University of California

Enterprise Risk Management Report to the Vice Chancellors of Administration and Medical Center CEOs

February 18, 2010

Presented by the ERM Panel

Introduction

The Enterprise Risk Management Panel has prepared this report to update you since our last report of May 16, 2008, on our efforts with advancing enterprise risk management (ERM) at the University of California.

We hope that you will take the time to review this report and we look forward to your comments.

Please direct questions and comments to Chief Risk Officer Grace Crickette (telephone 510-987-9820, email grace.crickette@ucop.edu).

Overview of ERM at the University of California

Since 1996, the University of California (UC) has been moving towards an enterprise approach to identifying and managing risk:

- The Regents adopt COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework (1996)

- Controller positions established at each campus and Agricultural and Natural Resources (ANR) (late 1990s)

- Several campuses and ANR develop enterprise risk management (ERM) initiatives (2003–present)

- UCOP Chief Risk Officer position established December 2004

- ERM Panel formed to develop an ERM strategy (June 2005)

- ERM meetings and interviews at campuses and medical centers completed (October 2006)

- ERM survey completed (February 2007)

- ERM Panels formed at most campuses and medical centers (August 2007)

- The Regents appoint Chief Compliance and Audit Officer (October 2007)

- Enterprise Risk Management Information System (ERMIS) launched (January 2009)

- ERM Maturity Model developed (June 2009)

The UC Office of the President Office of Risk Services (OPRS) website assists campuses by providing resources, reference materials, links to helpful websites, and a tool kit of sample forms and documents focused on ERM activities, including risk assessment. Additionally, with the development of the UC Systemwide Ethics and Compliance Program, more resources will become available for assisting with identification, analysis, and mitigation of risks in regulatory and policy compliance.

We have also focused on managing our traditional risk program in a more "enterprising" manner by encouraging a cross-disciplinary approach to managing risk. For example, our Risk Management Leadership Council's associated workgroups are made up of subject experts rather than Risk Managers. Our "Be Smart About Safety" program is a collaborative effort rather than a Risk Management or Environment, Health and Safety (EH&S) effort. Our ERM program includes looking at our Total Cost of Risk and by identifying and analyzing the full cost of risk, we have been able to develop strategic plans to reduce the cost of risk and free up resources to be used for meeting the University's mission. ERM also supports the monitoring of internal controls and accountability, providing valuable information to Compliance, the Controllers, and Internal Auditors.

UC ERM Implementation

The University is a complex organization that includes a seemingly never ending and always changing variety of risks. Implementation of ERM at UC requires a creative approach which includes delivering a variety of tools to the risk owners to enable them to better identify and manage their particular risks. The foundation of UC's ERM program is the COSO ERM Framework and ERM Tools designed to be implemented at all levels of the UC organization: systemwide, campus, medical center, college, school,

division, department, and individual levels. The Tools can be "no-tech", low-tech, or high-tech and can be used independently and inter-dependently. UC's ERM program is dynamic and evolving continuously with new Tools being developed, tested and implemented by various groups across the University. The diagram below provides examples of how the University is fulfilling the COSO ERM Framework.

Figure 1 ERM Implementation at UC

ERM Maturity Level Framework and Work Plan

As part of the University's greater Enterprise Risk Management (ERM) effort, we developed an ERM Maturity Level Framework by which we can measure and monitor progress in using ERM and plan for enhancing ERM Program maturity. Each location completed an ERM work plan in December 2009; in early 2010 these responses were consolidated into a report to be shared systemwide. While there are a variety of frameworks and maturity models for ERM, the Panel, in keeping with the Regents' adoption of the COSO Framework, elected to measure our maturity based on COSO Elements:

- Internal Environment/Objectives Setting

- Event Identification/Risk Assessment

- Risk Response/Control Activities

- Information and Communication

- Monitoring

For purposes of grading the level of maturity within the elements we developed 5 levels that are similar to Standard & Poor's classification folders:

