

OP Risk Services Mission Statement

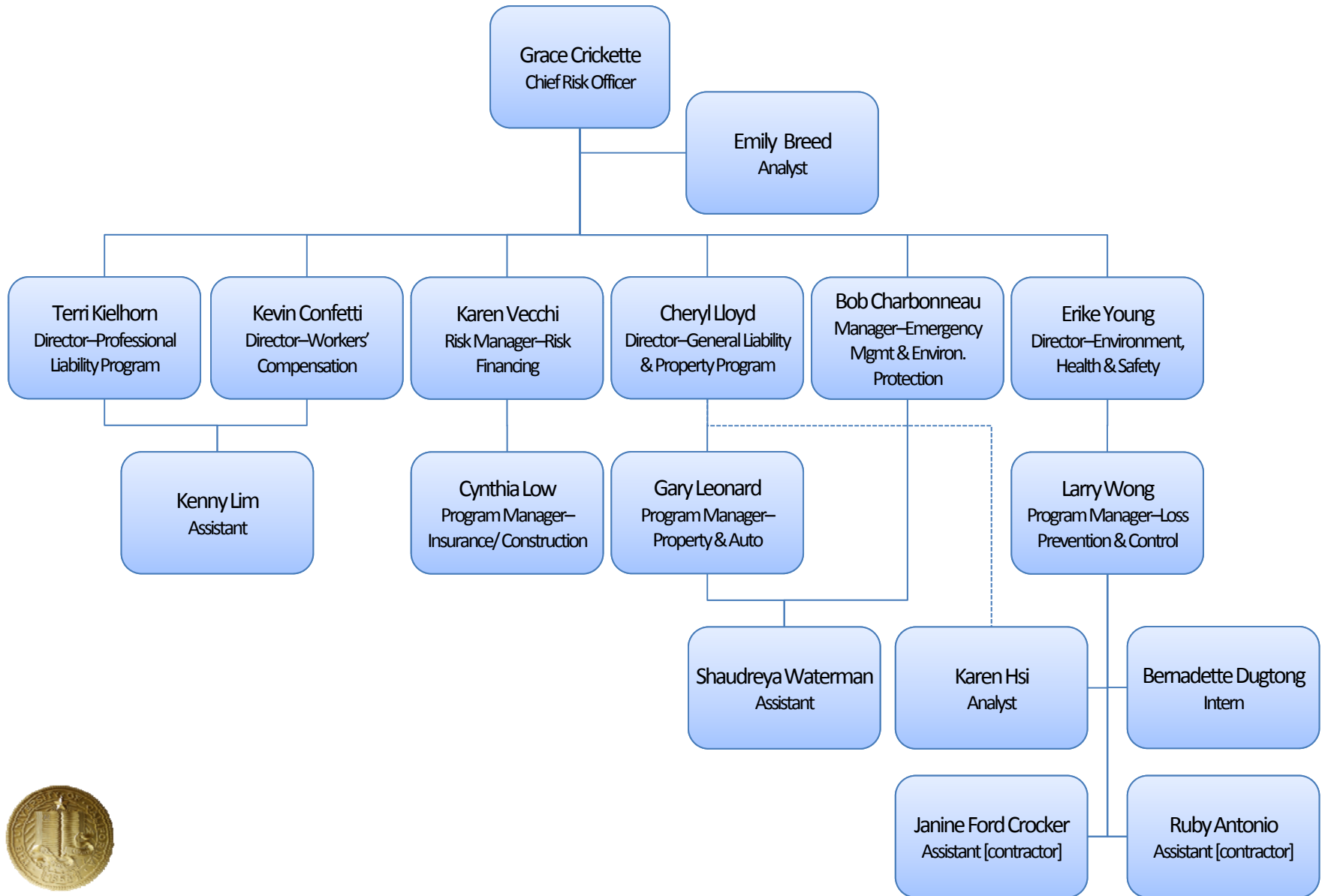
Our mission is to enable the University faculty, staff, and students to identify and manage risks associated with their activities, consistent with the University's missions of teaching, research, and public service. By strategically managing risk we can reduce the chances of loss, create greater financial stability, and protect our resources.

At the heart of our ERM program is the idea that
Everyone is a Risk Manager.





