

*System Office of Risk Services*

Phone: (907) 450-8150

Fax: (907) 450-8177



UNIVERSITY  
*of* ALASKA  

---

*Many Traditions One Alaska*

Butrovich Building  
910 Yukon Drive, Suite 001  
PO Box 755240  
Fairbanks, AK 99775-5240  
[www.alaska.edu/risksafety](http://www.alaska.edu/risksafety)

# **SYSTEM OFFICE OF RISK SERVICES**

## **2013 REPORT to BOARD OF REGENTS**

**December 12 - 13, 2013**

*Nancy Spink, Chief Risk Officer*  
*System Office of Risk Services*  
Phone: (907) 450-8150  
Fax: (907) 450-8177



Butrovich Building  
910 Yukon Drive, Suite 001  
PO Box 755240  
Fairbanks, AK 99775-5240  
[www.alaska.edu/risksafety](http://www.alaska.edu/risksafety)

Date: December 13, 2013

To: Chair Patricia Jacobson and President Patrick Gamble

From: Nancy Spink   
Chief Risk Officer

RE: 2013 Annual Risk Services Report

In our 2013 annual report, Risk Services works collaboratively with the universities and Audit & Consulting Services to bring you more information about university risks. As suggested in the Executive Summary for Enterprise Risk Management, we are looking at **risk accountability** and **risk mitigation**. The universities have focused on “top 3” risks but in greater detail. The areas of our report are:

- A. Executive Summaries
  - 1. Enterprise Risk Management
  - 2. Health, Safety & Environmental Management
  - 3. Claims
  - 4. Emergency Management
- B. Enterprise Risk Management
  - 1. Risk Review Format
  - 2. Heat Map
  - 3. Risk Score Cards – UAF Top 3 Risks
  - 4. Risk Score Cards – UAA Top 3 Risks
  - 5. Risk Score Cards – UAS Top 3 Risks
  - 6. Risk Score Cards – SW Top 3 Risks
- C. Health, Safety and Environmental Management (Metrics – through 3<sup>rd</sup> Quarter 2013)
- D. Claims (Metrics – through 3<sup>rd</sup> Quarter 2013)
- E. Emergency Management (Metrics – through 3<sup>rd</sup> Quarter 2013)

As always, we appreciate any feedback from you, our partners in risk leadership. Please let us know if there are additional informational information or format changes that would help present information intuitively and quickly to you. I would be happy to answer any questions that you may have regarding risk services or this report.

cc: Patricia Jacobson, Chair, Board of Regents  
Chancellors Case, Pugh, and Rogers  
Campus VCAs Pitney, and Spindle, and Ciri  
Campus Risk - Isgrigg, Swaim, Markussen, Garcia  
Audit & Consulting Services - Nikki Pittman, Chief Audit Executive  
Risk Services Practice Leaders - Rick Forkel, Russ Steiger, Patricia Wilson

## A. Executive Summaries

### 1. Enterprise Risk Management

#### New format, methods, data

Risk Services worked collaboratively with Audit & Consulting Services and university risk management to focus reporting and discussion on **risk strategies**. Using a new Risk Review form which is based partly on past efforts, and partly on new models (see ERM history below), the new form moves “beyond the risk register.” Rather than presenting just a list of risks, the new format gives the Board, and the universities, a wider look at risks. The new Risk Review format has been included in this report for your review. The Risk Review form asks the universities to:

- Name the risk
- Assign an owner (assign accountability for the risk)
- Describe the risk
- Develop risk metrics (impact / probability / tolerance)
- Discuss risk mitigation
- Discuss change in the risk over time

The new format focuses more on **accountability** and **mitigation** than just listing risk. By developing this format, the goal of the universities is to discuss risk openly, to look for opportunities to work collaboratively on risk, to see where resources may be pooled. Where does it make sense to work as a university? Where does it make sense to work as a system of universities? Is our information correct? What do we need to research? How does risk interact with “Shaping Alaska?” Are we thinking strategically about risk? We are early in our method and data, and want to encourage movement in mitigation strategies and collaboration on risk.

#### Top 3 Risks by University – Risk Score Cards

The 2013 Risk Services report includes a short version of these risk reviews called a “Risk Score Card.” The risk score cards contain the metrics but not the mitigation strategies. Because the mitigation strategies in the risk reviews contain sensitive security and/or infrastructure information, a risk review document is not for public disclosure. A risk review document is available to the Board upon request.

#### Heat map

We have developed a heat map, similar to that developed by the University of Alberta. Putting our university risks on the map, it is clear that the universities are thinking strategically about risks. We are thinking about “level 3” and “level 4” risks. (Level 1 -2 risks can be handled operationally.) This year, the universities were asked to develop their top risks on their own, as they have done in the past. In 2014, sharing the heat map, and this report, will show that there are common risks. The next step beyond enterprise risk is “collaborative risk,” working on common risks in collaboration.

“We do have limited resources, and have to be strategic about what risks we tackle. We have to work at the proper altitudes for each risk.”

- From AJG White Paper on Collaborative Risk, 2013

## ERM history at the University of Alaska

The University of Alaska is entering its fourth year working in an Enterprise Risk Management (ERM) approach to managing risk. In 2010, the Chief Risk Officer and the Chief Audit Executive led teams from the three universities and Statewide in a risk identification and scoring process. In 2011, the teams wanted to lead their own efforts at ERM. Throughout most of 2012, the teams continued with their own efforts. In 2011, Julie Baecker retired. A new Chief Risk officer was hired in June, 2012. In October 2012, the new Chief Risk Officer (Nancy Spink) conducted a “Risk Summit” for the newly appointed Risk Management officers of the universities to begin discussing both strategic and operational risk management. At the Risk Summit, the group began discussing the ERM risk management program at the University of Alaska, and improvements that could be made to reach best practices in ERM. In 2013, new models of risk were presented. The University of Alberta’s work was made available by video presentation in February, 2013. Dorothy Gjerdrum gave a presentation about the ISO 31000 standard in March, 2013. And in June, 2013, Janice Abraham, CEO of United Educators, spoke about moving “beyond the risk register.” By summer, 2013, the universities, Risk Services and Audit & Consulting Services worked together on the new Risk Review format that emphasized risk strategies. The 2013 Risk Services report to the Board of Regents launches the new format. Risk management, collaboratively, hopes that 2014 brings refinement to both method and data.

Most schools starting out spend 80% of their time on risk registries, 20% on implementation and training; this ration should be reversed (actually this is true of many risk management processes).”  
*From AJG White Paper on Collaborative Risk, 2013*

## 2. Health, Safety & Environmental Management

Employee injuries requiring medical attention above and beyond first aid are on a **downward trend**. This is attributable to an increased focus on safety across all levels of the UA administration, improved training programs, and wider distribution of ice cleats and other safety equipment obtained through the Risk Services loss prevention program.

A **new incident reporting** system that will replace multiple paper and fax reports will go live in early 2014. The system will be a single web based portal to report all incidents and claims within the University system, including student incidents.

The internal regulatory **compliance audit program** continues with a review of hazardous waste compliance at UAF Fairbank in October. Audit findings are reported in the quarterly Risk Services reports, on scorecards with assigned target dates for closure. Previous quarterly reports may be viewed for the detailed scorecards.

## 3. Claims Management

The effective management of claims is an essential part of the University’s risk management program. Both the human and the financial resources of the University can be safeguarded through hands-on claim management by the **licensed professional adjusters** of Risk Services. When unforeseen events

occur, losses can be reduced if we take action to return injured employees to work quickly, investigate and settle auto and liability claims promptly and fairly, or evaluate and pay for property damage. We serve all of the Universities and the UA Statewide System through a **central claim office**.

