

Enterprise Risk Management Proviso Response

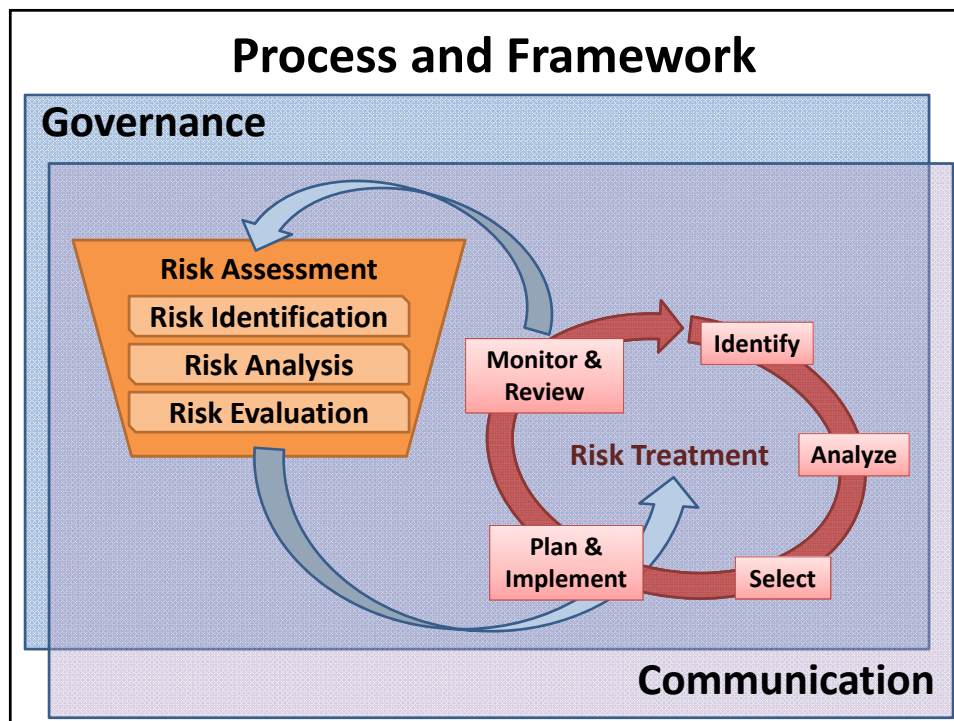
Government Accountability & Oversight Committee
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What is ERM?

“Enterprise Risk Management (“ERM”) is a strategic business discipline that supports the achievement of an organization's objectives by addressing the full spectrum of its risks and managing the combined impact of those risks as an interrelated risk portfolio .”

- Risk & Insurance Management Society (RIMS)



Why is King County implementing ERM?

- Council Performance Audit of ORM (2013)
 - Two specific recommendations related to ERM:
 - Design an ERM framework compatible with ISO 31000
 - Develop a plan to implement ERM
 - Identified ERM as a strategy to address high-impact losses
- Council Budget Proviso Requirements
 - Performance measures for ERM
 - Ordinance revision to reflect reporting requirements



Program Objectives

1. Collaborate with business units to proactively identify and assess high-priority risks, and improve controls regarding those risks through documented action plans; and
2. Provide business units with relevant quantitative and qualitative information regarding operational, financial, strategic, and compliance risks to support decision making and action planning.



Duties & Performance Measures – ERM Program Manager

- Lead the ERM Work Group
- Collaborate with business units
- Document variance from recommendations
- Characterize business unit adoption of ERM
- Participate in Strategic Innovation Plan activities
- Create risk-related data analysis tools
- Create risk assessment tools
- Quantify the benefits of ERM



Role & Performance Measures – ERM Work Group

- Engage in the ERM process
- Create and update the Enterprise Risk Register
- Align our focus with high-impact risks
- Take actions to improve the County's risk profile
- Document our guidelines and process
- Quarterly meetings
- Nine member agencies (six external, three internal)

Performance Measures – Business Unit Engagement

- Prioritize owners of high-impact risks
- Embed accountable, practical, data-driven methods in risk-related decision making
- Use and build from the ERM maturity model
- Work Group recommendations are implemented
- Evaluations of risk treatment effectiveness and related improvements are documented