Risk Services Organization Chart



Enterprise Risk Management (ERM) Solution Set

			ERM Systemwide Panel
	Environmental Due Diligence Program	Workers' Compensation	Risk Assessments
	Be Smart About Safety	Professional Medical & Hospital Liability	Risk Ranking Tools
Crisis Communications	Environment, Health & Safety	Human Subject Injury	Risk Management Leadership Council
Public Safety	Threat & Security Services	General Liability	Risk Management Tools & Training
UC Ready Panel	6% Prescription	Employment Practices Liability	Enterprise Data Mgmt/Analysis
UC Ready Forum	Travel Assistance	Property	Enterprise Response Enablement
UC Ready Software	Occupational and Employee Health Advisory Coalition	Fine Arts	UC Tracker
Emergency Management	Environment, Health & Safety Leadership Council	Construction	UC Action
Incident Command Centers	Employment Practices Improvement Committee	Auto	Enterprise Risk Management Information System
UCOP Crisis Management Response Team	Web-Based Incident Reporting System	Auxiliary Groups	Risk Summit
Crisis & Consequence Management	Loss Prevention & Loss Control	Risk Financing & Claims Management Program	Enterprise Risk Management Program



ERM Process & System Value:

Create Efficiency - Benefits that result in saved time, fewer resources spent, or faster cycle time

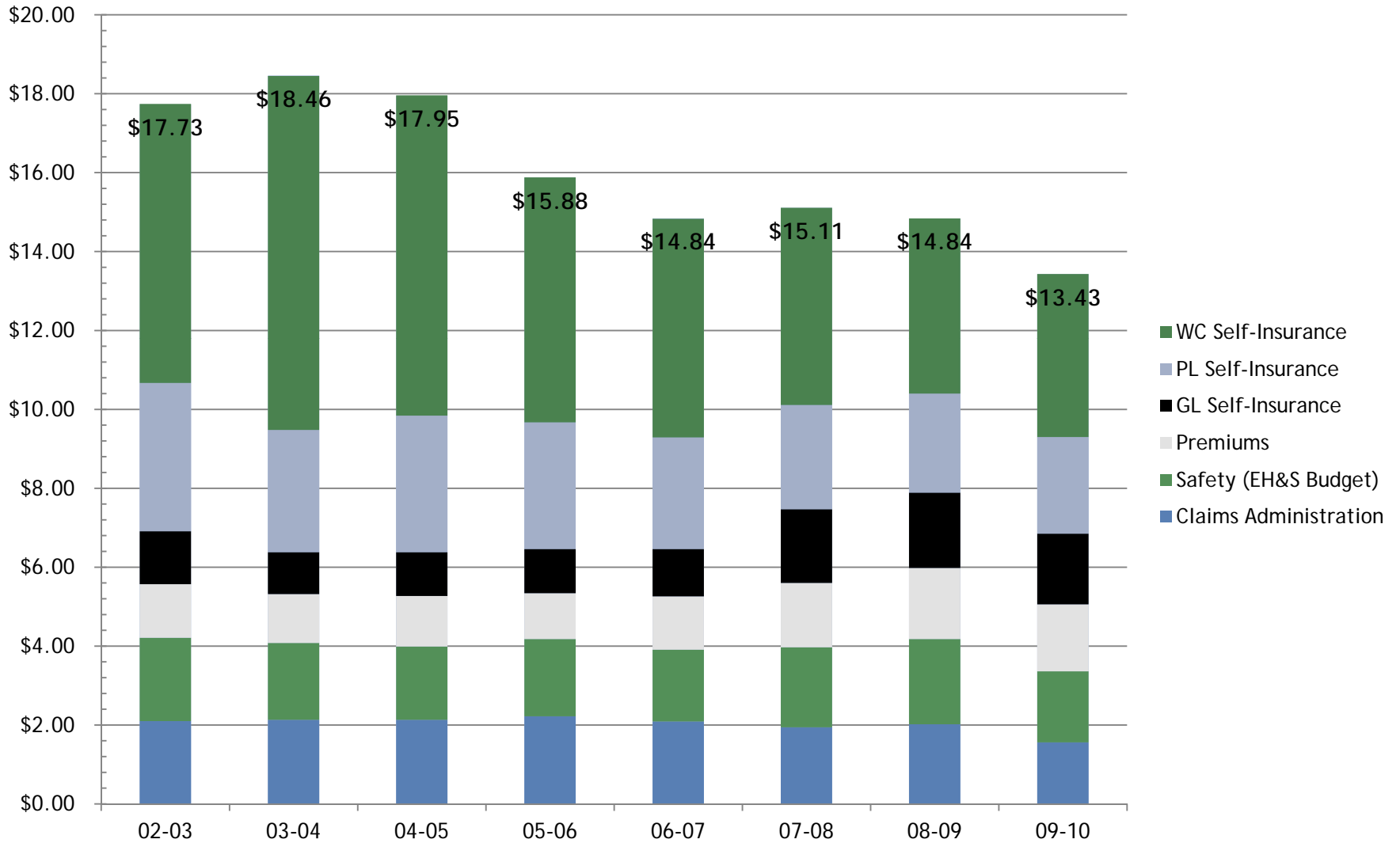
Reduce Cost of Risk - Benefits that result in a lower risk exposure, fewer claims, less expensive claims, lower insurance rates or reduced administrative costs

