



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

December 30, 2005

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

Raymond G. Fortner, Jr.
County Counsel

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

RISK MANAGEMENT INFORMATION SYSTEM QUARTERLY UPDATE REPORT

This memorandum provides your Board, as instructed on March 1, 2005, a quarterly status report on the Risk Management Information System (RMIS). The *Fourth Quarter Update 2005 Risk Management Information System* is attached (Attachment I) for your review. RMIS has successfully met all standards set forth in the *Methodology to Measure the Outcomes and Effectiveness of Risk Management Information System* (Attachment II).

In response to your Board's direction, and as indicated in Attachment I, the Chief Administrative Office and County Counsel will return to your Board in March 2006, with a request for the annual extension of the RMIS contract which expires on April 13, 2006. Accordingly, this report will be the final RMIS quarterly update report to your Board during the current RMIS annual extension.

If you have any questions, please have your staff contact Rocky A. Armfield, County Risk Manager, at (213) 351-5346, or Steve Carnevale, Assistant County Counsel, at (213) 922-2511.

DEJ:RAA
DAU:TO:sg

Attachments

c: Executive Officer, Board of Supervisors
Auditor-Controller
Chief Information Office

FOURTH QUARTER UPDATE 2005 RISK MANAGEMENT INFORMATION SYSTEM

As requested by your Board on March 1, 2005, listed below are the summary descriptions and status of each work order issued for system modifications and upgrades to the Risk Management Information System (RMIS) during this quarter. Also listed below are other matters that will, in the future, require Board review and consideration.

COMPLETED WORK ORDERS

During the fourth quarter of 2005, the work order for County Counsel's Realignment and Time Billing Reconfiguration was completed. New legal divisions have been created within RMIS due to County Counsel's staff realignment. Improvements were also made to County Counsel's financial reports. This enhancement to RMIS satisfies the performance expectations stated in the *Methodology to Measure the Outcomes and Effectiveness of RMIS* (Attachment II).

ACTIVE WORK ORDERS

The work order for the Auditor-Controller's (A-C) Small Claims Function Transfer to the Chief Administrative Office (CAO) is in the final testing phase. The work order reflects the transfer of managing certain Small Claims and Small Claims litigated matters from the A-C to the CAO. RMIS program modifications will provide the CAO Small Claims Unit with access to the database and automate manual processes.

WORK ORDERS IN DEVELOPMENT

The CAO is developing a work order that includes several of the Priority 1 enhancements previously outlined in the CAO February 28, 2005, Board memorandum. Upon completion of the Priority 1 enhancements, RMIS will have satisfied your Board's requirements for release of the \$1 million held for future RMIS projects.

OTHER MATTERS

The RMIS contract with Risk Technology, Inc. (RTI) expires on April 13, 2006. The CAO will draft the contract extension for County Counsel's review prior to placement on a Board of Supervisors' agenda in March 2006.

METHODOLOGY TO MEASURE THE OUTCOMES AND EFFECTIVENESS OF RISK MANAGEMENT INFORMATION SYSTEM

In March 2005, the Board of Supervisors approved additional funding for the Risk Management Information System (RMIS) contract with Risk Technologies, Inc. (RTI), and increased the maximum contract amount to \$14 million, over the contract's nine year life (through year 2010). The additional funds were approved for RMIS enhancements.

The methodology to measure the outcomes and effectiveness of RMIS will be a process of comparing the ongoing progress of RMIS, in several performance areas, before and after enhancements to RMIS are implemented. The assessment of RMIS in each performance area indicates, by contributing factors, how each action (enhancement) taken, addresses known data or system deficiencies. Implementation of planned enhancements should result in the collection of more accurate and complete data that will be provided or made accessible to County stakeholders for risk management purposes. This initial assessment report will compare the County's data quality before and after the implementation of RMIS. Future quarterly assessment reports will include descriptions of new enhancements and the resulting improvements to RMIS after the enhancement is implemented.

The methodology used to assess the outcomes and effectiveness of RMIS is the comparison of pre-RMIS data (data quality, availability, and accessibility) with post RMIS data. This assessment of data before and after RMIS implementation is described below:

1. Data Quality

In general, data quality is the degree to which data meet the factors described below:

Accuracy	The degree of conformity or preciseness of the data to a standard or a true value.
Completeness	The inclusion of all necessary data parts or data elements to represent the true value.
Relevancy	The relation of the kind or type of data being collected to the matter at hand.

2. Data Availability

Factors that contribute to data availability include:

Data Consolidation	Eliminating duplicate and/or stand-alone systems facilitates data reporting.
Data Entry Efficiency	Streamlining data entry eliminates double entry and re-engineering of workflows.

3. Data Accessibility

Access to the data within RMIS is driven by two factors:

- Policy Actions** Policy actions taken by the CAO and County Counsel facilitate the ability of County stakeholders' additional opportunity to obtain or access RMIS data.
- Technology Investment** CAO continues to work with the Chief Information Officer, and may update or increase its investment in technology (such as hardware, etc.) to enable stakeholders to access and analyze data more rapidly.

Pre-RMIS Assessment

In February 1999, the County of Los Angeles (County) engaged Advanced Risk Management Techniques, Inc. (ARM Tech), and Tillinghast-Towers Perrin (Tillinghast), to conduct an evaluation of the County's existing consolidated risk management information system (supplied by Corporate Systems), its usage by departments, and the remote systems that contributed data to that system. The consultant report indicated the County could significantly improve all three areas of data assessment by implementing a new RMIS system, or by eliminating many of the duplicate, existing systems.

In 2000, the County issued a Request for Proposals for a Risk and Claims Management Information System, resulting in a contract with RTI in 2001. RMIS went live in March 2003.

Post RMIS Implementation

In April 2004, the County accepted the RMIS from RTI, and the following program outcomes and the degree of effectiveness have been noted:

1. Data Quality

- Accuracy** The data entered into RMIS are validated using a series of business rules, logical loops, and replacing text fields with drop-down menus. Extensive data scrubbing and cleansing from each consolidated database has been, and will continue to be, performed to eliminate duplicate records. As a result, the liability claims data are progressively becoming more accurate, compared to the pre-RMIS data.
- Completeness** The RMIS database captures significantly more detail about each file in the system. RMIS includes audit trails and custom data fields by department and coverage, as well as more descriptive data fields.

1. **Data Quality** (continued)

Relevancy Much of the data captured by the pre-RMIS systems were ultimately not relevant for risk management analysis. Data fields now included in RMIS allow data to be categorized and segregated.

2. **Data Availability**

Data Consolidation Eliminating pre-RMIS duplicate and/or stand-alone systems make RMIS data more readily available for analysis and reporting.

Data Entry Efficiency By streamlining data entry (i.e., eliminating double entry and re-engineering workflows) RMIS collects data faster and more efficiently. Additionally, work flows are now electronically connected between the Executive Office of the Board, County Counsel, CAO, Sheriff's Department, and the County's claims third party administrators that connectivity greatly reduces data transfer lag times between stakeholders.

3. **Data Accessibility**

Policy Actions The RMIS application is currently accessible to all groups involved in inputting data and updating the County's legal database. Appropriate data can be quickly made available to additional groups when deemed appropriate.

Technology Investment The CAO chose a state-of-the-art technology. RMIS is a web-based application that is accessible throughout LANet. That application made risk management data much more accessible than during the pre-RMIS period.