Standard & Poor's Quality Classifications	Description	UCOP Maturity Levels
Excellent	▪ Advanced capabilities to identify, measure, manage all risk exposures within tolerances ▪ Advanced implementation, development and execution of ERM parameters ▪ Consistently optimizes risk adjusted returns throughout the organization.	Level 5: Leadership
Strong	▪ Clear Vision of risk tolerance and overall risk profile ▪ Risk Control exceeds adequate for most major risks ▪ Has robust process to identify and prepare for emerging risks ▪ Incorporate risk management and decision making to optimize risk adjusted returns	Level 4: Managed
Adequate	▪ Has fully functioning control systems in place for all of their major risks ▪ May lack a robust process for identifying and preparing for emerging risks ▪ Performing good classical "silo" based risk management ▪ Not fully developed process to optimize risk adjusted returns	Level 3: Repeatable
Weak	▪ Incomplete control process for one or more major risks ▪ Inconsistent or limited capabilities to identify, measure or manage major risk exposures	Level 2: Initial or Level 1:Ad hoc

In conjunction with the ERM Maturity Model, we have developed a Sample ERM Maturity Level Work Plan that can be used to document the various ERM activities and initiatives at your location. We recommend that you complete an ERM Maturity Level Work Plan once a year and that your goal be to aim for continuous improvement – improving your overall maturity level. The Sample ERM Work Plan (based on Maturity Model Framework) is attached for your review as Appendix A and can be found online at http://www.ucop.edu/riskmgt/erm/documents/sample_mat_wrkpln.pdf.

Campus ERM Activity Since Last Report:

- Eight campuses and four medical centers have formed ERM groups or expanded existing groups to include ERM. ANR has established a new ERM group to incorporate new senior management.

  o Berkeley – ERM is a major initiative for Administration. Risk identification and mitigation will be integrated into all Administration business practices and decision-making activities. Activities have included developing standard tools/templates in support of risk assessments, including Standard Work Plan, Objectives-Activities matrix, and

Risk-Control Matrix, working with Facilities Services / Physical Plant to complete a risk assessment of the technology used to meet their objectives of providing maintenance services to the campus, presenting ERM brown bag sessions and incorporating ERM training into the campus Financial Management Certificate Program.

o Davis – Since 1999, UCD has conducted unit level risk assessments focused on unit objectives and risks. An MSO/CAO Survey is currently underway to identify processes that may be over controlled where workload could be reduced enabling limited and declining resources to concentrate efforts on higher risk areas. The UC Davis Enterprise Risk Work Group (ERWG) was formed in 2002 and conducted UCD's first enterprise risk assessment in 2003 focusing on the risks that impact the ability to achieve campus objectives stated in the UC Davis Strategic Plan. A second enterprise risk assessment will be conducted this fiscal year. In order to take best advantage of the shared oversight between them, the campus and medical center are working together to address ERM. The workgroup is made up of representatives from more than a dozen different departments and includes both campus and medical center leadership.

o Davis Medical Center – The UC Davis Medical Center is represented on the joint UCD campus/medical center Enterprise Risk Work Group by Bill McGowan, Chief Financial Officer, UCD Health System and by several other units that have branches at UC Davis Medical Center (e.g., Internal Audit, Police).

o Irvine – The ERM Council includes members from Materiel & Risk Management, Workers' Compensation, EH&S, Internal Controls, Internal Audit, and the Controller's office, and is reviewing membership to determine which other groups should be included (such as Academic Personnel). The Council is evaluating ERM techniques and working on ways to implement ERM into the UCI culture. UCI is also the first campus to begin to develop a campus-specific dashboard that will be part of the ERMIS.

o Irvine Medical Center – The UCI Medical Center participates in the UCI campus ERM group.

o Los Angeles – In 1998, the Controls Work Group (CWG) was established by the Chancellor to provide oversight to the strengthening and maintenance of Los Angeles' systems of internal control and accountability. The CWG has met on a regular basis to monitor campus control systems and to help ensure the deployment of reasonable and understandable policies and procedures across the campus. Periodically UCLA has conducted enterprise-wide and unit level risk assessments focused on related objectives and risks. In addition, beginning in 2007, all Chief Administrative Officers (CAO) were required to annually certify compliance with the UCLA Financial Policy. Efforts are underway in FY 2010 to align ERM efforts with the Campus Ethics and Compliance Risk Committee (CECRC) by making ERM a sponsored activity of the CECRC, reconstitute the Controls Work Group to include broader campus representation, rename the group the ERM Work Group, focus the Work Group on enterprise risk management and conduct targeted risk assessment work resulting from ERM activities.