Improve Cost of Borrowing - Benefits that result in improved debt ratings and reduced borrowing rates

Reduce IT and Operational Redundancy - Benefits that allow users to leverage a single tool to support multiple activities, or support a single process systemwide to achieve consistency

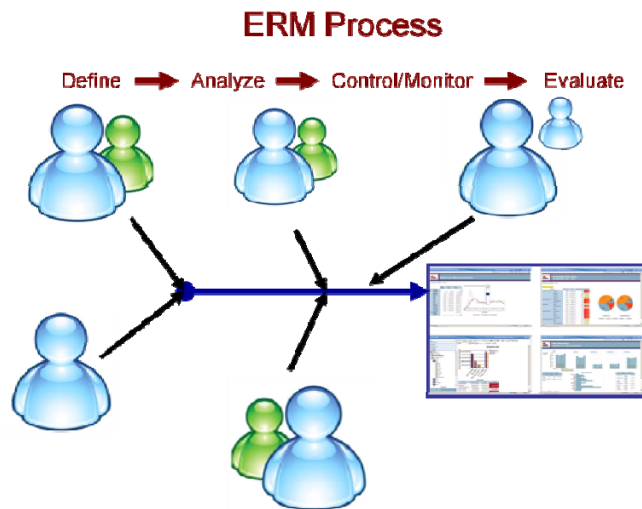


Total Cost of Risk per \$1,000 Operating Budget



Providing tools to help manage risk

The Risk Services website - <http://www.ucop.edu/riskmgt> - is continuously enhanced providing new tools to help managers at all levels identify, assess and manage their risks, thereby reducing the cost of risk.



The UC Enterprise Risk Management Information System (ERMIS) provides users with a single portal through which they can access and analyze information related to their specific area.

UC Action enhances the efficiency of monitoring controls established in response to specific incidences through continuous monitoring and automated follow-up.

UC Tracker* facilitates the review and documentation of key financial controls related to the preparation of the university's financial statements.

UC Ready*, an award winning Mission Continuity Tool that allows all UC departments systemwide to develop plans to ensure continuation of operations.

The ERM Maturity Level Model provides a framework for the campuses and medical centers to plan their ERM programs and measure and monitor their progress in using the ERM tools to better manage their risks.

Risk Assessment Workbooks have been created to support risk assessments at each of the UC locations

*Part of the Working Smarter initiative



ERMIS - Enterprise Risk Management Information System

There is a fundamental need to identify risk and control information, acquire it, conduct data analysis, and interpret the results.

- ERMIS includes a data warehouse which serves as the data repository for risk and controls related information.
- It has the ability to integrate claims data (losses) and corporate data (exposures) in addition to number of other data sources to create a centralized data management environment
- ERMIS Dashboards are built using a Cognos web-based Business Intelligence solution, customized by the University to help quantify and track new and pre-defined key performance indicators (KPIs).



SAFETY INDEX DASHBOARD Sample Analysis

KPI 1 - WC Incidents Relative to FTE, Hours Worked and Headcount

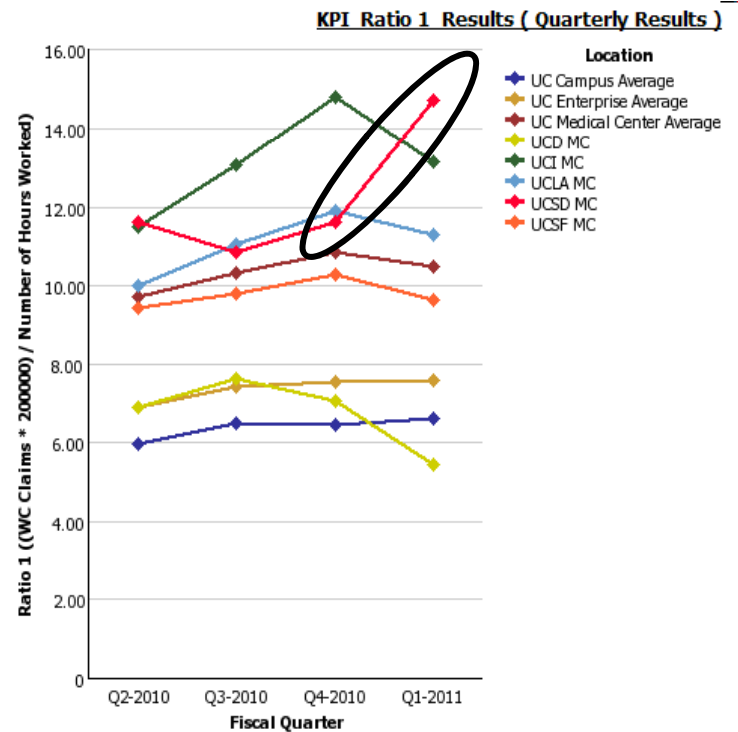
Report View: Quarterly
 Sort By: Location
 Fiscal Quarter: Q1-2011
 Location: UCDC MC, UCI MC, UCLA MC, UCSD MC, UCSF MC
 Claim Status: Closed ,Open ,Re-Open ,(Blank) ,
 Claim Type: First Aid Paid ,First Aid Unpaid ,Future Medical ,Indemnity ,Medical ,Medical-CAE ,Record Only ,(Blank) ,

