

Summary of Updates to Policy C587 Enterprise Risk Management

This is a summary of updates made to the existing 2016 Council Policy C587 Enterprise Risk Management. The update to the proposed policy C587A reflects the maturity and updates to the Enterprise Risk Management Framework as well as alignment to the new Corporate Policy Framework on best practices for policy development.

Administration is recommending significant amendments to Policy C587. As a result, the content and numbering of existing policy principles may not directly match the 2016 policy. The differences between the previous and proposed policy are presented in this table, in lieu of a redline version. Reference: [2016 Council Policy C587 Enterprise Risk Management](#).

Proposed	Existing	Rationale
Statement		
<p>The City of Edmonton identifies and anticipates risks to improve decision-making, strengthen resilience and create opportunities to innovate how services are delivered to Edmontonians.</p> <p>The purpose of this policy is to ensure the consistent application of the Enterprise Risk Management process to support the alignment of informed choices and prioritize actions to address risks, reduce downside impacts and elevate opportunities to reach corporate goals, objectives, strategy and service commitments.</p>	<p>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.</p>	<ul style="list-style-type: none"> • The update speaks more directly to the purpose, goals and outcomes expected from Enterprise Risk Management. • The previous statement was focused on the tactical establishment of an Enterprise Risk Management program, which has been implemented across the city and no longer reflects our state of maturity.
Guiding Principles		
<ul style="list-style-type: none"> • Effective Governance: Clear and consistent accountability to support the risk management culture in establishing priorities, delegation and roles for identifying and 	<p>The purpose of this policy is to:</p> <p>Establish roles and responsibilities for City Council and the City Manager to ensure that enterprise risks on an ongoing basis are proactively</p>	<ul style="list-style-type: none"> • The new guiding principles are more clear on establishing the intent and expectations of Enterprise Risk Management to achieve the desired outcomes and establish the spirit in which the work should be

<p>managing risks across the Corporation.</p> <ul style="list-style-type: none"> • Integration: Enterprise Risk Management is vital in strategic planning, budgeting and performance management and promotes data-driven strategic business decision-making to improve programs and services. • Meaningful Engagement: A commitment to develop and maintain processes for comprehensive research and input from subject matter experts, operational leaders and service providers in business units consistently and collaboratively. Enterprise risk management occurs with the best available information from various sources, including historical data, experience, stakeholder feedback, research, observation and forecasts. • Consistency In Execution: Application of a consistent process supported by the education, training and tools required for business units to identify, analyze and respond to risks effectively. • Effective Monitoring And Reporting: Analysis and results are regularly reported to leadership and Audit Committee annually to support a culture of risk management, 	<p>evaluated, communicated and managed in accordance with the requirements of this policy.</p> <p>POLICY</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> 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 d. open communication about risk with employees, Council, Standing Committees and the Audit Committee, as applicable. <p>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,</p>	<p>carried out by Administration.</p> <ul style="list-style-type: none"> • The previous purpose statement is focused on the implementation and launching of an Enterprise Risk Management process and sets out to articulate the specific activities required by roles and position titles. • Previously, all the activities were focused on the authority of the City Manager and prescriptive in nature. These procedural activities and the roles of all staff in managing risk are now updated and reflected in the Administrative Procedure and the Enterprise Risk Management Guide for city staff. This update reflects the ongoing process improvement and addition of industry best practice more practically and consistently. This also more clearly delegates accountability and responsibility across the organization beyond the sole duties of the City Manager.
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<p>communication and continuous improvement.</p>	<p>and to communicate about enterprise risk in an effective and efficient manner.</p> <p>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.</p> <p>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.</p> <p>6. When reporting enterprise risks to Council, Standing Committees or the Audit Committee, the City Manager will provide:</p> <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> i. likelihood of occurrence; 	
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	<p>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.</p> <p>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 <i>Municipal Government Act</i>.</p> <p>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.</p> <p>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.</p>	
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