Everyone’s a Risk Manager: Enterprise Risk Management
Kevin Confetti & Cheryl Lloyd
Office of Risk Services, CFO Division
Office of the President
Risk Never Sleeps
## Enterprise Risk Management (ERM) Solution Set

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<th>Business Officer Institute</th>
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<td>ERM Systemwide Panel</td>
<td>Environmental Due Diligence Program</td>
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<td>Risk Assessments</td>
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- **UC Ready Panel**
- **UC Ready Forum**
- **UC Ready Software**
- **Emergency Management**
- **Public Safety**
- **Workers’ Compensation**
- **Property**
- **Fine Arts**
- **Construction**
- **Auto**
- **Auxiliary Groups**
- **Crisis & Consequence Management**
- **Threat & Security Services**
- **6% Prescription**
- **Travel Assistance**
- **Occupational and Employee Health Advisory Coalition**
- **Environment, Health & Safety Leadership Council**
- **Employment Practices Improvement Committee**
- **Web-Based Incident Reporting System**
- **Loss Prevention & Loss Control**
- **Risk Financing & Claims Management Program**
- **Crisis Communications**
- **Environmental Due Diligence Program**
- **Be Smart About Safety**
- **General Liability**
- **Employment Practices Liability**
- **Risk Financing & Claims Management Program**
A Strategic View of Risk

- Create Efficiency
- Reduce Cost of Risk
- Improve Cost of Borrowing
- Reduce Redundancy
Results of a Strategic View of Risk

The rating agency Standard and Poor’s has recognized UC for its ERM program:

*The UC has implemented a system-wide enterprise risk management information system, which, in our opinion, is a credit strength.*

*Ratings Direct on the Global Credit Portal, September 9, 2010*
Risk Tools and Sustainable Practices

*Risk = Opportunity*

- Mission continuity planning
- Crisis Management and Communication programs and plans
- Decision making tools and training scenario modeling exercises
- Dashboard reporting on key areas of risk
- Formal retrospective reviews on all incidents that incur an expense over $50,000
- Financial control attestation (SAS 112/115)
- Risk financing and risk transfer program
- Loss prevention and loss control programs
Risk Tools and Sustainable Practices

- UC Enterprise Risk Management Information System (ERMIS)
- UC Action
- UC Tracker
- UC Ready
- ERM Maturity Level Model
- Risk Assessment Workbooks
Cost of Risk for FY 09/10

Cost of Risk per $1,000 Operating Revenue

- Total Including Indirect Costs
- Direct Costs - Ex Uninsured Legal
- Uninsured Legal Costs

Cost Avoidance (in $millions)
The Basic Risk Management Process

1. Identify the potential Risk Events
2. Identify your objectives
3. Examine alternative risk control methods
4. Select and implement the appropriate method(s)
5. Monitor results, make changes as needed
Types of Risk

Risk Types

- Operational
- Strategic
- Compliance
- Financial
- Reputation
Risk Treatment

- Accept
- Avoid
- Mitigate
- Transfer
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
After BOI you have work to do
Questions ?