Report view: Quarterly

Location	WC Claims	Total Incurred	Number of Hours Worked	Ratio 1 ((WC Claims * 200000) / Number of Hours Worked)	Ratio 2 ((Total Incurred * 200000) / Number of Hours Worked)
UCDC MC	94	\$458,902.10	3,443,481	5.46	26,653.38
UCI MC	131	\$444,618.20	1,992,799	13.15	44,622.48
UCLA MC	304	\$728,763.38	5,382,130	11.30	27,080.85
UCSD MC	190	\$706,432.67	2,577,725	14.74	54,810.55
UCSF MC	176	\$851,113.32	3,648,575	9.65	46,654.56
UC Campus Average	136.00	\$355,652.90	4,122,251.83	6.60	17,255.27
UC Medical Center Average	179.00	\$637,965.93	3,408,942.00	10.50	37,428.97
UC Enterprise Average	148.65	\$438,686.15	3,912,454.82	7.60	22,425.11
UC Enterprise Total	2,527	\$7,457,664.52	66,511,732.00		

- Benchmarking
- Trends
- Communication and cross-collaboration between units
- Results justified?

UNIVERSITY OF CALIFORNIA



Safety Index Dashboard Drilldown

Report Parameters

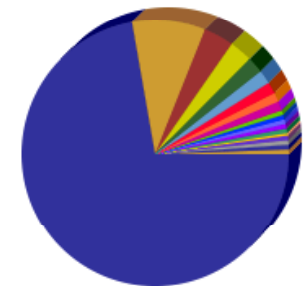
View by: Cause Sort by: Cause Description
 Location: UCSD MC From: Q1-2011 To: Q1-2011 Update

Location	Cause Description	WC Claims	Total Incurred
UCSD MC	Body Fluid, Blood	7	\$770.81
	Body Fluid, Non-Blood	5	\$838.96
	Dust	1	\$187.61
	Keyboard	1	\$12,830.77
	Multiple Work Duties	2	\$6,827.24
	Natural Gas	1	\$441.81
	Other - Cannot be Described by any Other Agent	3	\$1,442.62
	Other Chemical	1	\$218.25
	Other Vaccination Reaction	2	\$563.93
	Other Workstation, Work Area	1	\$793.31
	Patient Handling Equipment	1	\$151.53
	Patient or Person (Non-Self)	4	\$32,324.85
	Person (Self)	137	\$615,085.19
	Sharps, Medical (Non-Sterile)	3	\$280.33
	Sharps, Medical (Sterile)	1	\$230.73
	Sharps, Needle (Non-Sterile)	17	\$2,681.59
	Sharps, Needle (Sterile)	1	\$0.00
	Shelves	1	\$248.04
	Slippery Surface	1	\$30,515.10
	Summary		190

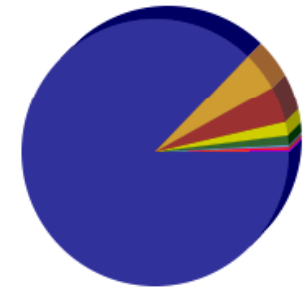
Cause Description

- Person (Self)
- Sharps, Needle (Non-Sterile)
- Body Fluid, Blood
- Body Fluid, Non-Blood
- Patient or Person (Non-Self)
- Other - Cannot be Described by any Other Agent
- Sharps, Medical (Non-Sterile)
- Multiple Work Duties
- Other Vaccination Reaction
- Dust
- Keyboard
- Natural Gas

Top 10 Cause Descriptions by WC Claims



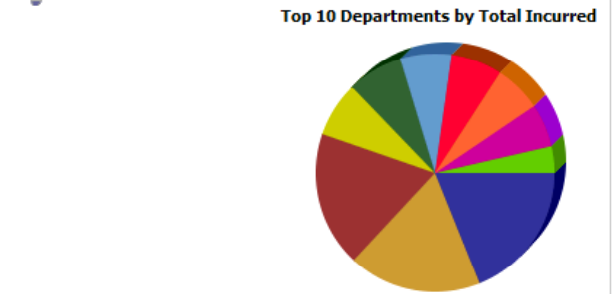
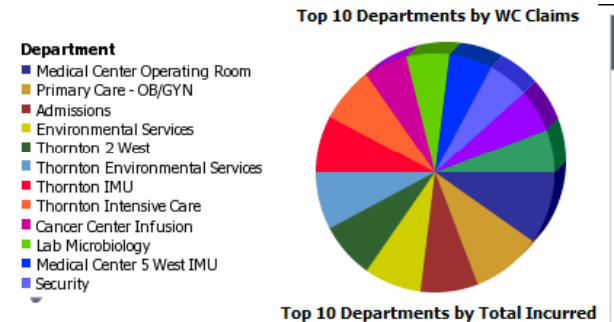
Top 10 Cause Descriptions by Total Incurred