**Escalating workers' compensation medical costs** pose a significant challenge for all employers throughout Alaska, including the University. It is hoped the Alaska Legislature will tackle workers' compensation reform in a meaningful way during the next session. However, the good news is that University medical costs for our injured workers over the past five years remain **lower than statewide averages**.

Implementation of a new risk management information system is underway, with a project completion target of January 2014. It will offer the University community a **secure online portal for reporting claims and incidents**, improve claim handling efficiency, and provide the electronic data exchange needed to comply with state and federal regulations.

#### **4. Emergency Management**

Emergency Management (EM) is responsible for the overall planning, coordination, execution, and sustainment of an all-hazard Emergency Management Program (EMP). Continuous EMP review and enhancement of public safety and campus-based EM needs are critical to ensuring the highest level of preparedness and incident readiness.

In 2013, EM focused on improvement in two areas: UA Alert, our mass communication system, and UA Ready, our EM core capabilities (including our State of Alaska and regional EM collaboration). UA Alert (using the Blackboard Connect BbC software) was tested at all three of the universities in 2013. UA Alert was also used by UAA in active incidents in 2013.



UA Ready implemented Continuity of Operations (COOP) practices through the use of Kualu Ready software. Initial focus is on developing plans for housing, IT, facilities and research. In conjunction with the State of Alaska State Preparedness conference, the State of Alaska funded travel for UA staff members to meet and train in COOP best practices, including the use of the Kualu software.

UA Ready improved collaboration with key partners, including extensive work with the State of Alaska as it prepares for its 2014 earthquake exercise. University of Alaska co-facilitated Disaster Resilient University Pacific Northwest Summit and shared UA's best-practices with other universities within FEMA Region X. The three UA universities worked on regional partnerships for Medical Stations and Community Shelters.

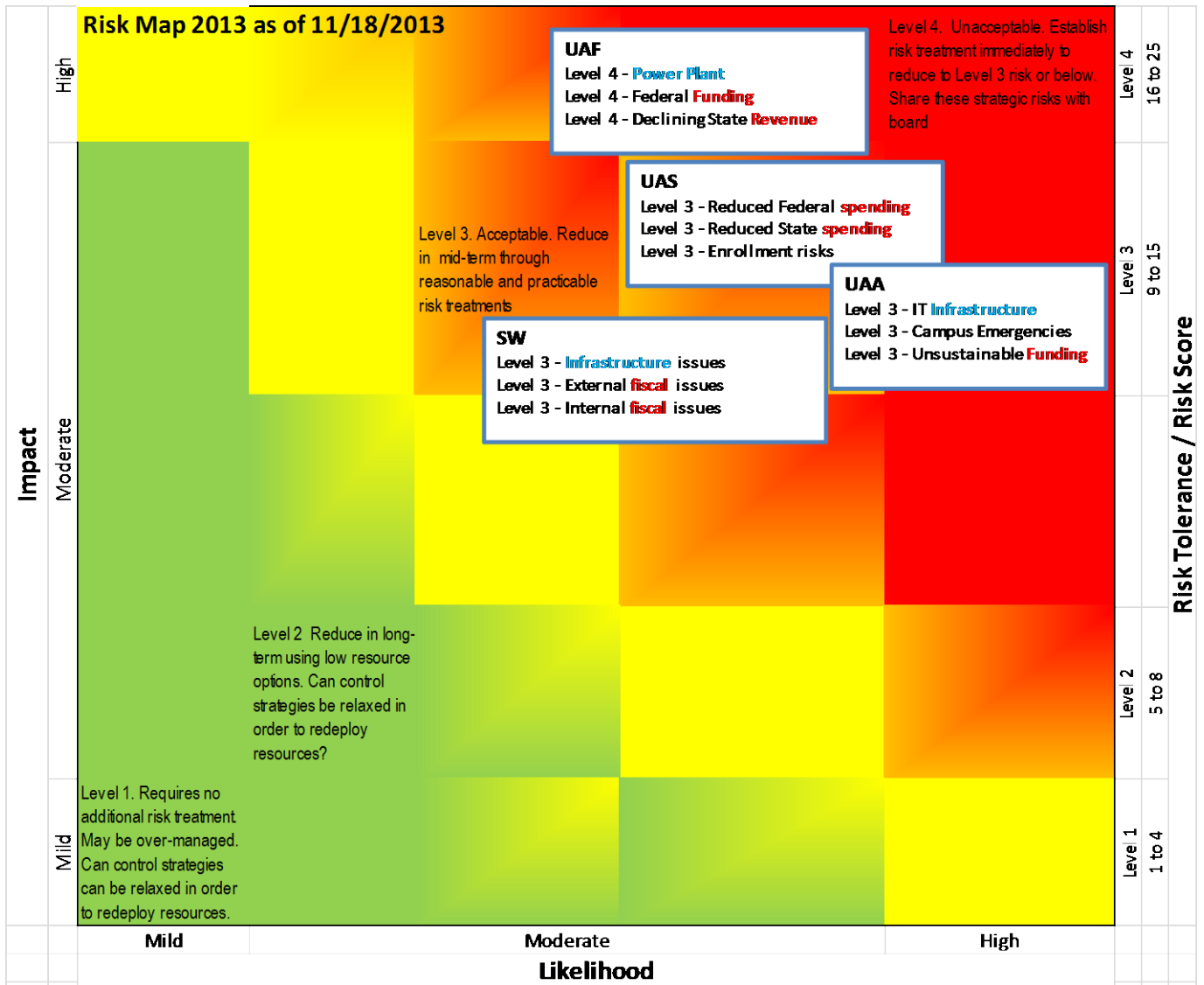
UA Ready has been selected to host two workshops in 2014:

- Emergency Management Institute's (FEMA) L0363 *Multi-Hazard Emergency Planning for Higher Education* course
- State of Alaska and FEMA Region X Disaster Recovery Operations staff for planned Recovery Workshop in 2014