o Los Angeles Medical Center – UCLA's Controls Work Group (CWG) includes membership from the Medical Center and the risk assessment being conducted is intended to include both the campus and Medical Center risks.

o Merced – The Ethics & Audit Compliance Risk Committee charter has been drafted, and the campus ERM Panel will work within the Committee framework to identify, assess, and prioritize risks. An ERM two-year vision has been articulated and meetings are underway to review the vision document and reaffirm campus support and commitment to ERM. Multiple well-developed risk assessment/control efforts exist across campus particularly in the areas of Compliance, Fleet Safety, and Research. The goal is to formalize and enhance those efforts through oversight and facilitation by the campus ERM Panel.

o Riverside – UCR has had an ad-hoc committee addressing ERM issues for approximately four years. The recently-chartered UCR Ethics and Compliance Risk & Audit and Controls Committee will provide campus oversight to the UC Ethics and Compliance Program and will be advisory to the SVP/Chief Compliance and Audit Officer through the UC Ethics and Compliance Risk Council. Campus Strategic Goals, developed commensurate with ERM Objectives and an ERM Survey, is meant to be utilized to assess departments' alignment with ERM objectives.

o San Diego – The Compliance, Audit, Risk, and Ethics (CARE) Committee functions in an advisory capacity to the UCSD Chancellor, the UC Systemwide Compliance Risk Council, and the UC Office of Ethics, Compliance, and Audit, on matters pertaining to compliance with laws, regulations, and UC policies and procedures; the conduct of the external and internal audit programs; and the identification and assessment of enterprise risk. In response to the need for a more coordinated approach to regulatory compliance and campus governance, this Committee combines various duties and responsibilities previously assigned to the Committee on Accountability and Control, the Audit Committee, and the Health Sciences Compliance, Privacy, and Enterprise Risk Management Committee.

o San Diego Medical Center – A combined Health Sciences Compliance, Privacy and ERM (HSCP-ERM) Committee functions as a sub-group of UCSD's CARE committee. It is combined Medical School and Medical Center, highest level of leadership including the CFO, CMO, CCO, and CRO are members. UCSDMC has recently conducted an ERM Risk Assessment.

o San Francisco and San Francisco Medical Center –The Interim Vice Chancellor for Administration has recommended the creation of a UCSF Ethics and Compliance Risk Committee to be composed of executives and members of three former committees having compliance, risk, and controls responsibilities in order to better integrate these oversight activities. This plan has been delayed until the arrival of the new Chancellor but will likely provide the springboard for future ERM consideration. In the interim, the Campus and Medical Center Risk Management offices continue to serve in an advisory capacity to numerous UCSF-wide oversight groups which encompass the core ERM oversight areas.

o Santa Barbara – The UCSB Campus Ethics and Compliance Committee approved the proposal for creating an Enterprise Risk Management Work Group, which will include representation from all areas of campus, including Academic Affairs, Research, the Office of Information Technology, and many others. Committee membership has been finalized and members have been contacted. A charter meeting was scheduled for late

October or early November. The ERM steering committee continues to meet and has developed a draft charter. A first year work plan and initial survey questions are under development.

- o Santa Cruz – In January 2009, the Directors of EH&S and Risk Services were charged with co-responsibility for development of a model for ERM implementation at UCSC. A project plan for the charter of an ERM Workgroup was presented to the Ethics and Compliance Committee for approval in March. Initial participants in the ERM workgroup will include the Directors of Risk and EH&S, the Controller, Auditor, Fire Chief, Police Chief, Emergency Manager, IT, and others to be named. The goal is the creation of a sustainable, ERM process embedded in our organizational culture and eventually involving all levels and all parts of the campus.

- The Enterprise Risk Management Information System (ERMIS) has been developed and the local ERM panels will have full use of this tool to aid in their risk assessments, monitoring of risk and controls, and producing business intelligence dashboards and reports.