Drilldown allows immediate analysis

Further Drilldown provides a lead on how to make the next decision for biggest impact

Location	Cause Description	Department	WC Claims	Total Incurred
UCSD MC	Person (Self)	Thornton IMU	4	\$90,681.46
		Thornton Radiology	3	\$88,410.41
		Medical Center Family Maternity Care Center	2	\$88,157.42
		MSCMRPM Perlman Medical Records	1	\$36,441.28
		8th Floor Med/Surg Trauma/Ortho/Neuro	2	\$35,479.62
		Thornton Environmental Services	4	\$33,845.87
		Facilities Planning & Management	1	\$33,122.47
		ACC/OPC Outpatient Registration	2	\$31,815.60
		Admissions	4	\$27,931.57
		MSCW05P 4th & Lewis Internal Medicine	1	\$17,355.68
		Hillcrest MRI	1	\$12,353.67
		3W. BMT	2	\$11,615.84
		Sterile Processing Department (SPD)	2	\$8,731.48
		EEG Program	1	\$8,150.00
		Medical Center 11 West Medical Specialties	1	\$6,775.18
		Thornton Intensive Care	4	\$6,759.94
		Environmental Services	4	\$6,268.39
		Medical Center 11 East	1	\$5,790.00
		Child Adolescent Psychiatric Services (CAPS)	2	\$5,774.16
		Nutrition & Dietetics	2	\$5,474.70
		Thornton Patient Care Administration	1	\$5,019.71



RISK MITIGATION AVENUES

Training/Education

Process Change

Resource Allocation





AIM Report: Actionable Information for Managers

September 14, 2011

CFO Division AIM Report Table of Contents

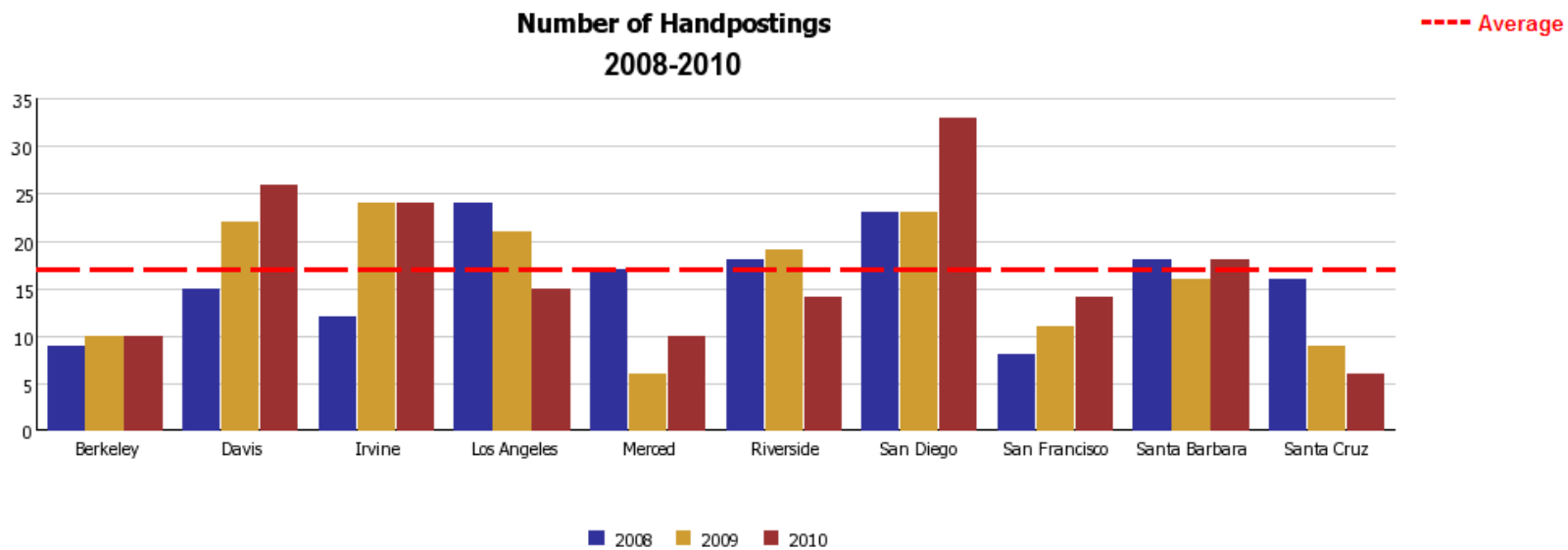
1. Financial Accounting	
1.1 - # of manual entries during year-end financial statement close process	3
1.2 - % of transactions not cleared at end of each month in financial control accounts	4
1.3 - % of direct deposit payments for payroll	5
1.4 - % of electronic form W-2 disbursement	6
1.5 - % of electronic payments for non-payroll disbursements	7
2. Financial Services & Controls	
2.1 - Air savings as a % of total air spend	8
2.2 - % of air spend booked through Connexus	9
2.3 - % of non-payroll expenditures placed on P-Card	10
2.4 - P-Card efficiency gains as a % of total spend on goods and services	11
2.5 - Incentives generated via P-Card as a % of total incentives generated	12
3. Risk Services	
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3.2 - % of FTE eligible for retirement	14
3.3 - % continuity plan completion	15
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4. Procurement Services	
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5. Capital Markets Finance	
5.1 - Debt service-to-operations (%)	21
5.2 - Debt burden-to-student FTE (\$)	22
5.3 - Expendable resources-to-debt (%)	23
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CFO Division AIM Report: Actionable Information for Managers

