Project Sponsor: Caroline Whalen
Project Owner: Jennifer Hills

Enterprise Risk Management

PROJECT STATUS: GREEN

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Project Manager: Sean Catanese (August 8, 2014)

Objective:

Integrate enterprise risk management into the decision making processes of King County in order to control, mitigate, or prevent future high-impact losses.

Deliverables:

1. Report and ordinance complying with Council proviso
2. ERM work group guiding documents and work products
3. Risk register to proactively identify and prioritize operational, financial, strategic, and compliance risks, including periodic updates
4. Maturity model to qualitatively assess business unit adoption of ERM
5. Data-driven analytic tools to improve the accessibility and usefulness of operational, financial, strategic, and compliance data
6. Risk assessment tools to qualitatively identify and prioritize risks, evaluate controls, and recommend actions to improve controls
7. Documents identifying and quantifying the long-term benefits of ERM
8. Section in the Risk Manager's annual report summarizing ERM results

Approach:

- Collaborate with business units to proactively identify and assess high-priority risks, and improve controls regarding those risks through documented action plans, facilitated through the ERM work group.
- Provide business units with relevant quantitative and qualitative information regarding operational, financial, strategic, and compliance risks to support decision making and action planning.
- Monitor, review, and improve implementation of the ERM framework.

Status & ELT Response:

- Deliverable 1 referred to GAO on June 17, 2014. Presentation to GAO scheduled August 26, 2014.
- Deliverable 2 is established. Second meeting September 24, 2014.
- Risk priorities survey for Deliverable 3 to distribute late August 2014.
- Assessment tools and analytics are in progress (Deliverables 5 and 6).
- Timeline describes deliverable statuses in relation to one another.

Challenges:

- Establish ERM as complementary and integral to business unit practice and operations rather than a new management system to be adopted.
- Balance immediate needs and opportunities with long term implementation of formal program elements.
- Reframe definition of ERM and reestablish buy-in from business units to reflect change in direction from previous ERM program management.

Risks:

- Program structure and diversity of operations may unintentionally exclude business units with future low-frequency, high-impact claims
- Potential business unit resistance to sharing information about risks
- Potential business unit resistance to consider strategic, reputational, and compliance risks on par with financial and operational risks

Timeline

1. Proviso compliance
   Members — Council report

2. ERM work group
   Meet   Meet   Meet   Meet

3. Risk register
   Survey   Draft   Revision

4. Maturity models
   Draft   1st BU   2nd/3rd BUs   4th+ BUs

5. Data analyses
   Profile   Dashboard   Scorecard

6. Assessment tools
   (Create and distribute as needs are identified)

7. Identify benefits
   Report to DES Cabinet

8. Annual report

M	J	J	A	S	O	N	D	J	F	M	A	M
			2014							2015		