



State Risk Management Practices in Washington

Proposed Final Report

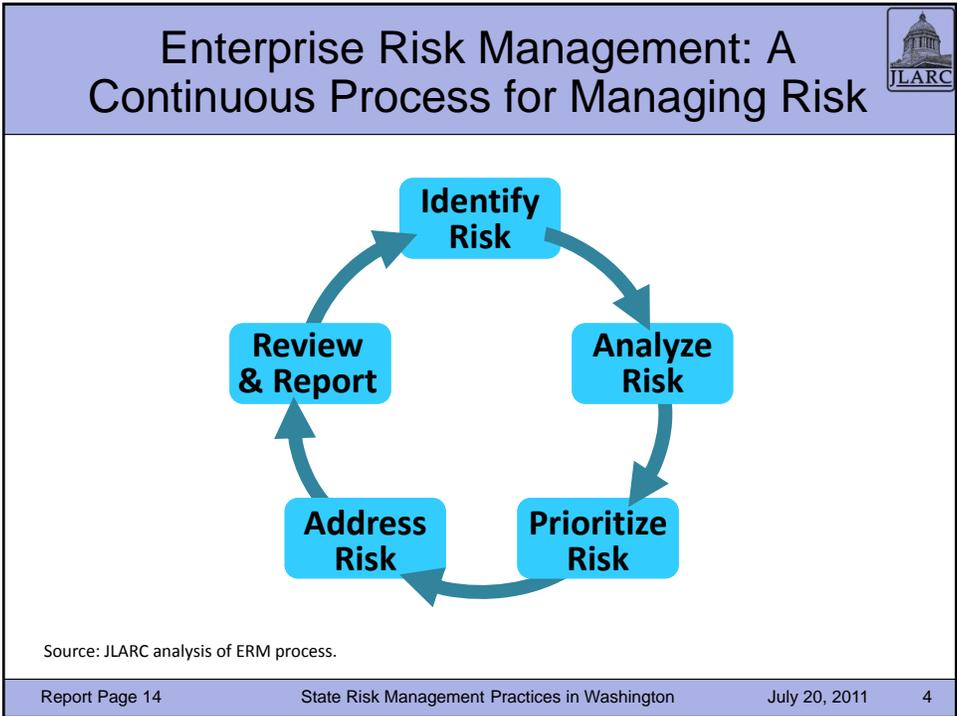
Joint Legislative Audit & Review Committee
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The Study Addressed Three Major Areas

1. Washington has broader tort liability than other states
2. OFM and the agencies we reviewed (WSDOT, DOC, and DSHS) are conducting post-incident reviews
 - These agencies account for 75 percent of the state's liability
3. WSDOT, DOC, and DSHS are employing risk management best practices, but DOC and DSHS should strengthen some areas



Enterprise Risk Management is a Best Practice



- Used in private business as well as other governmental entities
- Looks broadly at risks and provides a framework for managing them
- OFM began implementation in Washington in 2006
- JLARC used the five Enterprise Risk Management principles to evaluate practices of WSDOT, DOC, and DSHS

WSDOT Applies All Five Principles in its Highway Safety Program



ERM Principle	Applied Consistently?	Examples
Identify Risk	✓	Accident data used to determine the nature of the collisions and their contributing factors
Analyze Risk	✓	Database identifying the frequency and severity of accidents at particular locations used to determine nature of risk
Prioritize Risk	✓	Collision data analyzed to identify high frequency areas and cost-benefit review to determine the order in which to address projects
Address Risk	✓	Rumble strips and median cable barriers installed
Review & Report	✓	Collision information and other data reviewed to determine effectiveness of the changes and report results in WSDOT's "The Gray Notebook"

DOC Needs to Strengthen Application of Review and Reporting Principles



ERM Principle	Applied Consistently?	Examples
Identify Risk	✓	Information from the Critical Incident Reviews and from reviews of closed tort cases used to identify areas to address
Analyze Risk	✓	Review team looked for cause and contributing factors
Prioritize Risk	✓	Timely and effective notification of the Community Corrections Division (CCD) when an offender is released identified as a priority
Address Risk	✓	New automated statewide notification system that provides electronic notice to community correction officers implemented
Review & Report	?	Has measures for some of CCD's responses to identified risks but lacks a policy to ensure consistent review and reporting

Recommendation to DOC



- The Department of Corrections should ***develop and implement a policy for the consistent review of, and reporting on, the effects of actions*** taken in the Community Corrections Division to address risks.

DOC and OFM concur

DSHS Should Strengthen Policies and Practices in Two Areas



ERM Principle	Applied Consistently?	Examples
Identify Risk	✓	Uses information gained from the Child Fatality Reviews (CFR) and from joint project with OFM (RSVP report)
Analyze Risk	✓	Sought assistance from national organizations to analyze the areas of CFR procedures and reports and child safety
Prioritize Risk	✓	An internal work group, along with the joint DSHS project team, established Child Protective Services' (CPS) investigations of child abuse as a priority risk
Address Risk	✗	Have taken, and continue to take, steps to reduce probability of abuse or neglect but have not completed the process of implementing risk assessment and mitigation strategies identified in the RSVP report
Review & Report	✗	Has taken some steps to measure but lacks a policy to ensure consistent review and reporting

Two Recommendations to DSHS



1. The Department of Social and Health Services should ***address the risks identified in the RSVP report*** regarding Children's Protective Services investigations and ***report its results to the Legislature by December 2011.***

DSHS and OFM concur

Two Recommendations to DSHS



2. The Department of Social and Health Services should ***develop a method for reviewing and reporting*** on the effect of actions taken in the Children's Administration to address risks.

DSHS and OFM concur

Contact Information



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