



STATE OF WASHINGTON  
OFFICE OF THE GOVERNOR

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**EXECUTIVE ORDER 16-06**

**STATE AGENCY ENTERPRISE RISK MANAGEMENT**

**WHEREAS**, the state of Washington and its employees are committed to building a healthier, better-educated, and more prosperous Washington by providing critical and necessary services to the citizens of our state; and

**WHEREAS**, there is a high risk inherent in the delivery of important state services such as protecting vulnerable children and adults; managing prisons and reducing the rate at which people reoffend and return to prisons; and maintaining highways and upholding the law in order to reduce the number of traffic-related fatalities; and

**WHEREAS**, agencies that provide these and other critical services need to manage risks in order to best serve the citizens of the state, while reducing the risk of harm and managing limited state resources; and

**WHEREAS**, managing risk cannot be done by any one individual, department, or agency but must be ingrained in all state agencies at all levels; and

**WHEREAS**, RCW 43.19.781 directs state agencies to provide top management support for safety and loss control and to develop an awareness of risk management through education, training, and information sharing.

**NOW, THEREFORE, I**, Jay Inslee, Governor of Washington State, by virtue of the authority vested in me, do hereby reaffirm the state's commitment to Enterprise Risk Management (ERM), and direct the following actions:

1. All agencies shall adopt the following best practices:
  - a. Provide top management support and commitment to risk management, safety, and loss control; develop agency-wide awareness through education, training, and information sharing; ensure that agency risk managers report regularly to agency leadership.
  - b. Seek to embed ERM in all levels of the agency and analyze risks when making decisions.
  - c. Prioritize loss prevention by assessing all areas of agency exposure to risk (strategic, operational, compliance, financial, reputational, safety, etc.) and manage those exposures as an interrelated risk portfolio, rather than in departmental "silos."
  - d. Work with the Office of Risk Management within the Department of Enterprise Services to identify and assess agency risks and regularly report significant losses, deaths, and serious injuries to persons as required by RCW 43.19.782.
  - e. Allocate resources, to the greatest extent feasible, to services for which the state is at greatest risk of liability, with the goal of preventing or mitigating

loss while meeting service expectations and responsibilities. In doing so, agencies should: (1) among information systems, technologies, and funding requests, prioritize those that support high-risk services and serve to mitigate risk; and (2) within available resources, prioritize training for service delivery staff and supervisors relevant to reducing losses and significant claims.

- f. Allocate resources, to the extent feasible, to the on-going professional development of agency risk managers.
  - g. Manage all aspects of employee performance, including holding people accountable for agreed-upon performance expectations.
  - h. Regularly review agency mission statements and policies; as necessary, simplify and provide written guidance to program staff and service providers that is concise, relevant, easy to understand, and provides practical direction for quality services.
  - i. Identify and take steps to involve employees, community members served by the agency, and advocates in efforts to lessen the risk associated with services delivered by the agency.
2. All agencies shall, no later than September 1, 2016, prepare and update an agency Risk Management Policy consistent with these best practices. The agency policy shall include risk assessments or registers, with a mitigation plan for each identified risk, and provide such policies to the Office of Risk Management for review.
  3. All agency Risk Management Policies shall be updated at least annually.

This order takes effect immediately and supersedes Executive Order 01-05.

Signed and sealed with the official seal of the state of Washington on this 16th day of May, 2016 at Olympia, Washington.

By:

/s/

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Jay Inslee  
Governor

BY THE GOVERNOR:

/s/

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Secretary of State