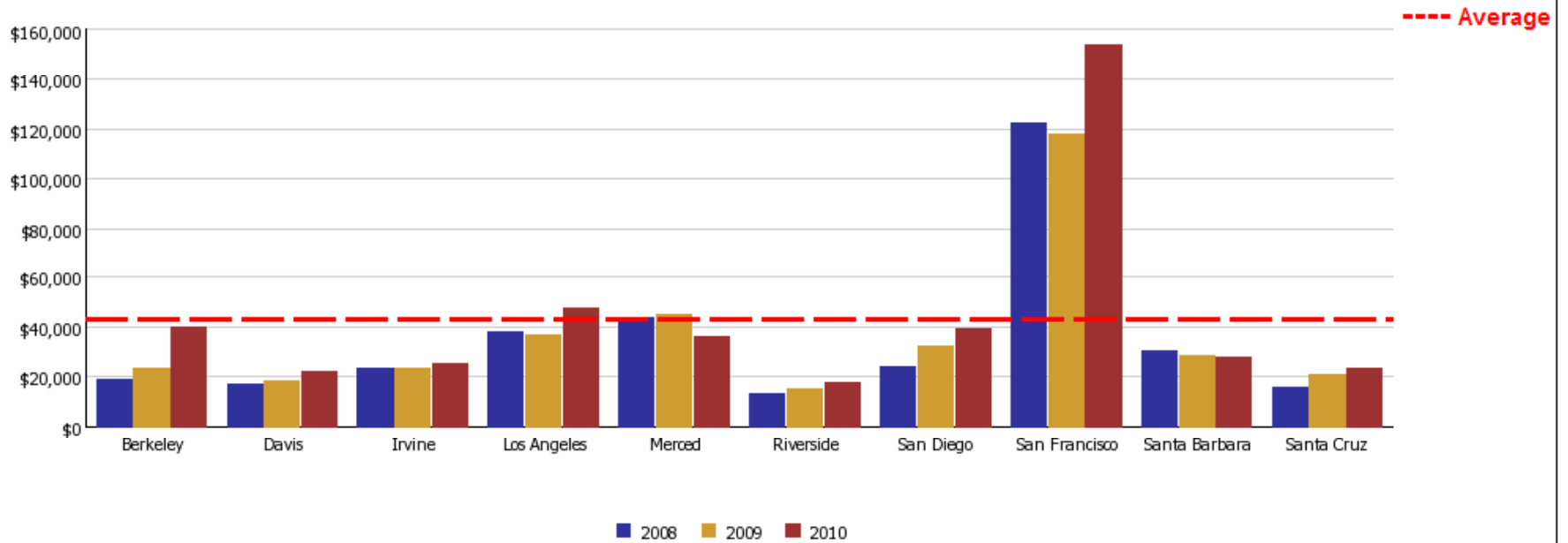
manual entries (handpostings) during year-end financial statement closing process



FY	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz
2008	9	15	12	24	17	18	23	8	18	16
2009	10	22	24	21	6	19	23	11	16	9
2010	10	26	24	15	10	14	33	14	18	6

CFO Division AIM Report: Actionable Information for Managers

Debt burden-to-student FTE (\$)



FY	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco*	Santa Barbara	Santa Cruz
2008	\$19,122	\$16,977	\$23,680	\$37,833	\$43,389	\$13,060	\$24,299	\$122,022	\$30,332	\$15,671
2009	\$23,428	\$18,591	\$23,473	\$36,440	\$44,682	\$15,013	\$32,362	\$117,971	\$28,593	\$20,690
2010	\$39,856	\$22,106	\$25,047	\$47,672	\$36,400	\$17,429	\$39,551	\$154,199	\$27,663	\$23,726



