

Subcommittee on Risk of the Committee on Audit & Risk
Of the Board of Trustees, The Pennsylvania State University
Operating Guidelines, as approved by the Committee on Audit & Risk
May 4, 2023

Purpose:

The Subcommittee on Risk is responsible to review on a regular basis the University's Enterprise Risk Management activity, with a goal of assisting in the fulfillment of the Committee on Audit and Risk's purpose of overseeing the University's processes for identifying and managing risks.

Composition:

The Subcommittee on Risk will consist of up to five members, including at least two drawn from members of the Committee on Audit & Risk, with the Board Chair and/or Vice Chair serving as *ex officio* members. The Director of Risk Management and Chief Risk Officer of The Pennsylvania State University will serve as staff support to this Subcommittee, in affiliation with the Senior Vice President for Finance and Business/ Treasurer, the Director of Internal Audit and the Vice President & General Counsel.

Meetings:

The Subcommittee shall meet at least three times each calendar year, or more frequently as needed at the discretion of the Chair. Scheduled meetings shall take place virtually during the Spring, Summer and Fall time frames as may be convenient for the members.

Authority/Responsibilities:

The Subcommittee will review the University's Enterprise Risk Management practices and advise the President, Senior Vice President for Finance and Business/Treasurer, other members of the University administration, and the Board of Trustees, on major aspects of the risk management functions of the University and associated policies and practices.

Specific responsibilities will include:

- 1) Review and provide insight into the University's processes for identification, categorization, management and monitoring of risks.
- 2) Review and provide insight into the list of risks under consideration for oversight of the Administration and various Committees of the Board of Trustees.
- 3) Manage the process for Board Committees to conduct their oversight responsibilities for assigned risks on a regular cycle.
- 4) Report on the Subcommittee's activities to the Committee on Audit and Risk.