

**Black Hawk College
Administrative Guidelines**

6-7 Risk Management Policy

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Approved by:

In accordance with Black Hawk College Policy, Section 8.92, the College will maintain a Risk Management Plan that will allow for the identification, evaluation, consideration, financing, and management of all types of institutional risk in an effort to maintain a level of risk acceptable to those served. The utilization of tort-levied funds will fundamentally assist the College in funding all aspects of this crucial program. The College will update this plan on an annual basis and make changes as necessary.

Click this link to view the Risk Management Plan
<http://www.bhc.edu/riskplan>



RISK MANAGEMENT PLAN

AND

ADMINISTRATIVE GUIDELINE

January 2013

Black Hawk College

Risk Management Plan and Administrative Guideline

Black Hawk College Policy Board Report #7939, Section 8.92, – states that the College is committed to a Risk Management Plan that will allow for the identification, evaluation, consideration, financing and management of all types of institutional risk in an effort to maintain a level of risk acceptable to those served. An Enterprise Risk Management (ERM) program is designed to fulfill this requirement and utilization of Tort levied funds will fundamentally assist the College in funding all aspects of this crucial program.

It is of the greatest importance for reduction or prevention of the College's exposure to liability. The College will need to: (1) ensure that statutory and common law and safety rights are extended to all visitors, employees and students; (2) ensure that the College's buildings and grounds are maintained in a safe condition; (3) provide careful supervision and protection of all of the College's real and personal property, including vehicles.

Enterprise Risk Management Program Plan

The goal of an ERM program is to address risks in a centralized, holistic approach rather than independently within operational units and functional areas. Addressing risks from a College-wide perspective gives personnel the opportunity to understand how their individual actions affect not only their specific goals, but also the achievement of Black Hawk College's goals.

Black Hawk's ERM program will follow the Enterprise Risk Management Framework developed by the Committee of Sponsoring Organizations Commission (COSO). The COSO Enterprise Risk Management Framework is designed to create a consistent risk and control consciousness throughout the entire College and establish the model for discussing and evaluating the organization's risk management and safety processes and procedures.

Plan Framework

The Enterprise Risk Management Framework is made up of eight separate components:

1. Internal Environment - The internal environment forms the basis for how risks are viewed and addressed.

Internal environment includes:

- a. Vision and mission
- b. Organizational structure
- c. Management's operating style
- d. Assignment of authority and responsibility
- e. Competence and development of personnel
- f. Ethical values
- g. Policies and procedures
- h. Risk management culture

2. Goal Setting - ERM ensures that a formal process is in place to establish goals and that those goals support the College's mission and strategic plan and are consistent with its risk acceptance (appetite). Risk acceptance is the amount of risk the College is willing to accept in pursuit of its goals. It affects the risk management philosophy and in turn affects the College's culture and operating style. The risk management philosophy is the set of shared beliefs and attitudes that characterize how risks are considered from strategy development and implementation to day-to-day activities. It reflects the College's values, influences its culture and operating style, and determines how risks are identified, assessed, and managed.

3. Event Identification - Events have the potential to positively or negatively impact the College's ability to achieve its strategic goals. A variety of internal and external factors drive events. Examples of internal factors are infrastructure, people, processes, and technology. Examples of external factors are social, political and economic conditions, laws and regulations, technological changes, weather, and natural disasters. It is important to understand these internal and external factors and develop methods for identifying and monitoring these factors and related events.

4. Risk Assessment - Risk assessment is the process of identifying the risk level for events based on an assessment of vulnerabilities, likelihood of occurrence, and potential impact. Risk assessment is both a point-in-time activity and a continuous and iterative process. It involves a determination of both inherent risk and residual risk. Inherent risk is the risk to the College in the absence of any actions that may be taken to alter the likelihood, vulnerability, or impact related to that risk. Residual risk is the risk that remains after the risk mitigation activities occur. As part of the Risk Assessment process, the Risk Management Department or designee may do a survey of departments and ask for the following information:

- a. Primary department goals.
- b. Primary department processes.
- c. Risk information for each department goal:
 - i. Short description of a risk that would impact the departmental goal.
 - ii. Why the risk might occur?
 - iii. Suggested risk resolution.

