



# Administrative Procedure

Number:	418
Effective	8/10/03
Supercedes:	5/21/03 (Interim)
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**Subject:** RISK MANAGEMENT POLICY

1.0. PURPOSE:

To establish a program to protect students, faculty, staff, visitors and the University from potential physical, legal, financial and/or other risk and liability posed by its activities, affiliations, associations, and actions. An effective risk management program attempts to identify, evaluate, assess, control, and mitigate risks and matters of liability related to university operations/activities.

2.0. ORGANIZATIONS AFFECTED:

All organizational units of the University, including auxiliary organizations, as appropriate.

3.0. REFERENCES:

- 3.1. California State University Executive Order 599--Systemwide Policy on Smoking.
- 3.2. California State University Executive Order 638--CSU Risk Pooling Policy.
- 3.3. California State University Executive Order 696--Implementation of the CSU Emergency Preparedness Program.
- 3.4. California State University Executive Order 715--CSU Risk Management Policy.
- 3.5. California State University Executive Order 849--CSU Insurance Requirements.
- 3.6. California State University, Los Angeles Standards of Conduct.
- 3.7. California State University, Los Angeles Injury & Illness Prevention Program (IIPP).
- 3.8. Cal State L.A., Administrative Procedure 009, Risk Management and Safety Committee.

**Approved:**

**Date:**

- 3.9. California State University, Los Angeles Risk Management Assessment Program Internal Procedures.
- 3.10. California State University, Los Angeles Student Field Trip & International Travel Program.

4.0. POLICY:

It is the policy of California State University, Los Angeles (Cal State L.A.) to promote and facilitate a safe and secure learning environment while minimizing the risk of financial loss to the State of California, the Trustees of the CSU, the University, their officers, employees, representatives and volunteers. This is to be accomplished through the assessment, identification, analysis and mitigation of risk and liability associated with University activities and/or operations.

5.0. DEFINITIONS:

- 5.1. Annual Environmental Health & Safety (EHS) Report--Report summarizing the significant environmental, health and safety, and risk management action(s), initiative(s), proposal(s), and achievement(s) over the previous fiscal period (July 1<sup>st</sup> through June 30<sup>th</sup>).
- 5.2. Risk Management Technique--A proven/experimental loss prevention strategy and/or risk transfer approach designed to take an already identified potential risk or liability and apply systematic measures to reduce or eliminate its financial, property, or human loss.
- 5.3. Insurer Rating A:VII--An insurance provider is rated by A.M. Best & Company with a management ranking and with a financial size category. The scale and description of these ratings are as follows:

Management Rankings:

A++, A+	Superior
A, A-	Excellent
B++, B+	Very Good
B, B-	Good
C++, C+	Fair
C, C-	Marginal
D	Below Minimum Standards
E	Under State Supervision
F	In Liquidation

Financial Size Category:

Class XV Policyholders' Surplus of over \$2 billion

Class VII Policyholders' Surplus of \$50 million to \$100 million

Class I Policyholders' Surplus of under \$1 million

- 5.4. Risk Management & Safety Committee--A standing committee which serves in an advisory capacity to the President.
- 5.5. Risk Identification--Method by which risk and exposures are continually assessed to identify potential loss and liability sources. Examples of these sources are: employee/student travel, state vehicle use, hazardous materials management, claims management, contracts, public/occupational safety, educational programs, youth programs, non-University use of facilities, event planning, and construction.
- 5.6. Risk Assessment--The evaluation of identifying loss and liability exposures and their impact to the University.
- 5.7. Injury and Illness Prevention Plan (IIPP)--Established program for the protection of students, faculty, staff and visitors from potential hazards and/or conditions which may compromise the safety and health of the campus community.

6.0. RESPONSIBILITIES:

6.1. The President will:

- 6.1.1. Develop and implement campus risk management policies and procedures in accordance with CSU Executive Order 715.
- 6.1.2. Delegate administration of this policy to the Risk Management and Environmental, Health and Safety (EHS) director.

6.2. Risk Management and EHS Director will:

- 6.2.1. Serve as the chairperson of the campus Risk Management & Safety Committee facilitating discussions and distributing information on areas that represent potential risk, liability, or adverse action to the University.
- 6.2.2. Coordinate involvement with appropriate levels of management at the University to effectively reduce the risk or liability to Cal State L.A.