# 1. New Risk Review Format

Risk Management Strategy for [Title of Risk]						
Date		Date 00, 2013				
Name of Risk		TBD				
Accountability		Department, Division or Committee				
Risk Partners "Stakeholders"		(List as appropriate) Office			(Listed as appropriate) Name, Title	
Applicable Board of Regent Committees		Enter Name of Board of Regent Committee here <a href="http://www.alaska.edu/bor/committees/">http://www.alaska.edu/bor/committees/</a>				
Description of Risk		Describe risk concisely, but in terms of its scope throughout the enterprise				
Metrics		1-2 Insignificant / Mild		3 – Moderate		4 -5 Significant/Catastrophic
Impact	0	Minimal impact on annual operations, reputation or financial condition.		Could delay plans in place, affect short-term programs, and require moderate management effort; 1-6 months' recovery.		Long-term and significant effect on ability to recruit students, faculty, financial support; material breach of confidence & reputation.
Likelihood	0	Unlikely to happen in the near future and no immediate action is needed.		More than likely to occur and management should begin to mitigate		High probability event/risk will occur within a year; immediate action plans needed.
Risk Score	0	Multiply impact score by likelihood score (impact x likelihood) Risk Score will indicate where the risk falls on <b>risk tolerance</b> scale below ↓				
Risk Tolerance Enter Risk Level here (Choose one)	0	Level 4 Risk Score 16 – 25		Will not accept this risk. Risk treatment must be established immediately such that the residual risk is at Level 3 or below. In general, these risks should be shared with the board as they will be strategic risks.		
		Level 3 Risk Score 9 – 15		Will accept a risk at Level 3 as long as it is reduced in the mid-term through reasonable and practicable risk treatments.		
		Level 2 Risk Score 5 -8		Will acceptable risk at Level 2 as long as it is reduced in the long-term using low resource options. The risk should be analyzed to determine whether it is being over-managed and where the control strategies could be relaxed in order to redeploy resources.		
		Level 1 Risk Score 1 – 4		Requires no additional risk treatment. The risk should be analyzed to determine whether it is being over-managed and that control strategies can be relaxed in order to redeploy resources.		
Treatment / Mitigation						
<p>Discuss current and proposed mitigation for risk</p> <p><i>Management strategies may include mitigation, transfer (through contracts or insurance), loss control, written procedures, management, budget considerations.</i></p> <p><i>Include risk triggers: what things, people or events might move this risk from probability to reality? What warning or forecasting tools do you use to track the first threat?</i></p> <p><i>What metrics exist to determine how well your risk management efforts are working? What are the biggest challenges you anticipate in managing this risk?</i></p>						
After Treatment						
Scores after treatment		Impact→	0	Likelihood→	0	Risk → 0
Change						
 		Discuss what has changed since the last report that has given rise to a change in ranking for this risk. Factors include but are not limited to:				
Choose one arrow / delete other						
Previous Risk Score	0	<ul style="list-style-type: none"> <li>Significant changes in circumstances</li> <li>Mitigation strategies or techniques</li> <li>New controls</li> </ul>				
New Risk Score	0					

## 2. Heat Map




### 3. 2013 Risk Score Cards – UAF Top 3 Risks


① Risk Score Card for Power Plant							
Date		November 11, 2013					
Name of Risk		Inability to timely upgrade the heat and power plant with a cost effective solution					
Accountability		UAF Chancellor's Office					
Risk Partners "Stakeholders"		University of Alaska Statewide, University of Alaska Fairbanks	Brian Rogers, Chancellor; Kari Burrell, Executive Officer				
BOR Committees		Facilities & Land Management Committee Full Board					
Description of Risk							
<p>UAF's combined heat and power plant provides all of the heat and most of the electricity for the UAF main campus. The two 1964-era coal boilers have exceeded their useful life and are in dire need of replacement. Some of the auxiliary equipment in the plant is being rehabilitated under the on-going Atkinson Renewal project. We are extending the life of this equipment by making strategic repair and renovation investments, but the boilers still stand at significant risk of material failure.</p> <p><b>Risk Factor 1:</b> Currently, key components of the heat and power system are mostly housed in one building.... UAF has the capacity to purchase electric power from GVEA, but is solely dependent upon the Atkinson Plant for heat. If a catastrophic event occurred during the winter, the UAF and UA infrastructure located on the main campus could suffer significant damage.</p> <p><b>Risk Factor 2:</b> Use of the backup diesel boilers while performing maintenance on the coal fired boilers...Maintenance has been [generally been] achieved within 2 weeks....[at a cost of] \$350,000. If a boiler is irreparable and out of commission for a full year, the cost is \$10MM; for both boilers out of commission for a year the cost is \$20MM.</p> <p><b>Risk Factor 3:</b> Not securing the necessary fiscal and community support to replace the coal fired boilers within the planned timeframe. There is the potential for the boiler tubes to fail and require a boiler tube replacement project; the estimated cost would be \$15-18MM for both boilers. This expense would be on equipment that is beyond its design life and won't be incorporated into the long-term solution. The key mitigation for the combined heat and power plant is to replace the coal fired boilers. Risks that could potentially derail or significantly delay the replacement of the coal fired boilers are the air emissions permit, interest nationally in phasing out US use of coal in order to reduce carbon dioxide emissions and flattening state revenues.</p>							
Metrics		1-2 Insignificant / Mild	3 – Moderate	4 -5 Significant/Catastrophic			
Impact	5	Minimal impact on university	Short term; 1-6 months; require moderate management effort	Long-term and significant effects on university			
Likelihood	5	Unlikely to happen; no immediate action needed.	More than likely to occur and management should begin to mitigate	High probability; within a year; immediate action plans needed.			
Risk Score	25	Multiply impact score by likelihood score (impact x likelihood) Risk Score will indicate where the risk falls on risk tolerance scale below ↓					
Risk Tolerance	4	Level 4 Risk Score 16 – 25	Will not accept this risk. Risk treatment must be established immediately such that the residual risk is at Level 3 or below. In general, these risks should be shared with the board as they will be strategic risks.				
After Treatment							
Scores after treatment		Likelihood →	3.7	Impact →	4.8	Risk →	18
Change							
		Although the UAF multi-prong strategy for addressing the risks posed by the aging equipment in the Atkinson Plant is well underway, the complexity and cost of the project mean that significant reductions in risk levels will take many more years to complete. In the meantime, critical pieces of equipment continue to age even more and there is greater risk of failure each year. Additionally, tightened state and federal budgets mean that UAF/UA have less capacity to absorb potential increases in operating costs that might result from a plant failure - failure will now potentially have greater impact.					
Choose one arrow / delete other							
Previous Risk Score	25						
New Risk Score	18						



2013 UAF Top 3 Risks, *continued*

② Risk Score Card for Federal Funding							
Date		November 11, 2013					
Name of Risk		Volatile Federal Funding Environment					
Accountability		UAF Chancellor's Office					
Risk Partners "Stakeholders"		University of Alaska and University of Alaska Fairbanks	Brian Rogers, Chancellor; Mark Myers, VC of Research; Pete Pinney, VC of CRCD; Pat Pitney, VCAS; Susan Henrichs, Provost				
BOR Committee		Academic and Student Affairs Committee and Full Board					
Description of Risk		<p>Understanding the cumulative impacts of volatile federal funding, declining state revenue and proposed restrictions on other sources of income such as tuition is necessary when considering the total impact of this risk. Federal political and budget turmoil creates the potential for a more severe decline in federal funding to higher education nationally.</p> <p><b>Risk Factor 1:</b> Significant decline in grants and research monies from federal funding; a significant source of income, approximately a third of total UAF revenue.</p> <p><b>Risk Factor 2:</b> High <b>dependence</b> on federal funding through the Alaska Native Serving Institutions (ANSI) programs, there is the potential to negatively impact the five rural campuses, 2500 students, and many communities benefitting from these programs. These programs provided \$4.2MM in annual operating funds the last four years as well as more than \$34MM in capital and renovation funding since 2002. Since 2012 there have been 200 graduates from the rural campus.</p>					
Metrics		1-2 Insignificant / Mild	3 – Moderate	4 -5 Significant/Catastrophic			
Impact	4.5	Minimal impact on university	Short term; 1-6 months; require moderate management effort	Long-term and significant effects on university			
Likelihood	4	Unlikely to happen; no immediate action needed.	More than likely to occur and management should begin to mitigate	High probability; within a year; immediate action plans needed.			
Risk Score	18	Multiply impact score by likelihood score (impact x likelihood) Risk Score will indicate where the risk falls on risk tolerance scale below ↓					
Risk Tolerance	4	Level 4 Risk Score 16 – 25	Will not accept this risk. Risk treatment must be established immediately such that the residual risk is at Level 3 or below. In general, these risks should be shared with the board as they will be strategic risks.				
After Treatment							
Scores after treatment		Likelihood →	3.6	Impact →	3.8	Risk →	14
Change							
		With the mitigations that UAF has in place and the proactive approach to this risk, the after treatment score is reduced. UAF will continue to monitor key indicators to ensure that the mitigations are in place and at work, if they are not effective or cannot be exercised, alternate mitigations may need to be considered.					
Choose one arrow / delete other							
Previous Risk Score	18						
New Risk Score	14						