5. Risk Response - After risks are identified and assessed, the College must decide how it will respond to those risks in order to bring the residual risk within the desired tolerance level (i.e., within its risk acceptance). Risk responses include:

- a. Accepting the residual risk associated with an event or activity
- b. Avoiding the event or activity that causes the risk
- c. Reducing the likelihood, vulnerability or impact associated with a risk
- d. Sharing a portion of the risk with others (e.g., insurance, outsourcing, etc.)

Risk responses should be evaluated according to the relative costs and benefits of possible responses so that decisions can be made to determine the best course of action.

6. Control Activities - Control activities are policies and procedures that help ensure risk responses are properly executed so that the College's goals can be accomplished. Control activities involve the College's structure, people, information systems, and operational processes. They are the means by which resources are directed, monitored, and measured.

7. Information and Communication - Financial and non-financial information is needed at all levels throughout the College to identify, assess, and respond to risks. Information is available from internal and external sources, in quantitative and qualitative forms, and can be both formal and informal in nature. Having and communicating the right information at the right time is essential to Enterprise Risk Management. An inventory must be developed of the information needed for the ERM program and processes put in place to ensure that this information is effectively produced, grouped, analyzed, and communicated to those involved in risk management.

The communication process and procedures should convey:

- a. The importance and relevance of an effective Enterprise Risk Management Program.
- b. The role and responsibility of personnel at all levels in supporting and carrying out the program.
- c. The process for identifying existing and emerging risks to the College's goals.
- d. The risks that have been identified and how they will impact the achievement of the College goals.
- e. The College's risk acceptance and risk tolerances related to those risks.
- f. Existing controls that address identified risks.
- g. New controls or changes to existing controls that are designed to improve risk bearing.
- h. The process for determining the cost/benefit proposition for new and changed controls.
- i. Sources of information and key indicators related to identified risks.
- j. The process for monitoring and reporting the effectiveness of controls in maintaining and reducing exposures.

8. Monitoring - Monitoring is the process of assessing the ongoing operating effectiveness of the ERM program and related activities. Monitoring can be accomplished through day-to-day management oversight and reporting and through separate control evaluations. Monitoring will include these key activities:

- a. Identifying early warning indicators that indicate changes in the risk environment.
- b. Making changes to the details of the risks already documented in the risk assessment.
- c. Adding new risks to the risk assessment.
- d. Determining the effectiveness of risk control activities so that corrective action can be initiated.
- e. Reporting on the success of the ERM program.

Benefits and Limitations

An effective ERM program will give the College a consistent and systematic approach to managing risks. It will allow the College to critically review its activities, assess new ideas, and seize opportunities. It is expected to provide tangible benefits, including:

- a. Greater confidence in decision making.
- b. Fewer operational surprises, disruptions and losses.
- c. Improved operational effectiveness and efficiency.
- d. More effective deployment of resources.
- e. Increased cross-institutional awareness and involvement in the achievement of strategic goals.
- f. Cost savings.
- g. Employee ownership.

While ERM provides important benefits, some limitations do exist, such as:

- a. Not all risks can be foreseen.
- b. Sudden changes may not allow sufficient time to mitigate risks.
- c. Sufficient resources may not be available to address all key risks.
- d. Resources may not be correctly allocated due to limited information and/or the lack of control over external factors.
- e. Errors and mistakes may occur in the control environment.
- f. Controls may be circumvented and decisions overridden.
- g. Handling personnel changes in positions identified within the Risk Management Plan.
- h. Structured employee environment.

Program Creation

As the College works toward building an ERM program we will begin by identifying and focusing on those risks that could directly impede the College's goals as outlined in our Strategic Goals. This will allow the College to immediately begin minimizing risk while attaining goal realization. As the program matures, we will be able to apply the ERM framework in a more targeted and complex manner.

The overall goal of the College's ERM program will be to maximize the benefits while addressing the limitations.

The Illinois Local Government and Governmental Employees Tort Immunity Act (745 ILCS 10/9 – 101 et. Seq.) provides for a community college district to levy a tax which when collected will pay the cost of risk management. In addition, this Section provides for funds raised pursuant to this Section to be used to pay the cost of insurance, including all operating and administrative costs and expenses directly associated therewith, claim services and risk management directly attributable to loss prevention and loss reduction, to purchase claim services, to pay for judgments or settlements, or to otherwise pay the cost of the Risk Management Program (Section 9-107).