  The Enterprise Risk Management Information System (ERMIS) includes:

  - o Dashboard reporting on major areas of risk – Current dashboards are tracking Key Performance Indicators (KPIs) for Safety and for Medical Professional Liability. Upcoming dashboards will include KPIs for Human Capital, EH&S, and Recycling and Waste Reduction.

  - o Risk assessment tools – Workbooks enabling data uploads to the ERMIS are available for self-assessing the risks regarding budget changes, unit operations, new initiatives and existing programs. A separate workbook is also available for evaluating the risks to library collections.

  - o Control and accountability tracking platform – An automated SAS 112/115 evidence of review system is currently in development.

  - o Risk mitigation and monitoring tools – The Key Risk and Mitigation Plan tool was made available in November 2009.

  - o Survey capabilities – Most web survey tools can now be utilized to capture risk identification and other data. The UC ERM website provides instructions for exporting data from a web survey tool that can then be added to the UC ERM data warehouse for reporting.

  All of these tools can be used independently or interdependently, allowing for:

  - o Better quantitative analysis capabilities

  - o Improved analytical and reporting capabilities

  - o Support for leading risk governance and compliance processes

  - o System-wide visibility, with local flexibility

  - o Scalability without additional burden on UC staff

  These capabilities lower the overall cost of risk (often associated with day to day operations) across the institution.

- Currently the following groups are working with IBM to use the system to support and automate their existing programs:
    - Controllers and Control & Accountability Directors
    - Environmental Health & Safety
    - Medical Directors
    - Risk Management
- Other University groups are exploring with IBM how the ERMIS can enhance and assist their programs, including:
    - Controllers and Control & Accountability Directors
    - Environmental Health and Safety
    - Health Sciences and Services
    - Waste Reduction and Sustainability
    - UC Irvine ERM Council
    - UC Davis Enterprise Risk Work Group
    - Office of General Counsel
    - Ethics, Compliance and Audit

Recommended Actions:

- We recommend that you complete an ERM Work Plan once a year, focusing on organization goals and aiming for continuous improvement.
- Utilize the ERMIS and resources of OPRS to create custom key performance indicator dashboards that are in alignment with campus and medical center ERM objectives.
- Visit the UC ERM Website periodically to see what new tools are available and learn more about the many ways OPRS is working to support various campus and medical center ERM programs.
- Provide training and forums to educate your campus community about the cost of risk and how risk management efforts on their part will save money that can better be used for your teaching, research and public service missions.

The ERM Panel and OPRS look forward to working with the campuses and medical centers on this effort.
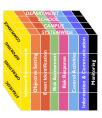
For more information, please visit the OPRS website at http://www.ucop.edu/riskmgt/ or contact Chief Risk Officer Grace Crickette (telephone 510-987-9820, email grace.crickette@ucop.edu).

Appendix A: UC ERM Maturity Level Framework Summary
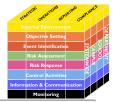
UC ERM Maturity Level Framework Summary

Campus ERM Activities as of 2/10/2010 – ERM Activities and maturity levels vary by campus