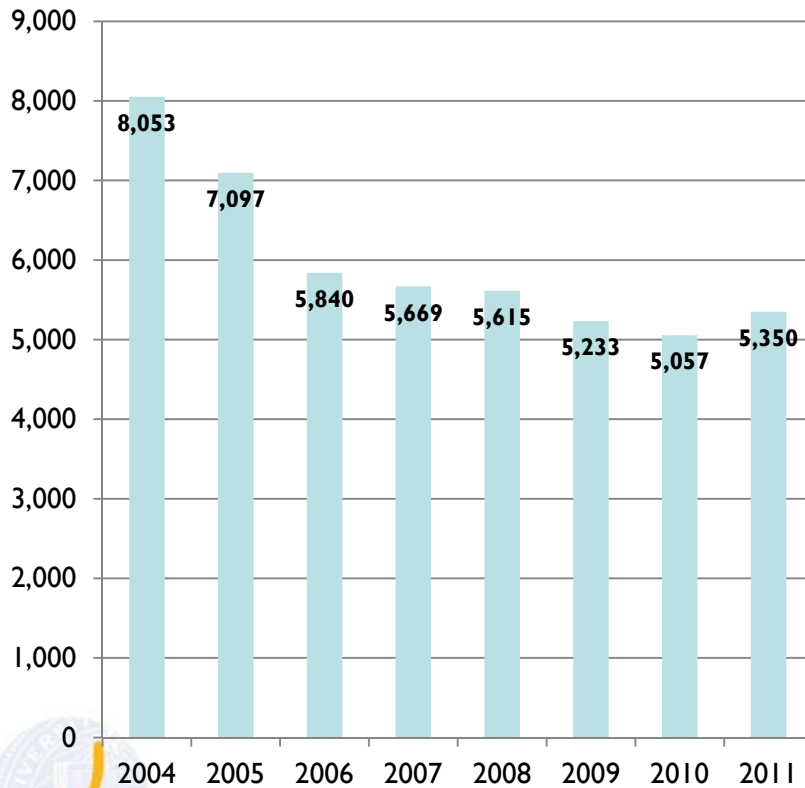


Be Smart About Safety (BSAS)

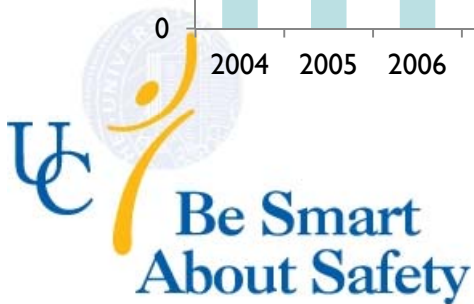
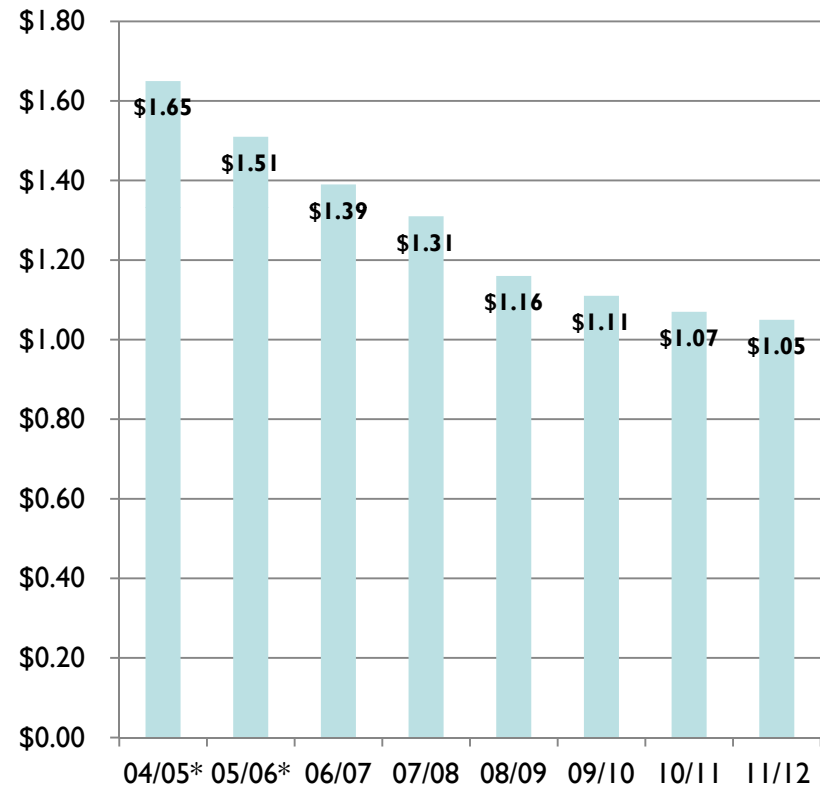
Each year the University of California Office of the President Risk Services (OPRS) budgets a small amount of its workers' compensation accrual to fund proactive Loss Prevention and Loss Control projects at the campus and medical centers. This funding is intended for projects specific to the purpose of reducing the frequency and/or severity of potential loss in the areas of workers' compensation, general liability, auto, property, and employment practices.