The College’s Risk Management Plan shall provide for: (1) identification of the various components of the Risk Management Plan: (2) clearly delineated personnel responsibilities; (3) adequate insurance against liability exposure; (4) identified and allowable costs for the maintenance of the Risk Management Plan. In addition, the College’s Risk Management Plan shall provide for identification and analysis of loss exposure, selection of techniques to handle such loss exposure, implementation of the selected techniques, and regular monitoring and adjustment of the Plan.

One primary component of the Risk Management Plan is the provision of an insurance/compensation program that will provide protection to the College against liability. Portions of this component shall include, but will not be limited to:

- a. Purchasing consultant services, if needed.
- b. Premiums for the various necessary insurances, including all liability insurance, workers compensation, vehicle insurance, unemployment compensation, insurance deductibles, etc.
- c. Paying judgments or settlements arising against the College.
- d. Paying for all legal fees connected with protecting or defending the College against liability.

The following positions and responsibilities, either partially or in whole will contribute to risk management at Black Hawk College. The salaries for said positions will be paid out of the Tort levied funds in Fund 12. All of the employees’ responsibilities were identified, and estimation was made regarding the percentage of time the employee spends on each task during the course of an average work day. Using that data, the college identified the percentage of time each employee spends performing risk management tasks directly related to Tort loss prevention and loss reduction. Black Hawk College job descriptions reflect these responsibilities.

The positions below have been identified as having risk management responsibilities.

Position	Percentage of position related to Tort Liability	Job description duties
Director of Risk Management	100%	The entire purpose of this position is to be devoted 100% of the time to Tort Liability prevention. The Director of Risk Management is responsible for planning, controlling, organizing and directing the College’s Risk Management Program and assures the protection of the College against unreasonable losses by controlling conditions that cause these losses. Evaluates, develops and

		<p>implements risk management policies and procedures, interprets risk regulations, laws and statutes and ensures compliance. Provide counsel and training to personnel concerning injury, illness, accident prevention, safety, loss control, risk management and related issues. Investigates student and visitor accidents and worker's compensation accident claims. Inspects facilities and grounds and identifies, measures and evaluates the College's exposure to accident losses and risks and then formulates action plans to mitigate and contain the impact of losses to the College. Administers the College's Safety Program and is responsible for developing and implementing a business continuity plan.</p>
Risk Specialist	100%	<p>The Risk Specialist position, much the same as the Director of Risk Management is devoted 100% of the time to Tort liability prevention. This position is responsible for assisting the Director with the administration of the College's Risk Management Program. Responsible for the processing of insurance and accident claims while adhering to all confidentiality laws. Compiles accident and incident report data, analyzes the trends to identify and mitigate losses. Accountable for management, maintenance and security of financial information as required by PCI/DSS compliance laws to lessen identity theft. Responsible for internal safety audits. Responsible for processes in managing risks and risk related training, such as accident prevention, loss control, safety, etc., as needed. Responsible for continuous and ongoing oversight of implemented processes. Ensures record retention law is followed at the College and will request permission for record destruction from the State and guarantee proper destruction of records once approval is received.</p>

<p>Manager of Training and AA/EEO Officer</p>	<p>60%</p>	<p>This position will spend 60% of the time on EEO related items which directly impacts Tort Liability. Responsible for investigating and resolving (when possible) EEO complaints and/or allegations filed by employees or students as they relate to faculty of staff. Investigates and resolves (when possible) all harassment complaints and/or allegations. Identifies and oversees risks regarding employee harassment. Responsible for creation of processes eliminating risks involved with employee harassment, including harassment training. Responsible for continuous oversight of compliance regarding harassment training. Develops and implements the Employee Accommodations Procedure and responds to reasonable requests under the ADA and ADAAA. Assures hiring or recruiting activities follow the College's EEO guidelines. Acts as a liaison to legal counsel for litigation.</p>
<p>QC Lab Technician-FT</p>	<p>50%</p>	<p>This position is full-time and 50% of the time is spent on lab safety. Maintains an inventory of all lab equipment, chemicals, and hazardous waste. Responsible for labeling all chemicals, materials and supplies. Responsible for creating and updating the Chemical Hygiene Plan and the upkeep of current Safety Data Sheets. Schedules the chemical and biological waste disposal and ensures proper handling. Responsible for continuous oversight of processes regarding lab safety.</p>
<p>EC Lab Technician-PT</p>	<p>100%</p>	<p>This position is part-time and is 100% responsible for lab safety. Creation of the Standard Operating Procedures for departmental safety. Will prepare and clean labs as needed and maintain the lab equipment. Coordinates hazardous waste handling and disposal. Responsible for creating and updating the Chemical Hygiene Plan and the upkeep of current Safety Data Sheets. Responsible for continuous oversight of processes regarding lab safety.</p>

