Q&A
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The RIMS Strategic and Enterprise Risk Center presents:

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ERM at the University of California System

By Russ Banham

RIMS

The University of California is the country's leading higher education system, with more than half the universities ranked among the top 11 public schools in the 2021 *US News & World Report* annual rankings, including the top two – UCLA and UC Berkeley. The UC system supports ten universities in all, as well as five medical centers, Agriculture and Natural Resources, and three affiliated national laboratories. With more than 280,000 students and 227,000 faculty and staff, the UC system has nearly the population of the state's capital, Sacramento.

Managing Enterprise Risk Management (ERM) at the sprawling UC system is the responsibility of Carrie Frandsen. Frandsen formerly was the ERM Manager at UC Santa Barbara, where in 2013 her work caught the attention of UC Chief Risk Officer Cheryl Lloyd. At the time, UC Santa Barbara had rolled out a formal ERM program, and Lloyd was looking to extend the program on a systemwide basis. RIMS sat down recently with Frandsen to discuss the development of ERM across the UC system.

RIMS: There you were in 2013, at the beachside campus in Santa Barbara, when UC's Chief Risk Officer calls to discuss recruiting for a new position to lead ERM for the UC system. What a great opportunity for you. By then, how long had you been leading ERM at UC Santa Barbara?

Frandsen: : In 2006, the UC system's Chief Risk Officer at the time, Grace Crickette, was promoting a new initiative called Enterprise Risk Management. The Vice Chancellor of Administration called me into his office and said, 'Grace asked us to do ERM, and I want you to figure out what exactly it is, so we can make it happen here at Santa Barbara.' The resources in the RIMS Risk Knowledge Library helped me flatten my learning curve, and we ended up becoming one of the model universities for ERM in the UC system.

RIMS: We imagine it is one thing to launch and lead a formal ERM initiative at one campus and then to have to do the same at ten campuses and five medical centers. How is the ERM program structured?

Frandsen: I'm more of an internal ERM consultant, helping people across the UC system mature their ERM programs. We're decentralized in the sense that each campus manages their campus's risks, and the Office of the President Risk Services supports the UC locations through leadership, resources, and its extensive risk management programs. Risk Services supports people centrally who are managing risks locally – employees are encouraged to develop innovative approaches to manage risks, and to share their knowledge, successes, and lessons learnt with their peers. Each campus has a cross-functional risk and compliance committee that meets regularly to understand and build consensus on high-priority university-wide risks, and professionals at all levels have systemwide professional co-hort groups that meet regularly to share best practices and collaboratively address current risk issues. These capabilities, which I liken to the UC's nervous system, enable us to identify and respond to early warning signals of change in the UC's internal and external environment.

RIMS: Tell us a bit more about the UC system's structure for ERM, as it does appear to have the complexity of a good-sized city.

Frandsen: The university system was founded in 1868 and has a shared governance model. My group in Risk Services, for example, is the system-wide department within the Office of the President. At the same time, we have risk management departments at every campus, medical center, and so on. We've been doing ERM for a good while, integrating the concepts and practices across the system. Our slogan is: 'Everyone is a Risk Manager.'

RIMS: Why was the slogan selected?

Frandsen: We selected it early on because we recognize that risks are best managed by those who are carrying out the activities, and we wanted to empower people to take charge of managing their risks, and to consider the Risk Services team as here to provide resources and support to them as partners in managing risks.

RIMS: Are there times when the risk managers are brought together as a group to discuss ERM?

Frandsen: Yes, we host several educational programs. The biggest is our Risk Summit, where we share best practices and lessons learned on a variety of current risk issues. Despite this year's risk summit being virtual, more than 800 people attended presentations on current topics such as COVID hospital command centers, academic continuity, wildfire disaster preparedness, and managing patient discrimination towards health-

care workers of color. Other educational opportunities include the EH&S Professional Education program, where we cross-train UC EH&S personnel in the breadth of EH&S programs. UC also hosts a Cybersecurity Summit and a People Management Conference.

RIMS: Are there other times when the varied risk managers across the system collaborate?

Frandsen: We have also hosted 'UC Risk Partners Symposiums.' Risk Services works closely with legal, internal audit and compliance. We formed UC Risk Partners to encourage greater collaboration between these teams. Everyone gets together at the symposium to discuss current risk and compliance topics, and to explore opportunities for greater collaboration.

RIMS: Since each academic campus's curricula is somewhat similar, is there an opportunity to draw risk-related insights from one campus for use by other campuses across the system?

Frandsen: Yes, we have a 'Centers of Excellence' program that is designed to leverage existing University of California expertise in EH&S, risk management, healthcare, and wellness. The program identifies individuals or teams at UC campuses and medical centers that can serve in a systemwide capacity to provide leadership in their specific subject matter area. The CoE program provides an efficient use of in-house expertise to manage and mitigate a wide range of dynamic challenges. For example, we tapped a subject-matter expert in theater and dance safety at UC Santa Cruz to develop policies for all the theater and dance programs across the system; and Brandon Stark, a drone safety expert, is the guy for anything you want to know about unmanned aircraft safety, regulatory compliance and reporting.

RIMS: Do peers in particular disciplines like business continuity at each campus get together to discuss best practices?

Frandsen: They do. Every UC professional becomes part of a cohort group when they hire on. For example, if you're the emergency management professional at UCLA—you become part of a peer network. You can ask questions of peers with longer tenure about what's worked and hasn't. Monthly meetings often are scheduled to share best practices. Altogether, Risk Services supports about 40 of these work groups.

RIMS: It really is remarkable when one considers the breadth of skill sets at the UC system that comprises a true enterprise risk management program.

Frandsen: Absolutely. We do all sorts of interesting things across so many areas. For example, we self-fund workers compensation across the system, which is not unusual for an organization of our size. About ten years ago we started 'The Be Smart About Safety' Program, which provides funding for proactive loss prevention and mitigation projects. We've had several great ideas over the years; one came from someone in custodial who pointed to back injuries caused when throwing trash into dumpsters. The person had to lift the dumpster cover with one hand and toss in the trash with the other hand, keeping the lid open the entire time or it would come crashing down. The custodian's idea was to create a stick that kept the lid open, giving the person the opportunity to use both arms to toss in the trash. We funded the idea and it worked so well we patented it and now sell the stick.

RIMS: Brilliant. Anything else you'd like to toss in—no pun intended—before we conclude?

Frandsen: Well, we do traditional risk management here, too. We have a student travel resource program that provides geographical intelligence to students about brewing political risks in the area they're traveling to before they leave, and have partnering relationships with travel assistance providers to pull them out of a hot spot if need be. We also have an award-winning captive program, Fiat Lux, and a robust 'UC Ready' program that integrates business continuity, emergency management, and IT disaster recovery planning. In 2008, UC launched its own software development company, Risk & Safety Solutions that provides mobile and web-based tools to help research faculty, students and staff easily recognize and manage the risks and hazards on their campuses and hospitals. Lastly, we provide strategic services in areas like merger & acquisition due diligence. I remember a few years ago, we were looking at a merger in the healthcare space. We brought in legal, EH&S, compliance and our HR people to make sure it would be a good fit. Ultimately, we determined that the culture of the other organization was incompatible from an integration standpoint and the merger ended up not happening.

RIMS: Carrie, tell us what you ultimately like most about your work.

Frandsen: There are so many things that make this job meaningful, but I'd say we're an organization that prides itself on having its finger on the pulse of the potential impact of changes happening in society and the world. It keeps us on our toes. ■

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