- 6.2.3. Develop tracking and measurement tools to assess the performance of the University.
  - 6.2.4. Work with the membership of the Risk Management & Safety Committee to develop an annual summarized report to the President. He/she shall submit the report to the President by September 1<sup>st</sup> of every year.
  - 6.2.5. Serve as the primary designated campus representative on the California State University Risk Management Authority (CSURMA) Board of Directors.
  - 6.2.6. Attend (and/or his designee) the University Institutional Review Board - Human Subjects and review activities and academic procedures for potential risk to the University, as necessary.
- 6.3. The Risk Management & Safety Committee will:
- 6.3.1. Provide representation of bargaining unit constituencies by bringing concerns to the attention of the committee, providing feedback from the meetings to those constituencies, and participating in the issues discussed within the committee. The committee shall not address matters that are within the scope of representation for any CSU bargaining unit. The support organizations represented shall provide the entire committee membership updates as to specific projects, actions, initiatives, and future activities that may present a risk or liability to the University.
  - 6.3.2. Advise the University community on the formulation of policies and procedures related to protecting employees, students, visitors and property.
- 6.4. University Management (Supervisors, Managers, Department Chairs, Directors, Deans & Vice Presidents) will:
- 6.4.1. Plan, assign, monitor, and evaluate the work activities of state personnel in accordance with established University, CSU, State of California, and Federal requirements. All work shall be done in a manner which minimizes the risk and liability to the University, while fulfilling the administrative and educational goal(s) of the institution.

6.4.2. Ensure that work in their area of responsibility conforms to the practice(s) established in this policy document and corresponding risk management procedures. Questions, issues, or matters pertaining to risk assessment, characterization, and/or mitigation shall be brought to the attention of the Risk Management and EHS director.

6.5. Employees will:

6.5.1. Perform the duties and tasks of their position in a manner that presents the lowest risk and liability to themselves and the University.

6.5.2. Become knowledgeable of and adhere to all risk management-related standards, guidelines and regulations that pertain to their work assignments.

6.5.3. Report to their immediate supervisor or EHS Officer/Risk Manager any activity that presents an undue risk and/or liability to the University.

6.5.4. Adhere to the published California State University, Los Angeles Standards of Conduct.

7.0. PROCEDURES:

7.1. Risk Management Program Evaluation

7.1.1. The EHS office shall collect information on the performance of the University as it relates to risk assessment, mitigation, and forecasting. This information shall be incorporated into the annual EHS report.

7.1.2. On a yearly basis prior to the submittal of the annual report to the President, the risk management policy and all accompanying procedures shall be reviewed and updated to reflect current university practice, and legal requirements.

7.1.3. University management and/or employees shall immediately inform the Risk Management & EHS office of any and all activities that present an adverse risk or liability to the campus. Management shall continually assess the activities and actions within their responsible areas to proactively identify and mitigate adverse human, financial and/or property impact/loss.

7.2. Risk Management Process

7.2.1. The identification of risk exposure is performed by the University EHS office and may be evaluated through:

- Review of policies, procedures, practices, and contracts;
- Inspection of operational areas and educational programs;
- Involvement of the University Risk Management & Safety Committee;
- Personnel interviews, legal consultation, and employee training; and,
- External analysis and consultation with subject-matter experts.

Other departments or support functions may be called upon to provide assistance, guidance, and interpretation on matters that involve them directly, or for which they retain the technical expertise. This assessment shall be in accordance with the Risk Management Program Evaluation & Process internal procedures adopted by the Office of Risk Management & EHS.

7.2.2. The key elements of the risk assessment process include:

- Evaluating the probability of occurrence;
- Understanding its severity and assigning the appropriate prioritization;
- Estimating its overall impact to University personnel, visitors, the University's educational mission, and campus operations;
- Coordinating financial and physical assessment of the actions required in eliminating, mitigating, reducing, or transferring potential risk; and,
- Determining the correctability of the issue with regard to complete elimination of the risk or the continued maintenance/transfer of the risk.

The Risk Management and EHS director and/or his/her designee shall be responsible for conducting the risk assessment, or overseeing its application to the University. This assessment shall be in accordance with the Risk Management Program Evaluation & Process internal procedures adopted by the Office of Risk Management & EHS.

