

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
400 Golden Shore
Long Beach, California 90802-4275

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Date: August 1, 1988

To: Presidents

From: W. Ann Reynolds
Chancellor

W. Ann Reynolds

Subject: California State University Risk Management Policy — Executive Order No. 533

I am transmitting to you a copy of Executive Order No. 533 which, through adoption of The California State University Risk Management Policy Statement, recognizes risk management as an essential program for the CSU system.

Although this is a time of budgetary restraints, we will go forward with implementation of the recommendations outlined in the Policy Statement as fully as possible under these conditions. I have asked Vice Chancellor D. Dale Hanner to identify and take implementing actions with the help of a Chancellor's Office advisory committee. One of their tasks will be to recommend a more permanent assignment of the system risk management responsibility.

I also am calling upon the campus Presidents at this time to designate a campus Risk Management Coordinator. In view of the need for total institutional involvement in this program, the person designated should be someone of sufficiently high level to provide for appropriate liaison with all senior managers on the campus. This individual also will be asked to interact with the person responsible for the system risk management program.

A campuswide consultative structure should be established on each campus to work with the campus Risk Management Coordinator.

As the advisory committee in this office deliberates and develops the risk management program, it will be necessary to establish communication with the campus Risk Management Coordinators. Therefore, please let Mr. Hanner know the name of the person designated at your campus.

It is your responsibility as President to implement Executive Order No. 533 where applicable and to maintain the campus repository and index for all Executive Orders.

WAR:sf

Attachment

Distribution: Vice Presidents for Administration
Vice Presidents for Academic Affairs
Business Managers
Chancellor's Office Staff

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Office of the Chancellor
400 Golden Shore
Long Beach, California 90802-4275

Executive Order No.: 533
Title: California State University Risk Management Policy
Effective Date: August 1, 1988
Supersedes: No Prior Executive Order

Through adoption of the following statement of policy, The California State University recognizes risk management as a function throughout The California State University system. This Executive Order is issued pursuant to authority of Sections 1 and 2 of Chapter III of the Standing Orders of the Board of Trustees of The California State University.

THE CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT POLICY STATEMENT

Introduction

Risk management includes all policies and practices designed to reduce or eliminate losses experienced by The California State University. These losses arise from injury to person or damage to property and include legal liability imposed upon the CSU when the injury or damage has been caused, at least in part, by the CSU or its officers or employees.

Risk management is not limited to health and safety matters, which are the concern of each CSU officer and employee. It also includes an ongoing process by which appropriate administrators (1) identify risks, (2) evaluate their seriousness, (3) select the best risk management techniques to manage the risks without unduly curtailing or modifying activities necessary to the CSU mission, (4) implement appropriate risk management techniques, and (5) monitor and evaluate the results.

Risk Management Policy Implementation

The California State University and its officers and employees are responsible for conducting CSU programs and activities in a manner that does not impose an unreasonable risk of loss or injury. In maintaining the system's risk management policy, the CSU shall consult with the State Office of Insurance and Risk Management, as appropriate. To carry out this policy, the following actions shall be taken.

1. **Program Elements**

Each President shall include the five elements described above in a campus risk management policy.

2. **Campus Risk Management Coordinator**

Each President shall designate a Risk Management Coordinator to assist campus administrators in maintaining campus risk management policies and practices. The Coordinators shall develop expertise in risk management analysis and the application of risk management techniques.

3. System Risk Management Coordinator

The Chancellor shall designate a system Risk Management Coordinator who shall be responsible for developing resource documents and training programs to support the campus-designated Risk Management Coordinators. The systemwide Coordinator shall provide guidance on the application of risk management techniques and procedures appropriate to the CSU.

4. Involvement of Campus Administrators

Decision-making administrative personnel at the campuses shall be involved in maintaining the risk management policy at the campus, supported by the upper-echelon person designated by the campus President as the Risk Management Coordinator. Such assignments shall include responsibility for providing advice, information, and coordination leading to the full performance of risk management functions by all those having program responsibilities.

5. Guidelines

A Guidelines document shall be produced by the systemwide Coordinator, incorporating a survey of possible areas to be considered in assessing risk and a discussion of the four traditional professional techniques for handling risk:

- Risk Avoidance
- Risk Transfer
- Loss Prevention and Reduction
- Risk Retention

A compendium of existing policies, a directory of advisory resources, and a bibliography shall be included in the Guidelines.

6. Training

The distribution of the Guidelines shall be accompanied by training of personnel involved in risk management. There shall be not only an initial workshop, but ongoing training as well, necessitated by changes in personnel, changes in the law, and also by the advent of new issues and the possible need for specialized training.

7. Issues

A process shall be implemented by the Chancellor's Office to survey and consider risk management issues perceived to be in need of resolution. The campuses shall be surveyed as to issues they perceive as needing system or State-level resolution.

8. Evaluation

An evaluation process shall be implemented, including collection of relevant data and an annual report to system executives.



W. Ann Reynolds, Chancellor

Date: July 28, 1988