Chief of Police	100%	<p>Due to the nature of the responsibility as the Chief of Police at Black Hawk College and as a sworn law enforcement officer, 100% of the Chief's time is devoted to Tort related issues. Duties include administration of all safety and security administrative policies. Direction of criminal investigations and of critical incidents. Responsible for Rapid Response to Active Shooters, terrorism response, fire safety and all emergencies. First aid, CPR and AED training. Identify areas of loss exposure. Responsible for designing and integrating security systems to protect personnel and College assets. Responsible for development, implementation and oversight of a Campus Violence Prevention Plan. The Chief will develop and implement an all-hazards campus emergency plan. Develops and implements procedures to reduce physical and monetary liability to the College. Implements changes to current processes as needed.</p>
Lieutenant Officer	100%	<p>Due to the nature of the responsibility as the Police Lieutenant at Black Hawk College and as a sworn law enforcement officer and 1st in command of the Police Department in the absence of the Chief, 100% of the Lieutenant's time is devoted Tort related issues. Responsible for training of all subordinate staff to ensure compliance with College regulations and State, county and city ordinances as they apply to the College. Conducts frequent and irregular College patrol to detect and eliminate hazards. Identifies, investigates, reports, and takes corrective actions that impact the safety of the College. Responsible for commanding all Police personnel during College emergencies and during special events. Responsible for inspections and compliance with State and local fire regulations and for the functionality of the College's fire detection and suppression systems.</p>

Police Sergeant	100%	Due to the nature of the responsibility as the Police Sergeant at Black Hawk College and as a sworn law enforcement officer and in command of the Police Department in the absence of the Chief and Lieutenant, 100% of the Sergeant's time is devoted Tort related issues. Conducts frequent and irregular College patrol to detect hazards. Identify, design and integrate systems to eliminate hazards. At the direction of the Chief, will conduct investigations. Responsible for inspections and compliance with State and local fire regulations and for the functionality of the College's fire detection and suppression systems. Continuous monitoring of decisions and systems designed and integrated.
Police Corporal	100%	Due to the nature of the responsibility as the Police Corporal at Black Hawk College and as a sworn law enforcement officer and in command of the Police Department in the absence of the Chief, Lieutenant and Sergeant, 100% of the Corporal's time is devoted tort related issues. Conducts frequent and irregular College patrol to detect hazards. Identify, design, and integrate systems to eliminate hazards. Enforces traffic and parking regulations and directs traffic. Responsible for inspections and compliance with State and local fire regulations and for the functionality of the College's fire detection and suppression systems. Responds to medical emergencies and renders first aid.
Police Officers – FT & PT	100%	Due to the nature of their responsibility as sworn law enforcement officers, the Black Hawk College police officers are devoted 100% to tort related issues. Police officers respond to, report and investigate all reports of crimes and suspicious activity/persons on campus. Responsible for identifying risks relating to crimes and/or suspicious activity/persons on campus. Responsible for selection, implementation and monitoring of processes, systems or decisions relating to crimes and/or suspicious activity/persons on campus. They also investigate traffic accidents on or near campus, respond as back

		up units to area law enforcement agencies, direct traffic, provide escorts to students and staff who request them, provide security at College sporting events and other special events on campus.
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In connection with and furtherance of the College’s Risk Management Plan, the College may make expenditures other than those set forth above for safety, security and training related items and services including, but not limited to; all reasonable accommodations under the Americans with Disabilities Act, any compliance related trainings, various security and risk related employee trainings, to include; legal trainings, supervisor trainings, etc. Before expenditures can be considered a Risk Management Plan purchase and paid from Tort levied funds from Fund 12, they must be reviewed by the Director of Risk Management or the VP for Finance.

This Risk Management Plan will also allow for a remaining fund balance in Fund 12 of Tort levied funds to be carried over for further loss prevention efforts.

1/2013