



STATE OF WASHINGTON  
DEPARTMENT OF CORRECTIONS

APPLICABILITY  
**DEPARTMENT WIDE**

EFFECTIVE DATE  
9/1/16

PAGE NUMBER  
1 of 4

NUMBER  
**DOC 120.200**

# POLICY

TITLE

**ENTERPRISE RISK MANAGEMENT**

## REVIEW/REVISION HISTORY:

Effective: 9/1/16

## SUMMARY OF REVISION/REVIEW:

New policy. Read carefully!


## APPROVED:

Signature on file

**RICHARD "DICK" MORGAN**, Secretary  
Department of Corrections

8/31/16

Date Signed

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## REFERENCES:


DOC 100.100 is hereby incorporated into this policy; [RCW 43.19.760](#); [RCW 43.19.781](#); [RCW 43.19.782](#); [Governor's Executive Order 16-06](#); [SAAM 20.20](#);

## 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:
    1. 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.

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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,
3. 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.

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- 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:**

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

#### **ATTACHMENTS:**

None

#### **DOC FORMS:**

None