- 7.2.3. The risk management technique selection occurs after the identification and assessment of a potential risk is made. The selection of a risk management technique or combination of techniques shall serve to minimize the frequency or severity of possible loss. Possible techniques may include risk transfer through the purchase of insurance, risk avoidance, loss prevention, loss reduction, training, etc. The EHS office shall make the primary recommendation on what technique(s) should be selected for a particular risk occurrence, or on the decision of the Risk Management and EHS director, will support University departments on the selection of a particular risk management strategy.
- 7.2.4. Implementation of a selected risk management technique shall be the responsibility of University management and/or select University support functions with oversight from the EHS office. Risk Management and EHS director and/or his/her designee, in conjunction with campus administrators, will ensure the selected technique is properly implemented. Clear responsibility for implementation will be determined with established goals/outcomes understood before any action is taken. The University will not allow the use of any service provider (i.e., contractor, consultant, non-profit organization, etc.) unable to obtain insurance with an insurer rated at least A:VII by A.M. Best & Co., unless specifically authorized by the Risk Management and EHS director.
- 7.2.5. The Risk Management and EHS director, and/or his/her designee shall initiate post-implementation monitoring and evaluation. This phase shall serve to monitor and evaluate the effectiveness and efficiency of the chosen technique, recommend any change(s) to the approach(s) taken, and determine the best course of action for future related actions. The Risk Management and EHS director shall review any modifications to existing risk management-related procedures, directives, and institutional practices.

7.3. On-Campus Risk Management Guidelines

- 7.3.1. EHS program applications include a series of regulatory guidelines addressing University operations and educational pursuits. The lack of adherence to established campus standards, procedures, policies, practices, and directives related to EHS may result in potential risk and liability to the University and its employees. The

IIPP establishes a program for the protection of students, faculty, staff and visitors from potential hazards and/or conditions which may compromise the safety and health of our campus community. Through the implementation of the IIPP and its accompanying procedures risk reduction is achieved.

The University program shall address, at a minimum, the following EHS elements:

- Hazardous Materials
- Laboratory Safety
- Hazardous Waste Management
- Electrical Safety
- Industrial Vehicle Safety
- Emergency/Disaster Preparedness
- Construction Safety
- Fire Safety
- General Employee Safety

7.3.2. Procurement and Contracts is an integral component in the effort to reduce and transfer risk associated with outside contractor performance. To ensure the highest degree of protection, the EHS office shall review service contracts (no dollar threshold shall apply), public works, and capital outlay projects that involve any aspect of construction, renovation, and/or remodel. The review will assess any potential environmental concern (asbestos, lead, chemical, etc.), health and safety impact (confined space entry, noise, dust, trenching, elevated work, etc.), and/or appropriate levels of insurance and indemnification language in the actual contract in accordance with Executive Order 849. This shall be in accordance with CSULA Procurement & Contracts Procedure 239. The Risk Management and EHS director and/or his/her designee shall perform this administrative review.

7.3.3. The Planning and Construction department is involved with the identification, programming, planning, design, contracting, and construction of University infrastructure in support of instructional and administrative objectives of the institution. Each phase presents a level of inherent risk and potential liability to the University and the EHS office must be consulted, as appropriate.

7.3.4. Events planning and visitor programs involve the use of state facilities by non-state organizations, companies, and non-profit entities. The Risk Management and EHS director shall serve on the Facilities Use Planning Committee for the University and will discuss a detailed plan with the sponsor of the event, as required.



The Risk Management and EHS director shall perform a risk assessment of each event and notify the fire marshal to obtain necessary approvals, as appropriate. The Risk Management and EHS director will also ensure compliance with procedures to serve or sell food and/or beverages.

7.4. Off-Campus Risk Management Guidelines

7.4.1. The EHS office shall oversee the development, implementation, and monitoring of campus programs involving off-campus activities for faculty, staff and students. The Student Field Trip & International Travel Program and State Vehicle Driver's Program offer internal procedures for the furtherance of sound risk management principles and guidance. Programs specifically addressed shall be:

- University sponsored field trips;
- Domestic travel on State business;
- International travel on State business;
- Use of personal vehicles for State business; and,
- State vehicle use.

8.0. APPENDICES:

N/A