



CITY POLICY

POLICY NUMBER: C587

REFERENCE:

ADOPTED BY:

City Council
March 1, 2016

SUPERSEDES:

New

PREPARED BY: Financial Services and Utilities

DATE: February 19, 2016

TITLE: Enterprise Risk Management

Policy Statement:

The management of corporate risks through a formal enterprise risk management framework and process is key to the fulfillment of Edmonton City Council's goals for the City of Edmonton. City Council and the City Manager share the responsibility for creating a corporate culture and philosophy that encourages identification, evaluation, and reporting of corporate risks and risk mitigation strategies.

The purpose of this policy is to:

Establish roles and responsibilities for City Council and the City Manager to ensure that enterprise risks on an ongoing basis are proactively evaluated, communicated and managed in accordance with the requirements of this policy.

POLICY

1. The City Manager will develop a comprehensive ERM Framework that will be followed by the City's employees for the purpose of proactively, and on an ongoing basis, identifying, evaluating, managing, mitigating and reporting on enterprise risks associated with City business or strategic goals.
2. The City Manager will foster within the City's administration a culture and philosophy of the importance of enterprise risk identification, assessment, management and reporting based on:
 - a. systematic and consistent approaches to risk analysis;
 - b. holistic adoption of risk assessment principles and processes into short and long term operational, project and strategic business planning and day to day operations;
 - c. use of rigorous risk assessment tools, such as risk registers, to drive better business decisions; and



CITY POLICY

POLICY NUMBER: C587

AUTHORITY: City Manager

EFFECTIVE DATE: March 1, 2016

TITLE: Enterprise Risk Management

PAGE: Page 2 of 4

- d. open communication about risk with employees, Council, Standing Committees and the Audit Committee, as applicable.
3. The City Manager will provide tools and training for City employees to learn to identify, assess, manage and mitigate risks within their area of work, and to communicate about enterprise risk in an effective and efficient manner.
4. The City Manager is responsible for informing City Council, the Audit Committee, and any applicable Standing Committees in a full, forthright and timely manner of enterprise risks that could adversely impact the City's business or strategic goals, including emerging issues, even in relation to matters that lie within the City Manager's delegated or statutory authority.
5. The City Manager will provide for dedicated risk assessment sections in Council and committee reports that require a decision, and will prepare all necessary changes to bylaws, policies or processes for Council to receive enterprise risk information about emerging issues.
6. When reporting enterprise risks to Council, Standing Committees or the Audit Committee, the City Manager will provide:
 - a. the best information available in relation to the risk that is known or available at the time;
 - b. a summary of factors that could impact the risk assessment or mitigation strategies in relation to which complete information cannot be obtained;
 - c. in plain, concise and neutral language, the City Manager's assessment of the risk including:
 - i. likelihood of occurrence;
 - ii. impact of occurrence;
 - iii. available mitigation strategies,
 - iv. risks associated with not proceeding with the City Manager's recommendation(s); and
 - v. the City Manager's recommendation on how to manage the risk and in relation to mitigation strategies.



CITY POLICY

POLICY NUMBER: C587

AUTHORITY: City Manager

EFFECTIVE DATE: March 1, 2016

TITLE: Enterprise Risk Management

PAGE: Page 3 of 4

7. The City Manager will report to Council on enterprise risks in public, unless the meeting is closed for one of the reasons permitted or required by the Municipal Government Act.
8. The City Manager will be responsible for establishing risk tolerances in relation to matters that fall within the City Manager's delegated or statutory authority, and Council will, with input from Council's Standing Committees and Audit Committee, establish risk tolerances for City strategic goals and business that lie outside of the City Manager's authority.
9. The City Manager will, at least annually, report to Council through the Audit Committee or applicable Standing Committee on enterprise risk assessment associated with Council's strategic goals, in addition to regular and timely reporting on enterprise risk in relation to City business.



CITY POLICY

POLICY NUMBER: C587

AUTHORITY: City Manager

EFFECTIVE DATE: March 1, 2016

TITLE: Enterprise Risk Management

PAGE: Page 4 of 4

DEFINITIONS

“City” means the municipal corporation of the City of Edmonton continued under the Municipal Government Act;

“City business” means any City program, activity, policy, process, project or undertaking;

“City Manager” means the chief administrative officer of the City;

“City Council” means the governing body of the City;

“enterprise risk” means a risk that may adversely impact the achievement of an organization’s strategic, operational or project goals;

“ERM Framework” means a formal written policy that governs an organization’s management of enterprise risks that includes rules, processes and procedures for identification, assessment, management, mitigation and reporting of enterprise risk;

“Municipal Government Act” means the Municipal Government Act, RSA 2000, c M-26, as amended or replaced;

“risk tolerance” means the amount of risk an organization is willing to assume in order to achieve identified enterprise goals;

“Standing Committee” means the committees established by City Council in its Procedures and Committees Bylaw, Bylaw 12300;

“strategic goals” are City Council’s objectives for the City as stated in Council approved policies including the Ways;

“Ways” means City Council approved strategic plans including, but not limited to: The Way Ahead, The Way We Finance, The Way We Prosper, The Way We Move, The Way We Green, The Way We Live, and The Way We Grow.