



Municipal Risk Management

Register # **C-RM-020**

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Effective Date: January 9, 2017

Last Review: New

Future Review Date: 2021

Authority: Council

Responsibility: Corporate Services

References:

Replaces: Municipal Risk Management Policy – Resolution # 068/02/99/SP – Approved Feb 8, 1999

1.0 Purpose:

To outline the Town of Stony Plain's practice of risk management; proactively identifying positive or negative strategic, operational, hazard or financial exposures. Evaluate and mitigate the impact upon Town facilities, functions, programs and operations of exposures providing opportunity for innovative solutions.

2.0 Scope:

This Policy covers all aspects of the Town's Risk Management processes and procedures for all facets of the Town's operations including but not limited to Corporate Planning, infrastructure, facilities, operations, special and/or community events for all employees, Council and the community.

3.0 Objectives:

The objectives of this policy are:

- To define risk management concepts

- To ensure that the Town embraces Risk Management principles through a culture of risk awareness and all reasonably foreseeable risks are systematically identified, assessed and prioritized for appropriate treatment.
- To define the roles and responsibilities under the risk management program
- To empower and establish a Risk Management Committee(s)
- To establish the authority of the Town of Stony Plain Risk Management Procedures Manual as the guiding document(s) for the risk management process.
- To identify operational processes related to risk management
- To ensure Council and Administration are fully informed of risk exposures to confidently make informed strategic, financial and operational decisions

4.0 Statement:

The Town of Stony Plain shall preserve pride in heritage, amenities, property, infrastructure and operations while demonstrating excellence in service, stewardship and good governance through a comprehensive risk management process. The Risk Management process enhances a culture of risk awareness towards the potential of both positive and negative outcomes of a given risk exposure.

Formalizing the risk management program across the organization provides the means to be better stewards of the Town’s resources in pursuit of the goals and objectives in service to residents. The risk management program enhances the decision making process, creates opportunity for innovation and to prepare for the inherent risks the municipality faces in sustaining the operations, programs, facilities, amenities and services provided to stakeholders.

This policy, in conjunction with, the Town of Stony Plain Risk Management Procedure Manual shall provide direction to the risk management process for the municipality.

5.0 Standards:

5.1 Definitions:

Risk Committee: Ongoing committee(s) which will create the parameters of a new risk management program and manual for the Town of Stony Plain to develop risk tolerance and appetite levels for analyzing identified risks and developing mitigation strategies as defined in the Risk Management Procedure Manual.

- Risk Tolerance** The willingness of an entity to accept a specific level of risk in order to receive a future benefit for each risk category: Financial, Operational, Strategic and Hazard
- Risk Appetite** The amount of risk a municipality is willing to absorb for the returns it expects to gain. Must be measurable and within the Town’s capacity.
- Risk Awareness** The knowledge achieved through the continual scanning of the environment for the identification, mitigation and open communication of risk exposures establishing accountability and responsibility through all levels of staff within all functional areas of the organization and the public.
- Risk Management** The process of identifying financial, operational, hazard and strategic risks; evaluating the threat of identified risks and the likelihood of them happening; developing the framework and strategies to manage the risks in line with tolerances and appetite established and to continually monitor these and emerging risks as the physical, social and political environment and influences change.

5.2 Roles and Responsibilities

Council and Administration in community with residents and visitors are to take responsibility for being risk aware during planning and participation in activities and events including the use of public facilities, amenities and infrastructure.

Senior Leadership Team is empowered to establish the risk committee(s) and ensure the risk management process is carried out.

The Procurement & Assurance Coordinator and Risk Committee(s) are empowered to:

- Identify and analyze potential risks and opportunities in Corporate Planning, policy formulation or organizational decision processes
- Develop a risk tolerance benchmark to determine the threshold of risk acceptance to risk avoidance in alignment with corporate goals and objectives
- Develop risk mitigation and financing strategies to be in line with the established risk appetite and capabilities of the Town
- Develop the documentation process including risk analysis, risk mapping, risk registers and any other guide or document to monitor the effectiveness of the program

Every Employee is responsible to:

- Bring awareness of exposures to accidental loss through the risks inherent to contracts, procurement solicitation, programs or activities, special events, infrastructure and facilities.
- Implement the risk management strategies approved by the risk committee

5.3 Process and Detail specific to the policy

The Risk Management Procedures Manual defines all of the processes, guides, definitions and responsibilities to fulfill this Municipal Risk Management Policy.

Despite the best efforts losses may occur, however, these losses should not be due to neglect. The Town's risk management process must support the mitigation of these losses through the most cost effective balance of risk financing, assessment and treatment principles and practices as follows:

- properly document and track incidents or complaints through to resolution
- mitigate losses through the use of financial tools such as insurance or contractually through indemnification
- develop contingency plans and mapping of possible loss scenarios to apply priority ranking for Corporate Planning

5.4 Reporting

- Council agenda items are to include risk contemplation for analysis of risk implications
- Corporate Planning templates are to incorporate summary of risk analysis

6.0 Policy Review:

This policy shall be reviewed by Administration every four years with any changes being recommended to Council for approval.