Oregon Tech's facilities management in addressing deferred maintenance and infrastructure risk. Assess whether planning, budgeting, prioritization, and capital project oversight are strategically aligned, transparent, and compliant with safety, regulatory and bond requirements. *Associated Risks:* • Aging infrastructure increases safety and compliance risks. • Adequacy of project prioritization criteria and backlog management. • Bond compliance and oversight of capital projects.	200 – 250	$45,000 – $55,000