## 2013 UAF Top 3 Risks, *continued*

③ Risk Score Card for Declining State Revenue						
Date		November 11, 2013				
Name of Risk		Declining State Revenue				
Accountability		Vice Chancellor Administrative Services and UAF Leadership Team				
Risk Partners		University of Alaska, University of Alaska Fairbanks			Pat Pitney, VCAS	
BOR Committee		Board of Regent Committee Full Board				
Description of Risk		Due to the lack of a diversified economy for the state, specifically state revenue dependence on oil production and oil prices, there is the potential to cause a long term, decline in state revenue as a portion of the University's total budget.				
Metrics		1-2 Insignificant / Mild		3 – Moderate		4 -5 Significant/Catastrophic
Impact	4.5	Minimal impact on university		Short term; 1-6 months; require moderate management effort		Long-term and significant effects on university
Likelihood	4	Unlikely to happen; no immediate action needed.		More than likely to occur and management should begin to mitigate		High probability; within a year; immediate action plans needed.
Risk Score	18	Multiply impact score by likelihood score (impact x likelihood) Risk Score will indicate where the risk falls on risk tolerance scale below ↓				
Risk Tolerance	4	Level 4 Risk Score 16 – 25		Will not accept this risk. Risk treatment must be established immediately such that the residual risk is at Level 3 or below. In general, these risks should be shared with the board as they will be strategic risks.		
After Treatment						
Scores after treatment		Likelihood →		3.6	Impact →	3.8
					Risk →	14
Change						
						
		Choose one arrow / delete other				
Previous Risk Score	18	UAF continues to actively manage in the resource-constrained environment. Compounding the impact of the declining state revenue environment is the volatile nature of the Federal budget and congressional environment and its adverse impact on university research and community campus funding, and the pressure to hold student tuition rates constant.				
New Risk Score	14					

#### 4. 2013 Risk Score Cards – UAA Top 3 Risks

① Risk Score Card for Unsustainable Funding				
Date		Nov 11, 2013		
Name of Risk		Unsustainable Funding		
Accountability		UAA Chancellor’s Cabinet		
Risk Partners “Stakeholders”		UAA Chancellor’s Cabinet		
BOR Committees		Audit, Facilities, and Student Affairs		
Description of Risk		During the first decade of the 2000’s, UAA experienced significant growth in enrollment, funding, and the quality of its teaching and research. This growth cannot be sustained because of a projected reduction in state general funds and tuition. The Governor of Alaska has made it his goal to reduce the size of the State budget from \$7B+ to \$5B+ over the next several years. The legislature has made it a goal to reduce the University’s dependence on General Funds. Currently, 50 per cent of all personnel annual compensation increases must come from current UAA revenues. UAA’s main source of revenue, other than GF, is tuition. The President and the Regents have been reluctant to increase tuition beyond 2-3% a year. Enrollment at UAA is projected to be flat or slightly down over the next several years due to a drop in high school graduates. Consequently, tuition is not able to make up for the loss in GF from the State. All of these factors combine to make the UAA current budget and any projected program growth potentially unsustainable over the long term without significant budget reallocation or reduction.		
Metrics		1-2 Insignificant / Mild	3 – Moderate	4 -5 Significant/Catastrophic
Impact	4	Minimal impact on university	Short term; 1-6 months; require moderate management effort	Long-term and significant effects on university
Likelihood	3	Unlikely to happen; no immediate action needed.	More than likely to occur and management should begin to mitigate	High probability; within a year; immediate action plans needed.
Risk Score	12	Impact x likelihood = Risk Score, or Risk Tolerance level below ↓		
Risk Tolerance	3	Level 3 Risk Score 9 – 15	Will accept a risk at Level 3 as long as it is reduced in the mid-term through reasonable and practicable risk treatments.	

## 2013 UAA Top 3 Risks, *continued*

② Risk Score Card for IT Failure / Recovery				
Date		November 11, 2013		
Name of Risk		IT Infrastructure Failure/Disaster Recovery		
Accountability		UAA Chancellor’s Cabinet		
Risk Partners “Stakeholders”		UAA Chancellor’s Cabinet		
BOR Committees		Audit, Facilities, and Student Affairs		
Description of Risk		Nearly all of the Information Technology Services (ITS) core computer, telephone and network equipment is housed in a single location. This equipment supplies email, directory, phone, Blackboard Learn and several other services which are in constant use by faculty staff and students. Failure of the infrastructure through natural disaster or through unanticipated computer hardware or software fault would render one or more of these services inoperative. Risk of loss of internet connectivity is related.		
Metrics		1-2 Insignificant / Mild	3 – Moderate	4 -5 Significant/Catastrophic
Impact	5	Minimal impact on university	Short term; 1-6 months; require moderate management effort	Long-term and significant effects on university
Likelihood	3	Unlikely to happen; no immediate action needed.	More than likely to occur and management should begin to mitigate	High probability; within a year; immediate action plans needed.
Risk Score	15	Impact x likelihood = Risk Score, or Risk Tolerance level below ↓		
Risk Tolerance	3	Level 3 Risk Score 9 – 15	Will accept a risk at Level 3 as long as it is reduced in the mid-term through reasonable and practicable risk treatments.	

## 2013 UAA Top 3 Risks, *continued*

③ Risk Score Card for Campus Emergencies				
Date		November 11, 2013		
Name of Risk		Responding to Campus Emergencies		
Accountability		UAA Chancellor’s Cabinet		
Risk Partners “Stakeholders”		Incident Management Team (IMT) - Student Affairs, University Police, Facilities and Campus Services, and University Advancement Emergency Management Office		
BOR Committees		Audit, Facilities, and Student Affairs		
Description of Risk		The numbers of natural disaster emergencies (earthquakes, hurricanes, etc.) and man-made disaster emergencies (campus shootings, sexual assaults, minor child incidents, etc.) that have plagued universities have significantly increased over the last decade. Given Alaska’s propensity for natural disasters: earthquakes, erupting volcanoes, heavy winds, ice, etc. and its high criminal activity: sexual assaults, weapon assaults, etc.; the likelihood of an emergency on campus is high. The physical growth of the campus over the last 10 years (30% growth in building square footage) makes security even more challenging. There is much more Federal oversight placed on universities today than any time in the past. Even though UA and UAA have instituted strong emergency management programs to prepare for the worst, more preparation is needed.		
Metrics		1-2 Insignificant / Mild	3 – Moderate	4 -5 Significant/Catastrophic
Impact	5	Minimal impact on university	Short term; 1-6 months; require moderate management effort	Long-term and significant effects on university
Likelihood	3	Unlikely to happen; no immediate action needed.	More than likely to occur and management should begin to mitigate	High probability; within a year; immediate action plans needed.
Risk Score	15	Impact x likelihood = Risk Score, or Risk Tolerance level below ↓		
Risk Tolerance	3	Level 3 Risk Score 9 – 15	Will accept a risk at Level 3 as long as it is reduced in the mid-term through reasonable and practicable risk treatments.	

