



**Administrative Policies and Procedures: 1.7**

<b>Subject:</b>	<b>Risk Management</b>
<b>Authority:</b>	TCA 37-5-105; 37-5-106; 9-18-101 (Financial Integrity Act)
<b>Standards:</b>	Statement on Auditing Standards (SAS) No. 122, Section 240; <b>COA:</b> PA-RPM 2.01, 2.02, PA-AM7.06, PA-RPM6
<b>Application:</b>	To All Department of Children's Services Employees
<b>Policy Statement:</b>	
The Department of Children's Services shall comply with the State of Tennessee policies and procedures, rules and laws to identify and reduce or eliminate risks to its property, interests, service recipients and employees, and to minimize and contain the costs and consequences in the event of harmful or damaging incidents arising from those risks.	
<b>Purpose:</b>	
To create a safe and secure working environment for DCS staff, visitors, customers and service recipients and safeguard DCS property, and certain interests of employees during the conduct of government operations.	
<b>Procedures:</b>	
<b>A. Office Security at Locations Providing Direct Service to the Public</b>	<ol style="list-style-type: none"> <li>1. All offices will have a secure lobby area with locked doors separating the lobby from the main office. <ol style="list-style-type: none"> <li>a) Only authorized personnel will have keys and/or door codes allowing entrance into the main office.</li> <li>b) Unauthorized persons, such as customers, service recipients and visitors must be escorted <u>at all times</u> beyond the lobby area.</li> <li>c) A sign or poster stating the need for escorts, <u>at all times</u>, will be placed in the lobby area near the locked door entrance to the main office area.</li> </ol> </li> <li>2. All persons entering a DCS office must sign in upon arrival and sign out upon leaving. <ol style="list-style-type: none"> <li>a) Customers, service recipients and visitors will be able to sign in confidentially, such that their names will be protected from view of other persons in the lobby and main office area.</li> <li>b) Each office will develop its own system for the protection of customer names, which may include: <ul style="list-style-type: none"> <li>◆ The use of peel off name labels;</li> </ul> </li> </ol> </li> </ol>

	<ul style="list-style-type: none"> <li>◆ Individual sign-in cards; or</li> <li>◆ Other methods determined appropriate by regional leadership.</li> </ul> <p>c) The sign-in procedure will be in writing and posted in the office lobby in view of all customers.</p> <p>3. All authorized personnel will wear, in a clearly visible location, a state badge or ID card which identifies the staff member as an employee of the Department of Children’s Services.</p> <ul style="list-style-type: none"> <li>◆ Upon signing in, visitors to the office will receive a visitor’s badge which will be worn at all times while on the premises.</li> </ul> <p><b>Note:</b> Any person observed without a badge will be stopped by authorized personnel and escorted back to the lobby to be properly signed in, given a badge, and escorted to their appropriate destination.</p>
<p><b>B. Responsibilities of Management and Staff</b></p>	<p>Successful risk management is a core requirement of <b>all DCS staff</b>.</p> <p>The Deputy Commissioners, Executive Directors, Directors, and management staff are accountable for applying agreed risk management policy and practices in their area of responsibility.</p> <ol style="list-style-type: none"> <li>1. Management and staff are familiar with, and competent in, the applications of the risk management framework.</li> <li>2. Managers, at all levels, will support and encourage staff in managing risks in the workplace, and in documenting risk so that appropriate audit trails are maintained.</li> <li>3. Managers, at all levels, must report identified risks.</li> <li>4. The Executive Director of Risk Management will provide management with advice on whether the <b>DCS Risk Management Plan</b> is operating efficiently, effectively and in accordance with the law, and promotes better practice wherever possible.</li> </ol>
<p><b>C. Measurement</b></p>	<ol style="list-style-type: none"> <li>1. Based upon management’s identification of different risks to DCS, thought must be given to the <b>likelihood</b> that these risks will be realized, and if so, the <b>significance/impact</b> that it will have. Once management has identified key risks, it is their responsibility to monitor and control these risks.</li> <li>2. The specific method used to identify risks is management’s careful consideration of factors unique to DCS. The Office of Risk Management will annually compile a <b>Risk Assessment Plan</b> to ascertain that control activities are present to manage risk.</li> <li>3. The <b>Risk Assessment Plan</b> uses subjective measures to determine the likelihood that risks will be realized, the significance/impact that it would have on DCS, and the strategies used to prevent or deter the risk from occurring.</li> </ol>
<p><b>D. Reviews and audits</b></p>	<ol style="list-style-type: none"> <li>1. Risk Management will review the effectiveness of the <b>Risk Assessment Plan</b> in assisting the department in managing the risks to which it is exposed. The impact of policy on departmental operations and performance will be gauged by how well the department has:</li> </ol>

	<ul style="list-style-type: none"> <li>a) Identified and minimized its risks;</li> <li>b) Contained the effects of any damaging incidents; and</li> <li>c) Achieved adequate and timely reporting.</li> </ul> <p>2. Risk Management will also establish a framework for assessing risk by collecting and analyzing the information supplied by management’s self-assessment to rank and validate risk priorities. This will be utilized to select audit/review engagements that will be communicated and approved by the management.</p> <p>3. Feedback on the implementation and the effectiveness of the plan will be obtained from departmental monitoring information, internal audits, and reviews.</p>
<b>E. Quarterly reporting</b>	<p>1. Designated management staff will forward quarterly reports to the Executive Director and the Deputy Commissioner of each division. The Executive Director and the Deputy Commissioner of each division will review and approve the Risk Assessment Matrix from the regions and submit the matrix by the 15<sup>th</sup> of the second month following each quarter (quarterly reports are submitted in accordance with the Federal Fiscal calendar: 1<sup>st</sup> Quarter due by February 15<sup>th</sup>; 2<sup>nd</sup> Quarter due by May 15<sup>th</sup>; 3<sup>rd</sup> Quarter due by August 15<sup>th</sup>; and 4<sup>th</sup> Quarter due November 15<sup>th</sup>) to Internal Audit.</p> <p>2. The Risk Management Matrix from each Division in Central Office will be submitted by the 15<sup>th</sup> day of the months following each quarter as listed above. Risk Management will provide a summary of planned progress to the Commissioner.</p> <p>3. The Deputy Commissioner for each division/unit will review quarterly reports with their respective divisions/units during their regularly scheduled meeting.</p>
<b>Forms:</b>	None
<b>Collateral documents:</b>	<p><i>DCS Risk Management Plan</i></p> <p><i>Risk Assessment Plan Matrix</i></p>
<b>Glossary:</b>	
<b>Term</b>	<b>Definition</b>
<b>Risk Management:</b>	<p>A systematic process of evaluating and reducing potential risks that may befall personnel, clients, an organization, or a facility. Risk management activities are directed toward reducing an organization's legal and financial exposure, especially to lawsuits.</p>