

APPLICABILITY	
<b>DEPARTMENT</b>	<b>WIDE</b>

TITLE

EFFECTIVE DATE F

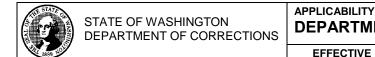
PAGE NUMBER
1 of 4

NUMBER **DOC 120.200** 

# **POLICY**

ENTERPRISE RISK MANAGEMENT

REVIEW/REVISION HISTORY:			
Effective:	9/1/16		
SUMMARY	OF REVISION/REVIEW:		
New policy.	Read carefully!		
APPROVED	):		
	Signature on file	8/31/16	
	DICK" MORGAN, Secretary of Corrections	Date Signed	



DEPARTMENT WIDE			
effective date	PAGE NUMBER	NUMBER	
9/1/16	2 of 4	DOC 120.200	

### **POLICY**

**ENTERPRISE RISK MANAGEMENT** 

#### **REFERENCES:**

DOC 100.100 is hereby incorporated into this policy; <u>RCW 43.19.760</u>; <u>RCW 43.19.781</u>; <u>RCW 43.19.782</u>; <u>Governor's Executive Order 16-06</u>; <u>SAAM 20.20</u>;

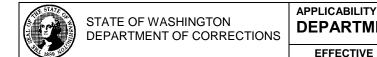
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#### **POLICY:**

- I. The Department has established an Enterprise Risk Management (ERM) program that provides a framework to proactively identify, assess, and manage risks to the extent reasonably possible within available resources that may affect the Department's ability to achieve its mission, goals, and strategic objectives.
- II. The Department will provide management support and commitment to safety and loss control, and develop awareness of ERM through education, training, and information sharing per RCW 43.19.781.

#### DIRECTIVE:

- I. Responsibilities
  - A. The Department will provide training and apply ERM best practices to identify and manage internal and external risk to protect resources, employees, contract staff, offenders, and the public.
  - B. The Risk Mitigation Administrator will:
    - Oversee and maintain the ERM framework and use ERM best practices to develop guidelines and procedures for use in identifying, prioritizing, and treating risk,
    - 2. Facilitate risk identification, assessment, and prioritization as needed,
    - 3. Ensure that activities used to treat risk are monitored for effectiveness,
    - 4. Coordinate and provide risk management training through presentations, facilitation of risk assessments, and the Learning Management System (LMS),
    - 5. Present an ERM report quarterly to Senior Leadership that includes ERM principles, methods, procedures, and developments,
    - 6. Document identified risks, risk analysis, and risk treatments in a risk register and/or risk mitigation plan, and
    - 7. Advise Department leadership of trends and emerging issues.

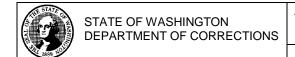


DEPARTMENT WIDE			
effective date 9/1/16	PAGE NUMBER 3 of 4	NUMBER DOC 120.200	
TITLE			

### **POLICY**

**ENTERPRISE RISK MANAGEMENT** 

- C. Senior Leadership will:
  - 1. Determine the Department's risk tolerance for individual and overall issues,
  - 2. Annually review the risk register/risk mitigation plan(s) and the Department's approach to risk management,
  - 3. Ensure risks are being actively managed and that risk treatments are appropriate and effective,
  - 4. Within available resources, ensure appropriate resources are available to support risk treatment activities, and
  - 5. Support risk management training.
- D. Managers, supervisors, and administrators will support the culture of ERM by:
  - 1. Applying ERM in all aspects of Department operations,
  - 2. Setting standards and expectations of employees/contract staff regarding conduct and risk inquiries,
  - Initiating and participating in risk identification and assessment activities, and
  - 4. Advising executive management of changes in risks or when changes to risk treatments are needed.
- E. All employees and contract staff will:
  - 1. Work with other divisions, programs, and areas of operation to share information, methods, and procedures to support and implement comprehensive and coordinated ERM, and
  - 2. Be aware of ERM and report any procedure, incident, observation, or function that may be perceived as exposing the Department to risk.
- II. Enterprise Risk Management
  - A. ERM best practices will be used as an integral part of considering risk in the decision-making process through identifying risks and opportunities across all of the Department's divisions, facilities, programs, and areas of operation.



APPLICABILITY DEPARTMENT WIDE			
effective date 9/1/16	PAGE NUMBER 4 of 4	NUMBER DOC 120.200	
TITLE			

ENTERPRISE RISK MANAGEMENT

## **POLICY**

- B. ERM best practices will include, but not be limited to proactive, transparent, integrated, and consistent procedures for:
  - 1. Department wide practices for identification of risk,
  - 2. Prioritization of risks based on analysis of frequency, impact, and severity of each risk,
  - 3. Development and implementation of risk treatment strategies,
  - 4. Root Cause Analysis,
  - 5. Assessment of Department risk,
  - 6. Claims management,
  - 7. Continuity of operations,
  - 8. Data security,
  - 9. Emergency management,
  - 10. Employment practices,
  - 11. Dedication to safety,
  - 12. Budget-related, public records, and risk management issues,
  - 13. Department wide awareness of ERM through education, training, and information sharing, and
- C. Once a risk has been identified and prioritized, ERM provides a framework for the development, implementation, and monitoring of risk treatment strategies
  - 1. The impact of the risk will be considered individually and in relation to other risks and programs.

#### **DEFINITIONS:**

None

Words/terms appearing in this policy may be defined in the glossary section of the Policy Manual.

Manual.	
ATTACHMENTS:	
None	
DOC FORMS:	