## 5. 2013 Risk Score Cards – UAS Top 3 Risks

① Risk Score Card for Enrollment, Retention & Completion				
Date		Date November 1, 2013		
Name of Risk		Inability to achieve enrollment management, retention and completion targets		
Accountability		UAS Chancellor’s Executive Cabinet		
Risk Partners “Stakeholders”		Enrollment Management Academic Affairs	Vice Chancellor Joseph Nelson Provost Rick Caulfield	
BOR Committees		Academic and Student Affairs Committee		
Description of Risk		Inability to attract and retain sufficient students in UAS programs to maintain vibrant programs or remain economically sustainable		
Metrics		1-2 Insignificant / Mild	3 – Moderate	4 -5 Significant/Catastrophic
Impact	3	Minimal impact on university	Short term; 1-6 months; require moderate management effort	Long-term and significant effects on university
Likelihood	4	Unlikely to happen; no immediate action needed.	More than likely to occur and management should begin to mitigate	High probability; within a year; immediate action plans needed.
Risk Score	12	Impact x likelihood = Risk Score, or Risk Tolerance level below ↓		
Risk Tolerance	3	Level 3 Risk Score 9 – 15	Will accept a risk at Level 3 as long as it is reduced in the mid-term through reasonable and practicable risk treatments.	

② Risk Score Card for Reduced Federal Spending				
Date		Date November 1, 2013		
Name of Risk		Reduced Federal Spending on grants and Student Financial Assistance		
Accountability		UAS Chancellor’s Executive Cabinet		
Risk Partners “Stakeholders”		Enrollment Management & Student Affairs Academic Affairs	Vice Chancellor Joseph Nelson Provost Rick Caulfield	
BOR Committees		Academic and Student Affairs Committee University of Alaska Foundation		
Description of Risk		Risk of grant funded activities losing funding. Additional risks of students being unable to obtain sufficient financial aid, jeopardizing enrollment, retention and completion goals.		
Metrics		1-2 Insignificant / Mild	3 – Moderate	4 -5 Significant/Catastrophic
Impact	4	Minimal impact on university	Short term; 1-6 months; require moderate management effort	Long-term and significant effects on university
Likelihood	3	Unlikely to happen; no immediate action needed.	More than likely to occur and management should begin to mitigate	High probability; within a year; immediate action plans needed.
Risk Score	12	Impact x likelihood = Risk Score, or Risk Tolerance level below ↓		
Risk Tolerance	3	Level 3 Risk Score 9 – 15	Will accept a risk at Level 3 as long as it is reduced in the mid-term through reasonable and practicable risk treatments.	

### ③ Risk Score Card for Uncertain State Appropriations

Date		Date November 1, 2013		
Name of Risk		Reduced state grant and general funding		
Accountability		UAS Chancellor’s Executive Cabinet		
Risk Partners “Stakeholders”		Administrative Services Academic Affairs	Interim Vice Chancellor Michael Ciri Provost Rick Caulfield	
BOR Committees		Legislative Committee, Facilities & Land Management Committee		
Description of Risk		Risk of declining state support for education combined with possible elimination of historic grant opportunities.		
Metrics		1-2 Insignificant / Mild	3 – Moderate	4 -5 Significant/Catastrophic
Impact	3	Minimal impact on university	Short term; 1-6 months; require moderate management effort	Long-term and significant effects on university
Likelihood	4	Unlikely to happen; no immediate action needed.	More than likely to occur and management should begin to mitigate	High probability; within a year; immediate action plans needed.
Risk Score	12	Impact x likelihood = Risk Score, or Risk Tolerance level below ↓		
Risk Tolerance	3	Level 3 Risk Score 9 – 15	Will accept a risk at Level 3 as long as it is reduced in the mid-term through reasonable and practicable risk treatments.	

## 6. 2013 Risk Score Cards – SW Top 3 Risks

① Risk Score Card for Infrastructure				
Date		Date November 11, 2013		
Name of Risk		Infrastructure issues		
Accountability		SW President’s Staff		
Risk Partners “Stakeholders”		Carla Beam Dana Thomas Kit Duke Ashok Roy Michelle Rizk Karl Kowalski	Vice President, University Relations Vice President for Academic Affairs Associate Vice President Facilities and Land Management Chief Financial Officer Associate Vice President, Budget Chief Information Technology Officer	
BOR Committees		Audit, Facilities		
Description of Risk		Infrastructure issues, related to management and allocation of space, facilities, and resources, including but not limited to: major facilities failures; power plant; bandwidth / access		
Metrics		1-2 Insignificant / Mild	3 – Moderate	4 -5 Significant/Catastrophic
Impact	4	Minimal impact on university	Short term; 1-6 months; require moderate management effort	Long-term and significant effects on university
Likelihood	3	Unlikely to happen; no immediate action needed.	More than likely to occur and management should begin to mitigate	High probability; within a year; immediate action plans needed.
Risk Score	12	Impact x likelihood = Risk Score, or Risk Tolerance level below ↓		
Risk Tolerance	3	Level 3 Risk Score 9 – 15	Will accept a risk at Level 3 as long as it is reduced in the mid-term through reasonable and practicable risk treatments.	

② Risk Score Card for External Fiscal Issues				
Date		Date November 11, 2013		
Name of Risk		External fiscal issues		
Accountability		SW President’s Staff		
Risk Partners “Stakeholders”		Carla Beam Kit Duke Ashok Roy Michelle Rizk	Vice President, University Relations Associate Vice President Facilities and Land Management Chief Financial Officer Associate Vice President, Budget	
BOR Committees		Audit		
Description of Risk		Fiscal issues, arising from external funding sources, including but not limited to: Market crash/slump and loss in investment earnings; loss, slowdown, cuts in federal funding or grants; loss, slowdown, cuts in state funding or grants; donor confidence		
Metrics		1-2 Insignificant / Mild	3 – Moderate	4 -5 Significant/Catastrophic
Impact	3	Minimal impact on university	Short term; 1-6 months; require moderate management effort	Long-term and significant effects on university
Likelihood	4	Unlikely to happen; no immediate action needed.	More than likely to occur and management should begin to mitigate	High probability; within a year; immediate action plans needed.
Risk Score	12	Impact x likelihood = Risk Score, or Risk Tolerance level below ↓		
Risk Tolerance	3	Level 3 Risk Score 9 – 15	Will accept a risk at Level 3 as long as it is reduced in the mid-term through reasonable and practicable risk treatments.	

2013 SW Top 3 Risks, continued



### ③ Risk Score Card for Internal Fiscal Issues

<b>Date</b>		Date November 11, 2013		
<b>Name of Risk</b>		<b>Internal fiscal issues</b>		
<b>Accountability</b>		SW President’s Staff		
<b>Risk Partners</b> “Stakeholders”		Michael Hostina Donald Smith Ashok Roy Michelle Rizk Kit Duke Saichi Oba Eric Seastedt	General Counsel Labor Relations Chief Financial Officer Associate Vice President, Budget Associate Vice President Facilities and Land Management Associate Vice President, Enrollment Chief Human Resources Officer	
<b>BOR Committees</b>		Audit		
<b>Description of Risk</b>		Fiscal issues, internal to organization, including but not limited to: external budget cuts; diversity of funding source; infrastructure issues; enrollment issues; competition; payroll issues; labor contracts		
<b>Metrics</b>		1-2 Insignificant / Mild	3 – Moderate	4 -5 Significant/Catastrophic
<b>Impact</b>	<b>3</b>	Minimal impact on university	Short term; 1-6 months; require moderate management effort	Long-term and significant effects on university
<b>Likelihood</b>	<b>4</b>	Unlikely to happen; no immediate action needed.	More than likely to occur and management should begin to mitigate	High probability; within a year; immediate action plans needed.
<b>Risk Score</b>	<b>12</b>	Impact x likelihood = Risk Score, or Risk Tolerance level below ↓		
<b>Risk Tolerance</b>	<b>3</b>	Level 3 Risk Score 9 – 15	Will accept a risk at Level 3 as long as it is reduced in the mid-term through reasonable and practicable risk treatments.	

