



Risk Planning

ABOUT RISK

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The three elements of an integrated risk management process are:

- Strategic Planning and Risk: identifying, analyzing and assessing risks and opportunities
- Risk Management Processes: designing and implementing strategies for managing risks
- Risk Monitoring and Reporting: implementing processes to monitor and communicate risks.

“Enterprise Risk Management” is a term used to describe an approach in large organizations that sees every part of the organization as responsible for managing risks in its own area of activity using processes and guidance provided by a centralized risk management coordinator. In small municipalities the CAO would be responsible.

The four basic choices of risk management strategy are

- Avoiding risk by choosing not to undertake certain types of activity
- Transferring risk to third parties through insurance, outsourcing, etc.
- Mitigating risk through preventive and detective control measures
- Accepting risk, recognizing the benefits of doing so outweigh the costs of transfer or mitigation.

STRATEGIC PLANNING AND RISK

1. How do we integrate risk management with the municipality’s strategic direction and plan?
2. What does “risk” mean in our municipality?
3. Are we taking the right amount of risk? How do we decide that?
4. How effective is our process for identifying, assessing and managing risks?
5. Do people in this municipality have a common understanding of the term “risk”?

RISK MANAGEMENT PROCESSES

6. How do we ensure that risk management is an integral part of the planning and day-to-day operations of individual departments/organizational units?
7. How do we ensure that Council's expectations for risk management are communicated to and followed by the employees of our municipality?
8. How do we ensure that our Chief Administrative Officer, managers and employees act in the best interests of our municipality?
9. How is risk management coordinated across our municipal organization?

RISK MONITORING AND REPORTING

10. How do we ensure that the organization is performing according to the business plan and within appropriate risk limits?
11. How do we monitor and evaluate changes in the external environment and their impact on the municipality's strategy and risk management processes?
12. What information about risks facing the municipality does Council get to help it fulfill its stewardship and governance responsibilities?
13. How do we know that information Council gets on risk management is accurate and reliable?
14. How do we decide what information on risks we should publish?
15. How do we take advantage of the organizational learning that results from the risk management program and activities?

COUNCIL EFFECTIVENESS

16. What are our priorities as a Council in the oversight of risk management?
17. How does Council handle its responsibility for the oversight of opportunities and risks?
18. How does Council ensure that at least some of its members have the requisite knowledge and experience in risk?
19. How do we, as a Council, help establish the "tone at the top" that reinforces the municipality's values and promotes a "risk aware culture"?
20. How satisfied are we that Council is doing what it should in overseeing risk?