Internal Environment / Objective Setting	Event Identification / Risk Assessment	Risk Response / Control Activities	Information and Communication	Monitoring
Tone-At-The-Top	**Strategic Risk Assessments**	**Risk Response**	**Information**	**Monitoring**
Senior level support/commitment	Identification of strategic risks	Risk is a frequent meeting topic	ERMIS dashboards	ERMIS updates KPIs/KRIs
SMG promote Risk Philosophy	Risks identified across campus	Internal Controls mitigate risk	KPI and KRI dashboards	Control environment
Campus & UC Ethical Values	ERM results reported to SMG	Matrix of control groups	ERM Reports to management	Risk mitigation action items
Principles of Community	**Unit/Process Risk**	"Root cause" Risk Identification	Panels of experts address risks	*Be Smart About Safety*
UC Safety Principles	**Assessments**	Key Risk Indicators	**Communications**	Internal Audit Services:
Strategic Planning	Risk assessment at various levels	Risk Tolerance	Policies and procedures current	• Audits
Campus Strategic Plan	Risk Task Forces as needed	Mitigation Action Plans	Risk information websites	• Investigations
ERM aligns with Strategic Plan	Audit Plans based on risk	Mitigation actions are measured	Financial Services websites	• Consultations
SMG oversight of strategic goals	Surveys of key constituents	Low Risks – use less resources	Ethics and Compliance websites	Compliance Programs
Key Performance Indicators	Risk self-assessment tools	Risk owners manage risks	Campus meetings and forums	SAS 115 - key controls tested
Dashboards in ERMIS	Facilities Pre-design Phase	Legal matters - status reports	Newsletters - communicate risk	Campus processes and controls
Framework	Control Self-Assessments	Administrative Unit Reviews	Warning systems - timely alerts	Continuous Controls Monitoring
COSO ERM Framework	**Incident Reporting**	**Control Activities**	**Training**	• anomaly detection
Risk Control Matrix	Whistleblower Hotlines	Retrospective reviews	Training programs for:	• reporting non compliance
Balanced Scorecards	Whistleblower Policies	Investigations	• worker's compensation	• KRI on ERMIS dashboards
ERM Maturity Work Plans	Technology Incident Reporting	*Be Smart About Safety* Program	• employment practices	Training to monitor key risks
Groups & Communications	*UC Ready* Continuity Plans	Driver Safety Program	• reasonable accommodations	
ERM Work Groups	Facilities Service Desk	Oversight of financial controls	• risk management	
Senior Management Meetings	On-Line Work Order Desk	Control Activity monitoring	• ERM in unit activities	
Campus Risk Committees	Safety Incident Reporting	Continuity Planning	Training updated regularly	
Network of Safety Coordinators	**Methodology**	*UC Ready* action plans		
Policy Advisory Committees	Risk Mapping	Hot sites for essential systems		
Ethics, Audit & Compliance WG	COSO ERM Methodology	Key controls for financial reports		
Internal Audit Annual Plans	KPIs are part of risk assessments	Compliance training		
Forums: MSO, All Hands	KPIs on ERMIS dashboards	Compliance monitoring		
ERM Networks	Risks quantified, compared			
Policies	Risk trend analysis			
Risk Assessment in decisions	ERM strategies remain current			
Policies for managing risk				
Admin Responsibilities Handbook				
Training & Tools				
New Employee Orientation				
New Chairs Orientation				
Staff Training and Certifications				
Self-Assessment Tools				
Online resources and training				

Appendix B: "Sample ERM Maturity Level Work Plan (based on Maturity Model Framework)"

Sample Enterprise Risk Management Work Plan
Fiscal Years 20XX and 20YY
Revised June 2009

COSO Element	Internal Environment / Objectives Setting
Element Purpose	The internal environment encompasses the management tone of the campus/medical center, and sets the basis for how risk is viewed and addressed by all employees. It includes the campus/medical center's risk management philosophy and risk appetite, integrity and ethical values, and the environment in which they operate. Within the context of the campus/medical center's mission, management establishes strategic objectives, selects strategy, and sets aligned objectives cascading through the enterprise. The enterprise risk management framework is geared to achieving objectives, in four categories: • *Strategic* – high-level goals, aligned with and supporting our mission • *Operations* – effective and efficient use of our resources • *Reporting* – reliability of reporting • *Compliance* – compliance with applicable laws and regulations.
ERM Initiative Goals	• Develop a campus/medical center risk management philosophy, and a culture that promotes compliance with top management's risk appetite, allowing managers to manage risks within their spheres of responsibility consistent with established risk tolerances. • Develop a campus/medical center environment in which risk assessment and risk management (mitigation) is integrated into all business practices and decision-making activities.