## CY 2012 through 1Q (March 31<sup>st</sup>, 2013)

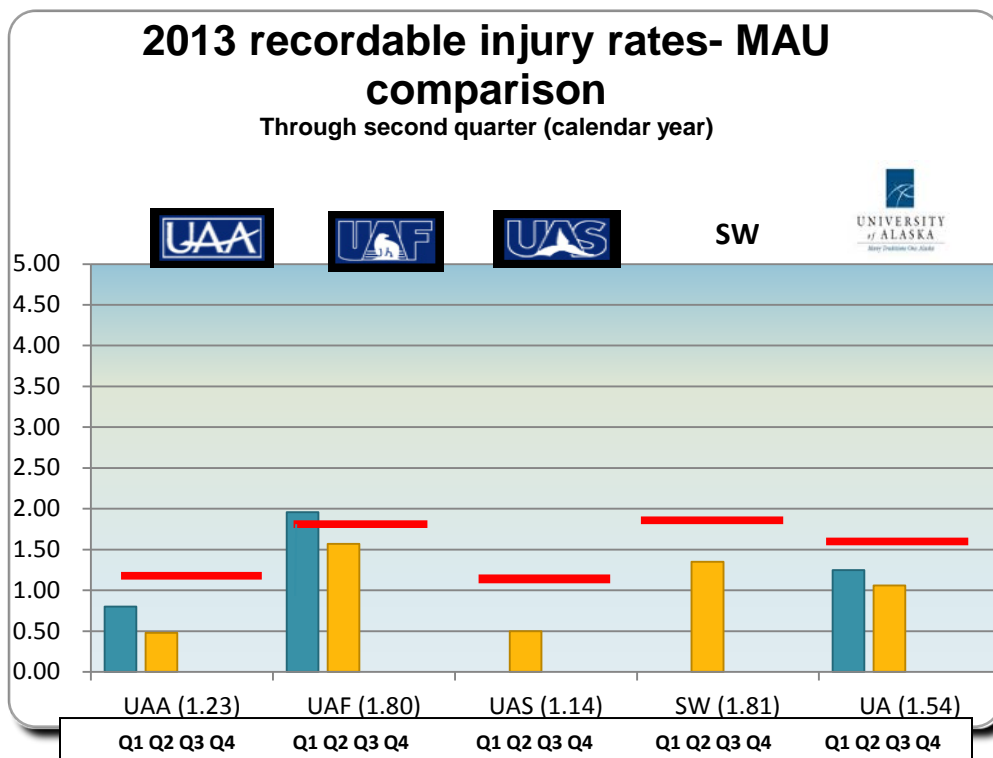
### C. Health, Safety and Environmental Management

Russ Steiger, Director

#### Environmental, Health, & Safety

2013 YTD (2Q, Calendar)

July, 2013 RHS

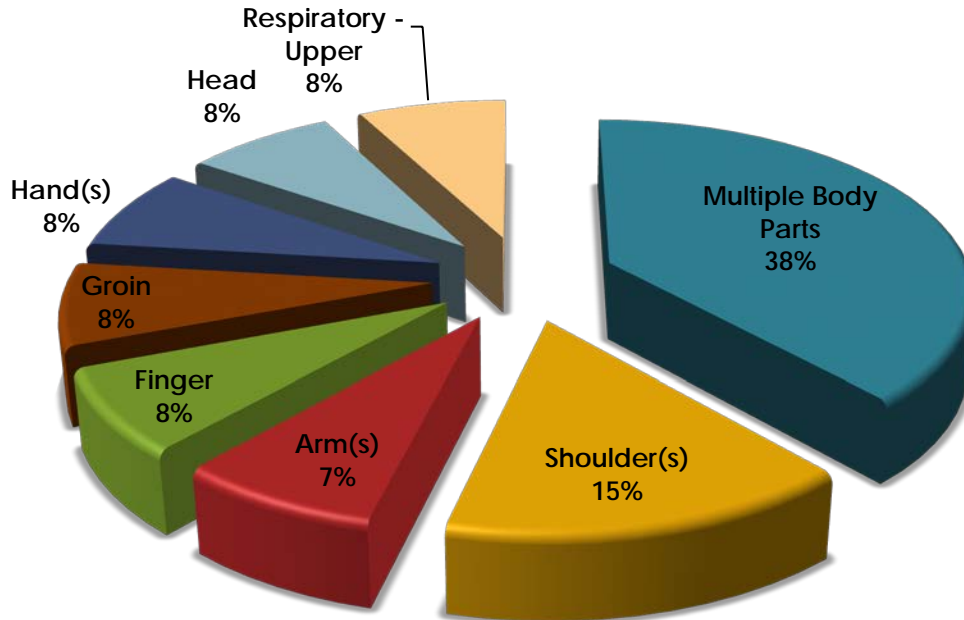


*Note: Each MAU in the UA system year-to-date has a significantly lower annualized recordable injury rate than the target rate shown as the red dash above.*

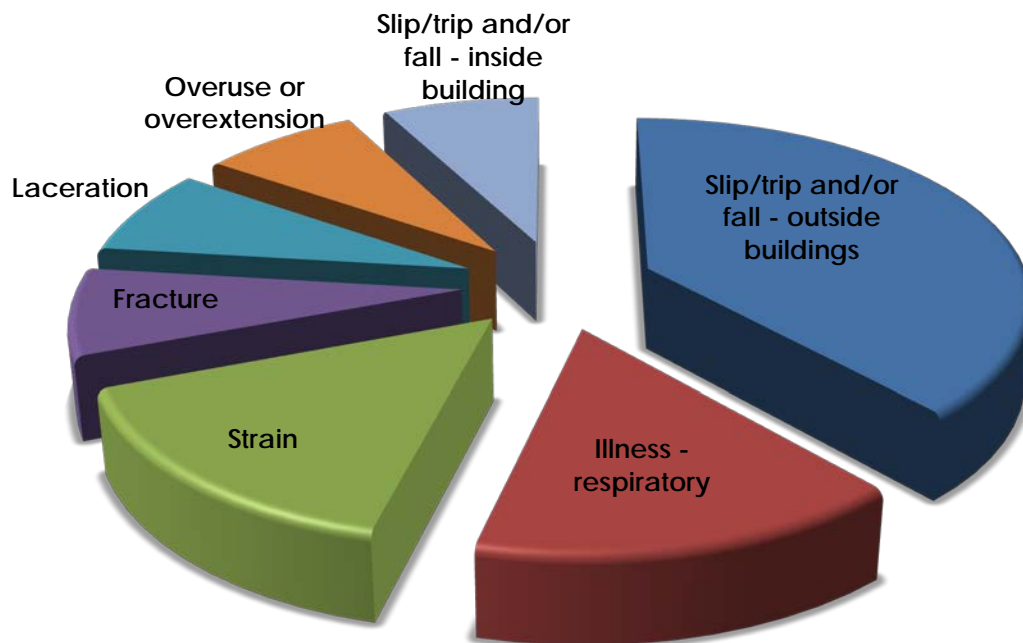
MAU	Previous year		2013 YTD # of OSHA recordable injuries	2013 Target rate	2013 OSHA recordable Injury rates by calendar quarter			
	2012 #	2012 Rate			Q1	Q2	Q3	Q4
UAA	28	1.37	5	1.23	0.8	0.48		
UAF	53	2.00	21	1.80	1.96	1.57		
UAS	5	1.27	1	1.14	0	0.5		
SW	6	2.01	2	1.81	0	1.35		
UA	92	1.71	29	1.54	1.25	1.06		

