



Policy Title: Integrated Risk Management Policy

Policy Number: CC011

Report Number: AC2004-28

Approved by: City Council

Effective Date: 2004 July 6th

Business Unit: Corporate Initiatives, Chief Financial Officer's Department

BACKGROUND

Council adopted this policy to provide a more systematic and consistent approach to risk management at The City of Calgary.

PURPOSE

To embed a more proactive, corporate-wide and systematic approach to managing risks that impact The City of Calgary's ability to achieve its objectives.

APPLICABILITY

This policy applies to all employees reporting directly or indirectly to the City Manager.

POLICY

PRINCIPLES OF INTEGRATED RISK MANAGEMENT

Risk management is an essential component of good management.

- Better decisions are made when supported by a systematic approach to risk management.
- Risk management should be integrated into existing long term strategic and business planning as well as informed decision-making in the day-to-day management of activities.
- Risk management is consistently applied to the development and implementation of policy, programs, plans and future directions of The City of Calgary.
- The integration of risk management at The City of Calgary must be supported by a corporate philosophy and culture that encourages everyone to manage risks proactively and to communicate openly about risk. Significant risks should be disclosed when reporting to management, Council or Committee of Council.



DEFINITIONS

Risk – An event that impacts the achievement of objectives and deals with the uncertainty of events. It is measured in terms on consequence and likelihood.

Risk management – the process of identifying, analyzing, evaluating, mitigating, communicating and monitoring risks on objectives.

Integrated risk management – Integrated Risk Management is a continuous, proactive and systematic process to understand, manage and communicate risks from an organization wide perspective.

RESPONSIBILITY FOR RISK MANAGEMENT

- The City Manager is responsible for risk management throughout the Corporation of The City of Calgary and for the ensuring compliance with this Policy.
- All employees are responsible for managing risks within their respective areas.
- Roles and responsibilities are further defined in the Integrated Risk Management Procedures.

RISK TOLERANCE

- Risk tolerance is the level of risk acceptable to Council and senior management.
- All employees will operate within approved risk tolerance levels.

MANAGING RISKS

The City of Calgary will strive to manage risks in compliance with:

- Legislated requirements;
- City of Calgary values;
- This policy; and
- Tools, techniques and processes approved by senior management.
- Risks should be assigned to the person best able to manage the risk.



- All employees will actively attempt to identify and manage risks under their control to reduce the likelihood of risks occurring. If an employee does not have control over the occurrence of a risk, the employee will implement strategies to reduce the impact of the risk if it does occur.
- All risks should be managed using the Integrated Risk Management Framework approved by Council. The steps in this Framework include:
 - Assessing internal and external factors affecting risk
 - Assessing and clarifying corporate objectives
 - Identifying risks
 - Analyzing and evaluating risks
 - Accepting or mitigating risks
 - Monitoring and reporting on risks
 - Communicating risks and mitigation strategies to Council, Committee and senior management
- The Integrated Risk Management Procedures provide details on these steps.
- Risk management is an ongoing, iterative process and risk and mitigation strategies should be re-assessed at regular intervals.

REPORTING TO COUNCIL

- All presentations to Council or Committee must include disclosure of significant risks associated with alternatives presented and the recommended course of action. The common language and terms defined in the Integrated Risk Management Procedures should be used when presenting to Council, Committee and Senior Management.
- In some situations it may be appropriate to request that Council review the risks presented *in camera*. ***It is not acceptable to protect Council from bad news by concealing risks.***
- The Integrated Risk Management Procedures provide additional details on reporting tools and requirements.



EXCEPTIONS

- There are no exceptions to this policy without the express approval of Council.

PROCEDURE

COMPLIANCE WITH THE INTEGRATED RISK MANAGEMENT POLICY AND PROCEDURES

- All employees are expected to comply with the requirements of laws, regulations and Council Policies including this Policy. Failure to comply will be considered misconduct and can result in disciplinary measures up to and including dismissal.

AMENDMENTS

None