Some Results – Workers Comp (our most mature program)

New Losses Continue to Decrease



Systemwide Accrual Rate Continues to Decrease



UC Ready



<http://www.ucop.edu/riskmgt/erm/ucready.html>



Risk Assessment Budget Tool

Demo Budget Changes with examples.xlsm - Microsoft Excel

Home Insert Page Layout Formulas Data Review View Developer Acrobat

Clipboard Font Alignment Number Styles Cells Editing

Introduction
Possible Reduction Actions
Potential Benefits
Environment & Life Safety
Financial Risk
Mission Impairment
Stakeholders
Reputational Risk
Separation of Duties
Implementation

Implementation
 Consider each action and its implications. In conjunction with other factors, consider the aggregate and specific risks and benefits, paying special attention to whether an action will result in a conflict in separation of duties. When you have decided whether or not to implement an action, indicate that decision in the spaces below. You can then view actions sorted in a variety of ways based upon the decisions made using the buttons below. You can also export the completed selection data to a comma separated value (.csv) format by clicking the "Export" button.

	Current Year	Permanent
Target reduction amount:	\$ 113,333	\$ 340,000
Sum of listed actions (\$):	\$ 130,203	\$ 389,813
Sum of listed actions (% of target):	115%	115%
Sum of implemented actions (\$):	\$ 110,203	\$ 364,813
Sum of implemented actions (% of target):	97%	107%

Sorting Options

Current Year	Permanent	Risk Score
All Actions	All Actions	All Actions
Implemented	Implemented	Implemented

#	Possible Reduction Actions	Total Reduction (Current Year)	Total Reduction (Permanent)	Total Risk Score	Total Benefit Score	Separation of Duties	Implement?
1	Layoff John Doe	\$ 19,327	\$ 57,980	75	1.3	Violation	Maybe
2	Not buy new equipmet	\$ 20,000		28	None or N/A	OK	No
3	Delay planned repair of laboratory roof	\$ 15,000		33	None or N/A	OK	Yes
4	Eliminate fire spinkler checks		\$ 20,000	39	None or N/A	OK	No
5	Eliminate background checks of new employees		\$ 5,000	112	None or N/A	Violation	No
6	Sell agricultural by-products	\$ 1,667	\$ 5,000	13	3.2	OK	Yes
7	Create administrative pods in the college	\$ 65,001	\$ 265,000	6	14	OK	Yes
8	Furlough employee by 2.5%	\$ 9,208	\$ 36,833	31	None or N/A	OK	Maybe
9							
10							
11							
12							
13							
14							
15							

Export





Why

Faced with diminishing state support, the University of California community has coalesced around administrative and operational effectiveness as a key tenet of long-term viability. Working Smarter brings together systemwide, regional and campus-level efforts under one umbrella with a strong commitment from the top: the University is committed to elevating its administrative operations to the same level of excellence as its academic and research enterprise. Within five years, the University will redirect \$500 million from administrative costs to the academic and research missions; streamline operations to address state funding cuts and the need for commonality among the campuses; implement operational efficiencies that enhance the quality of services to students, faculty and staff; and build a sustainable financial model to carry the University forward.

Your Ideas

Get involved! The Working Smarter Initiative wants your suggestions for additional ways that the university can work smarter and reduce costs. Please send your ideas - big or small - to workingsmarter@ucop.edu

Fiscal impact

goal over 5 years
\$500 MILLION

cost
savings

revenue
generation

current
total

$$\begin{matrix}
 \$117,338,639 & + & \$40,043,455 & = & \$157,382,094
 \end{matrix}$$





photo: "Olive Tree" by fonatic71 on Flickr. Used by permission: CC BY-NC-ND 2.0

How you can help

1. Involve OPRS early on any new programs, joint ventures, significant contracts, bonding finance agreements, etc. prior to the “deal” being completed, so we can advise regarding insurance requirements and provide a risk assessment
2. Be Smart About Safety: both at work and at home be risk aware and correct safety issues on the spot whenever possible
3. Be a “walking advertisement” for our services
 - Visit our website often to stay familiar with our programs
 - When you interact with campuses let them know that Risk Services is here to help!



Everyone's A Risk Manager

The Risk Services website is continuously enhanced, providing new tools to help managers at all levels:

<http://www.ucop.edu/riskmgt/welcome.html>