*Note: the trend for recordable injuries in the UA system for 2013 is 58. For comparison, there were 92 recordable injuries in 2012 and 89 in 2011*

### Recordable Injuries- by body part 2Q 2013



### Recordable Injuries-by cause 2Q 2013



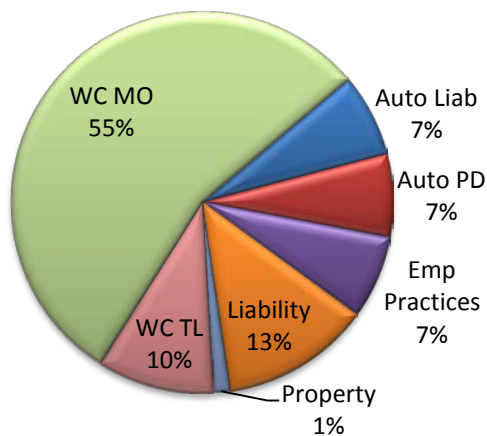
## D. Claims Management

Patricia Wilson, Claims Manager

This section provides information regarding claims received and resulting expenses for these claims during the reporting period. It also includes an accounting of the payments made on prior cases during the reporting quarter.

Liability, workers' compensation, and property claims are handled by licensed staff adjusters in the Risk Services claims unit.

**Claim Frequency by Type  
CY 13 Q 2**



### Incidents

The claims unit handled **11 incidents** in the second quarter of 2013.

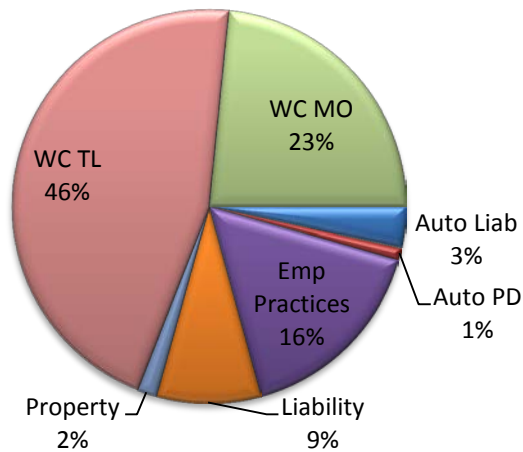
**The incident category is used to denote matters that require investigation, recordkeeping, or handling by Risk Services but do not result in a claim against the University.**

Incidents are not included in claim frequency or severity data because no dollar reserves or payments are associated with these cases.

	Q1	Q2	Q3	Q4	CY13 TD	CY12 TD
Auto Liability*	1	5			6	16
Auto Physical Damage*	17	5			22	24
Aviation	0	0			0	0
Detainee Medical	1	0			1	1
Employment Practices	1	5			6	12
Equipment Breakdown	1	0			1	0
General Liability	11	9			20	15
Property	7	1			8	21
Workers' Comp Time Loss	9	7			16	20
Workers' Comp Med-Only	27	39			66	129
<b>Total</b>	<b>75</b>	<b>71</b>			<b>146</b>	<b>238</b>

\*Auto liability and auto physical damage claims costs are tracked separately. The total number of **accidents** in the quarter may be less than the combined total of the two categories, as one accident may result in costs in both categories.

## Claim Severity by Type CY13 Q2



## Workers' Compensation Claim Reporting Changes

The Alaska Dept. of Labor Workers' Compensation Division has announced new requirements for employers when reporting work injuries. Risk Services is working with all MAUs to keep UA's injury reporting compliant with the updated standards and paper forms.

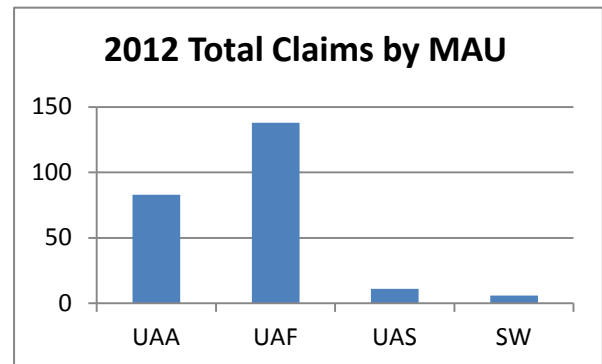
The Division has also announced that electronic transmission of claims will be required in the future. Our current risk management information system does not have this capability. Risk Services is planning a software solution that will enable UA to respond quickly to state reporting requirement changes as they occur.

	New Q1*	New Q2*	All Other Payments Q2**	New Q3*	New Q4*	New CY13 To Date	CY12 To Date
Auto Liability	\$12,500	\$14,519	\$3,251			\$27,019	\$69,466
Auto Physical Damage	\$29,297	\$4,512	\$3,517			\$33,809	\$22,742
Aviation	0	0	\$19,690			0	0
Detainee Medical	\$851	0	0			\$851	\$900
Employment Practices	0	\$70,500	\$45,959			\$70,500	\$60,250
General Liability	\$16,500	\$36,900	\$15,292			\$53,400	\$31,139
Equipment Breakdown	\$22,000	0	0			\$22,000	
Property	\$47,832	\$7,000	\$21,627			\$54,832	\$559,113
Workers' Comp Time Loss	\$151,542	\$197,136	\$260,491			\$348,678	\$479,711
Workers' Comp Med-Only	\$127,916	\$100,936	\$67,566			\$228,852	\$471,712
<b>Total</b>	<b>\$408,437.93</b>	<b>\$431,503</b>	<b>\$437,393</b>			<b>\$839,941</b>	<b>\$1,695,033</b>

\*Total Incurred: Represents gross reserves for new claims opened in the quarter and payments for new claims opened, paid, and closed in the quarter.

\*\*Payments made during the quarter on claims reported in prior periods.

	1 <sup>ST</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	4 <sup>th</sup> Q	CY13 To Date	CY12 To Date
UAA	36	17			53	83
UAF	34	44			78	138
UAS	4	7			11	11
SW	1	3			4	6
<b>Total</b>	<b>75</b>	<b>71</b>			<b>146</b>	<b>238</b>



## E. Emergency Management

Emergency Management (EM) is responsible for the overall planning, coordination, execution, and sustainment of an all-hazard Emergency Management Program (EMP). Continuous EMP review and enhancement of public safety and campus-based EM needs are critical to ensuring the highest level of preparedness and incident readiness.

