

Policy Title: Integrated Risk Management Policy
Policy Number: CC011
Report Number: AC2004-28, AC2020-0022
Adopted by/Date: Council / 2004 July 06
Effective Date: 2004 July 06
Last Amended: 2020 February 03
Policy Owner: Corporate Initiatives, Chief Financial Officer's Department

1. POLICY STATEMENT

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

2. PURPOSE

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

2.2 Principles of Integrated Risk Management

Risk management is an essential component of good management.

- (a) Better decisions are made when supported by a systematic approach to risk management.
- (b) 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.
- (c) Risk management is consistently applied to the development and implementation of policy, programs, plans and future directions of The City.
- (d) The integration of risk management at The City must be supported by a corporate philosophy and culture that fosters risk awareness rather than risk avoidance and encourages everyone to manage risks proactively, and communicate openly about risk. Significant risks should be disclosed when reporting to City management, Council or Committee.

3. DEFINITIONS

- 3.1 In this Council policy:

- (a) "Integrated risk management" is a continuous, proactive and systematic process to understand, manage and communicate risks from an organization wide perspective.
- (b) "Risk" is the effect of uncertainty on the achievement of results. Risk is measured in terms of impact and likelihood and can be positive or negative.

- (c) “Risk appetite” is the level of risk that the organization is willing to accept to achieve its results.
- (d) “Risk management” is the process of identifying, analyzing, evaluating, treating, communicating and monitoring risks.
- (e) “Risk tolerance” is the amount of risk that the organization can assume without material impact on the achievement of results.

4. APPLICABILITY

- 4.1 This Council policy applies to Council when engaging in risk management activities at The City and all City employees.
- 4.2 This Council policy should be applied in conjunction with other Council and Administrative policies and standards related to risk management that are specific to The City, department or service.

5. PROCEDURE

5.1 Responsibility for Risk Management

- (a) Council and senior management are responsible for setting risk appetite and risk tolerance for the organization.
- (b) The City Manager is responsible for risk management throughout The City and for ensuring compliance of City employees with this Council policy.
- (c) All City employees are responsible for managing risks within their respective areas.
- (d) Administration defines the roles and responsibilities for risk management at The City.

5.2 Managing Risks

5.2.1 The City will strive to manage risks in compliance with:

- (a) Legislated requirements;
- (b) The City’s values;
- (c) This policy; and
- (d) Tools, techniques and processes approved by senior management at The City.

5.2.2 Risks should be assigned to the person best able to manage the risk.

5.2.3 All employees of The City will accept an appropriate level of risk defined by approved risk appetite levels.

- 5.2.4 All employees of The City will operate within approved risk tolerance levels.
- 5.2.5 All employees of The City will actively attempt to identify and manage risks under their control.
- 5.2.6 All risks are to be managed using the following steps:
 - (a) Establish the context
 - i. Assess and clarify corporate results
 - ii. Assess internal and external factors affecting risk
 - (b) Risk Assessment
 - i. Identify risks
 - ii. Analyze risks
 - iii. Evaluate risks
 - (c) Risk Treatment
 - i. Accept or manage risks (risk response strategies)
 - (d) Monitor and review risks
 - (e) Communicate and consult on risks
- 5.2.7 Risk management is an ongoing, iterative process and risks and risk response strategies should be re-assessed at regular intervals.

5.3 Reporting to Council

- 5.3.1 All presentations to Council or Committee must include disclosure of significant risks associated with alternatives presented and the recommended course of action.
- 5.3.2 City Administration develops risk reporting guidance and tools.

5.4 Exceptions

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

5.5 Compliance with the Integrated Risk Management Policy and Procedures

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

6. **AMENDMENT(S)**

Date of Council Decision	Report/By-Law	Description
2020 February 03	AC2020-0022	<p>Amendments were made to the Integrated Risk Management Policy (CC011) that:</p> <ol style="list-style-type: none"> 1. Reflect the opportunity to capitalize on risk (i.e. there is an upside as well as a downside to risk), which is consistent with Council's direction under the Citizen Priority of A Well-Run City "to create a culture that embraces the appropriate levels of risk"; 2. Include additional ways to manage risk beyond mitigation (i.e. it can be transferred, accepted, mitigated, avoided or embraced to capitalize on opportunities); 3. Align with the ISO 31000:2018 update to the international standard, which is the foundation of The City's Integrated Risk Management Model; and 4. Reflect related Council and Administrative policies and current practices.

7. **REVIEW(S)**

Date of Policy Owner's Review	Description
2021 June 30	Review with no changes needed