Internal Environment / Objectives Setting

Objectives	Focus Areas	Project Description	Deliverables	Lead	Timetable	Maturity Level*
Articulate philosophy regarding risk management, risk appetite, and risk tolerances	ERM Steering Committee or work group	Steering Committee will oversee efforts to identify, assess, measure, respond, monitor, and report risks.	Formalization of ERM Steering Committee and Charter			
	Policy	Develop a comprehensive risk management policy, governance structure and procedures to assess campuswide risks, develop action plans to mitigate the identified risks, and monitor the risks identified on an ongoing basis.	Policy on Managing Risks			

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* Many referenced documents are available in the ERM toolkit: http://www.ucop.edu/riskmgt/erm/toolkit.html

Sample Enterprise Risk Management Work Plan
Fiscal Years 20XX and 20YY
Revised June 2009

COSO Element	Event Identification / Risk Assessment						
Element Purpose	Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed. Risks are assessed on an inherent and a residual basis.						
ERM Initiative Goals	• Provide a portfolio view of risks (financial, environmental, research non-compliance, workplace disagreements and injuries, claims and lawsuits, and new and emerging risks) across the entire campus. • Assist the campus/medical center and individual units identify and assess risks, develop action plans to mitigate the identified risks, and monitor the risks identified on an ongoing basis to ensure management's risk responses are carried out effectively.						

Event Identification / Risk Assessment

Objectives	Focus Areas	Project Description	Deliverables	Lead	Timetable	Maturity Level[*]
Identify risks across campus	Risk Survey	Survey leaders to identify risks across campus – financial, environmental, research, workplace, claims and lawsuits, and new and emerging risks	• Meeting with key stakeholders • Listing of campuswide risks, prioritized based on likelihood of occurrence and impact to campus			
Enable the various units on campus/medical center perform their own risk and control assessments	On-line Risk and Controls Self-Assessment Tools	Questions and check lists for departments to examine processes and procedures for efficiency and effectiveness. These tools can be used to monitor selected risks controls across campus/medical center.	Online checklists • Separation of duties • Cash handling • Others as identified			
		Develop an analysis tool assisting departments in assessing risk for an event or activity at the start of the contracting process.	Analysis tool identifying strategic, operating, reporting, and compliance risks			
ERM Assessments completed prior to approval of new ventures	Tool – ERM Assessment	Multidisciplinary group and owners complete ERM Assessment exercise.	Report is completed and strategy developed.			
ERM Goals and Objectives aligned with Strategic Plan	ERM Strategic Goal Programs	Survey completed based on Goals and Objectives/key departments.	Report to Chancellor on risk that could impact strategic plan.			
Risks are analyzed	Risk Mapping	Risk Map completed at department or campus level.	Report completed on Risk Mapping evaluation.			

[*] Many referenced documents are available in the ERM toolkit: http://www.ucop.edu/riskmgt/erm/toolkit.html

Sample Enterprise Risk Management Work Plan
Fiscal Years 20XX and 20YY
Revised June 2009

COSO Element	Risk Response/Control Activities					
Element Purpose	Policies and procedures are established and implemented to help ensure the risk responses (avoiding, accepting, reducing, or sharing risk) align with management's risk tolerances and risk appetite, and are effectively carried out.					
ERM Initiative Goals	Assist the campus/medical center and individual units in identifying and assessing risks, develop action plans to mitigate the identified risks, and monitor the risks identified on an ongoing basis to ensure management's risk responses are carried out effectively.					

Risk Response/Control Activities

Objectives	Focus Areas	Project Description	Deliverables	Lead	Timetable	Maturity Level[*]
Assist the campus with risk response and control activities that cross multiple operating and/or control units	ERM Process Reviews	Assist in developing action plans to mitigate identified risks using the ERM process	• Controlled Substances Program • Recommendations for improving the process for Reasonable Accommodations • Report on investigations			
Determine the current level of ERM activities on campus	ERM Activities	Survey current ERM activities and communicate results to VC-Administration	Survey on Enterprise Risk Management			
Identify where key risk and performance indicator data are located on campus/medical centers	Develop indicators	Identify location of data for monitoring key risk and performance indicators.	Data location listing completed			
Determine root cause of risk and develop risk mitigation plan	Retrospective Reviews	Risk Management brings risk owners together pos settlement for review.	Retrospective reviews on all losses >$50,000.			
Preplanning for Mission interruption is ongoing and sustainable	UC Ready	Business/Mission continuity plans are developed at department level.	Increase in number of plans completed.			
Performance Management is ongoing and sustainable.	Balance Score Card	Vision, strategy, objectives and goals are set and measured.	Balance Score Card program is implemented.			