### 2013 Milestones









Initiatives to enhancement our Core Capabilities while promoting State of Alaska regional EM collaboration;

- UA Alert
  - Ongoing implementation of Alert Notification System-Blackboard Connect (BbC)
  - Coordination of System crisis communication practices
  - Establishment of alternate jurisdictional emergency operations center (EOC) (s)
    - ✓ Mat Su Campus
    - ✓ Butrovich Building (UA Data Center)
- UA Ready
  - Implementation of Continuity of Operations (COOP) practices (critical for identification and evaluation of essential-functions during any disruption/incident)
  - Conducted Recovery Seminars in conjunction with State Preparedness Conference (s)
  - **Partnerships;**
    - ✓ UA/EM had representation from 13 campuses; State Division of Homeland Security/Emergency Management (DHS & EM) funded \$15K travel for UA staff members
  - Strengthen and expanded regional collaboration with partners and stakeholders
  - Conducted Multiple Preparedness/Readiness Workshops across the System
  - Regional Higher Education impact: asked to co-facilitate Disaster Resilient University Pacific Northwest Summit and share best-practices with University's within FEMA Region X
  - UAA, UAF, UAS brokering regional partnerships for Medical Stations and Community Shelters

Maintained **Readiness** through the following pillars of our UA EMP;

- Preparedness
  - ✓ UA EM seminar attendee's heard from Dr. Barry Dorn, Associate Director of the Program for Health Care Negotiation and Conflict Resolution at the Harvard School of Public Health, presenting on META-Leadership, effective leadership in a catastrophic disaster, this session offered examples of successful leadership in catastrophic disasters from around the world.
  - ✓ Delivered low-cost advance Incident Command System (ICS) training to our Campus Incident Management (IMT) team and jurisdictional EOC staff; delivering the message of exercise, not rhetoric, will prepare and legitimately integrate regional response capabilities.
  - ✓ Maintained exercise program and a constant surveillance of realworld lessons-learned
- Response
  - ✓ System, University, and Campus IMT Framework throughout
  - ✓ Coordinating System/University EM linkage
- Recovery
  - ✓ Selected to host the Emergency Management Institute's (FEMA) L0363 *Multi-Hazard Emergency Planning for Higher Education* course
    - UAF July 8-10
    - UAS July 15-17
    - UAA July 22-24
  - ✓ In coordination with State of Alaska and FEMA Region X Disaster Recovery Operations staff for planned Recovery Workshop in 2014
    - David Andrews (Alaska DHS/EM)

## University of Alaska Emergency Management Readiness/Compliance\* report card (July13)

Grade		All-Hazards Incident Management Team (IMT)	Communication Capability	Training	Exercise Program (White Cell Approach)
		<b>FEMA Type-3All-Hazard IMT</b> <ul style="list-style-type: none"> <li>Activate to assist and coordinate any UA incident response and recovery effort that goes beyond campus capabilities/ resources</li> <li>Continued testing and evaluation IMT role</li> <li>Developing and Testing IC and PIO response checklists</li> <li>State/Fed Stakeholder to ANY regional unified training, exercise, or response</li> </ul>	<b>Blackboard Connect (BbC) Implementation</b> <ul style="list-style-type: none"> <li>Ongoing strategy and testing of UA Operational Alert/Crisis Communication</li> <li>Continued training and evaluation of Campus PIO and BbC senders</li> <li>UA Data Center used as 24/7 UA situational awareness</li> </ul>	<b>IMT (Higher Ed-All-Hazards), FEMA ICS and CCERT Trainers</b> <ul style="list-style-type: none"> <li>UA NIMS, ICS, OSHA, and HEOA Training Policy in development</li> <li>Command and General Staff TrT</li> </ul>	<b>Mid planning conference for Alaska Shield 2014 (Aug13)</b> <ul style="list-style-type: none"> <li>IMT Coordination</li> <li>Crisis Communication Plan development</li> <li>Validate COOP</li> <li>Emergency Sheltering</li> </ul>
<div style="border: 1px dashed black; padding: 5px; display: inline-block;"> <b>Establishing UA Policy/Min. Standards</b> (draft to CRO/PKG NLT 1Sep13)         </div>					
		<b>Preparedness Workshops</b> <ul style="list-style-type: none"> <li>UAA Campus</li> </ul>	<b>24/7 Dispatch Capability</b> <ul style="list-style-type: none"> <li>PIO,PD dispatcher UA Alert training</li> </ul>	<b>CCERT Program Manager</b>  IMT Trained  ICS 300/400 Course	Several functional exercise planned to evaluate IMT and communication effectiveness leading up to AS2014  PWSCC, KRC, and Kodiak involved in AS14 planning
		IMT expertise and capability  <b>UA/UAU Workshop</b>	<b>24/7 Dispatch Capability</b> <ul style="list-style-type: none"> <li>PIO,PD dispatcher UA Alert training</li> </ul>	CCERT trained  IMT Trained  ICS 300 Course	Main campus will be involved in AS14
		Ongoing EM Program organization/structure <ul style="list-style-type: none"> <li>City/Borough of Juneau Service contract in draft</li> </ul> Preparedness Workshops <ul style="list-style-type: none"> <li>Juneau</li> <li>Sitka</li> </ul> Community shelter partnership <ul style="list-style-type: none"> <li>UAS, AK Guard, City/Borough, and Red Cross</li> </ul>	No dispatch entity <ul style="list-style-type: none"> <li>PIO/IMT Alert training</li> </ul> <b>Service contract will enhance dispatch capabilities for Auke Lake Campus</b>	CCERT trained  IMT Trained  ICS 300/400 Course	All Campuses involved in AS14 planning

\*Compliance references: NIMS, HEOA, OSHA, and BoR Policy

<b>Grading Scale: Non-Compliant:</b> 	<b>On-going or Implementation:</b> 	<b>Satisfactory:</b> 	<b>Above Industry Standards</b> 
---	---	--	--

## UA Ready Business/Operational Continuity Timeline

### Implementation

- ✓ UA Readiness Committee and Director of EM identify essential services/function **“priorities”**
  - Incident Management Team, IT Network, Student Housing, Facilities, and Research
- ✓ Leadership buy-in; investment with continuity software tool; expectations outlined in UA Readiness Committee (Risk Services Kuali READY software tool management)
- ✓ Identify MAU administrators
- ✓ OIT deliverables (web-site, single sign on access, portal management, UA branding, and necessary administrator control screen)

	Accomplished	POC
UA	April 13	Rick Forkel
UAA	April 13	Manch Garhart
UAF	April 13	Doug Schrage
UAS	April 13	Dan Garcia/Tom Dienst

### Training and Plan Development

- ✓ Select MAU/POC's (June13)
  - UAF EM presented UA Ready initiative and timeline to Chancellor Cabinet
- Housing/Contingency Housing plans will serve as pilot project
  - Plan Development and Kuali software integration
- Train MAU administrators and **“priority”** essential service POCs
  - Conduct initial interviews with priority POCs
- ✓ Posture ourselves to deliver additional COOP training to POC and/or COOP program managers

	Projected Completion	
UA	September 13	AS14 mid-planning meeting taking place 20Aug; UA will deliver exercise training/exercise outcomes
UAA		Training workshops conducted at PWSCC and KRC
UAF		
UAS		Training workshops conducted at Auke Lake Campus

### Exercise and Assessment

- IMT (s) conduct functional exercises (FE) to validate response procedures and software tool effectiveness
  - Back-up communication capabilities to include cyber-security protocols
  - Emergency food/water options
  - Temporary sheltering
  - Alternate medical options
- Develop peer review (Readiness Committee) outcomes and metrics

	Projected Completion	
UA	March 14	AS14 mid-planning meeting taking place 20Aug; UA will deliver exercise training/exercise outcomes
UAA		IMT FE conducted in April
UAF		
UAS	March 14	IMT FE conducted in April Community planning for Student Rec Center shelter Auke Lake, Sitka, and Ketchikan confirmed for FE and/or FSE for AS14

### Sustainment

- Evaluate UA ability to provide essential services during simulated short/long term interruptions
  - 6-12 hours after activation of COOP plans
  - Maintain emergency communication plans/capabilities with campuses
  - Maintain as close to real-time EM/IMT coordination

	Projected Completion	
UA	June 14	
UAA		
UAF		
UAS		