[*] Many referenced documents are available in the ERM toolkit: http://www.ucop.edu/riskmgt/erm/toolkit.html

Sample Enterprise Risk Management Work Plan
Fiscal Years 20XX and 20YY
Revised June 2009

COSO Element	Information and Communication					
Element Purpose	Relevant information is identified, captured, and communicated in a form and timeframe that enable people to carry out their responsibilities. Effective communication also occurs in a broader sense, flowing down, across, and up the entity.					
ERM Initiative Goals	Establish and maintain a campus communications structure/support network to support the University's risk management philosophy.					

Information and Communication						
Objectives	**Focus Areas**	**Project Description**	**Deliverables**	**Lead**	**Timetable**	**Maturity Level***
Act as a campus resource for information on risk and control topics, links and best practices	Web Site	The Controls, Accountability and Risk Management Office web site will be enhanced to provide useful information and links	Enhanced web site			
Push out to the campus, risk and control issues	Newsletter	In partnership with Audit and Advisory services, the staff will produce a newsletter called "Risky Business."	Semi-annual newsletter			
Facilitate greater understanding of ERM	Training LMS	Local training on applying the ERM model to unit activities	One-hour informational sessions			
Institutional knowledge and training is continuously improved.	LMS	Content is developed and training is promoted.	Increase in documented training.			

* Many referenced documents are available in the ERM toolkit: http://www.ucop.edu/riskmgt/erm/toolkit.html

COSO Element	Monitoring						
Element Purpose	Control activities are monitored, and modifications are made as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both.						
ERM Initiative Goals	• Develop measures for monitoring key risks and communicate findings to responsible executives. • Assist the campus and individual units identify and assess risks, develop action plans to mitigate the identified risks, and monitor the risks identified on an ongoing basis.						

Monitoring							
Objectives	**Focus Areas**	**Project Description**	**Deliverables**	**Lead**	**Timetable**	**Maturity Level**[*]	
Answer the question, "Are our controls adequately mitigating risks so that the campus can achieve its goals?"	Metrics Development	Develop key risk indicators and key performance indicators. The project will include developing a means of communicating the indicators to decision makers. The project would build on the work done at the campus/medical centers.	• Simple dashboard for annually monitoring the key risk and performance indicators • On-line dashboard for communicating selected monthly key risk and performance indicators				

[*] Many referenced documents are available in the ERM toolkit: http://www.ucop.edu/riskmgt/erm/toolkit.html

Appendix C: ERM Panel Members

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Ed Baylosis – EH&S Director, Risk Services, UCOP
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Gretchen Bolar – VC, Fin & Bus Ops, UCR
Anne Broome – VP, Financial Management, UCOP
Bob Charbonneau – Coordinator, Facilities Administration, UCOP
Ron Cortez – Assoc VC, Administrative Services, UCSB
Paul Craig – Chief Risk/Safety Officer, UCSDMC
Grace Crickette – CRO, Risk Services, UCOP
Duane Duckett – VP, Human Resources, UCOP
David Ernst – Assoc VP & CIO, IR&C, UCOP
Bruce Flynn – Director, Risk Mgmt & Insurance Svcs, UCSF
Jon Good – Director, Systems Development, UCOP
Khira Griscavage – Special Advisor to the VC, Administration, UCB
Norman Hamill – University General Counsel, UCOP
Vicky Harrison – Chief of Police and Director of Public Safety, UCB
Terri Kielhorn – Risk Mgr, Prof, Med & Hosp Liability, UCOP
Don Larson – Asst VC, Bus & Fin Svcs/Controller, UCSD
Paige Macias – Assoc VC, Admin & Bus Svcs, UCI
Jake McGuire – Controller, ANR, UCOP
Mary Miller – VC – Administration, UCM
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Patrick Reed – University Auditor, UCOP
Dan Sampson – Assistant VP, Financial Controls and Accountability, UCOP
Eugene Spiritus – Chief Medical Officer, UCIMC
John Stobo – Sr. VP, Health Sciences & Services, UCOP
Peter Taylor – Chief Financial Officer, UCOP
Sheryl Vacca – Sr. VP & Chief Compliance and Audit Officer, UCOP