City of Burlington

Corporate Policy

General

Enterprise Risk Governance and Management Policy

Approved by Council on: December 14, 2020

Report Number: CM-34-20

Effective: December 14, 2020

Reviewed on: MMMM d, yyyy

Amended: MMMM d, yyyy

Next Review: December 14, 2022

Note: Replaces Enterprise Risk Management Policy, As amended Feb. 20, 2018

Mission Statement:

The City of Burlington is committed to establishing enterprise risk management (ERM) systems and processes to ensure its strategic goals and corporate governance responsibilities are met. This policy recognizes that risk management is integral to good management practice and effective corporate governance and is necessary to ensure decisions are made with sufficient information about risks and opportunities.

Policy Statement:

The purpose of this policy is to describe the City of Burlington's enterprise risk governance and management philosophy and the processes and practices that are in place to identify, communicate, and manage risks across the organization. The policy also ensures that responsibilities have been appropriately delegated for risk management.

The City of Burlington will manage risks giving consideration to:

- Our employee values
- City of Burlington's Strategic Plan 2015-2040
- Philosophy and culture of innovation
- Legislative requirements
- And this policy.

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Scope:

This policy applies to all Council and employees of The City of Burlington in all parts of the organization.

Objectives:

• Establish a consistent and systematic approach to identify, assess, mitigate, monitor, and report on strategic, business, project, and operational risks.
• Establish a clear understanding of Council and employee risk management roles and responsibilities including decision making.
• Establish a framework that encourages and supports innovation and assists management in making appropriate decisions.
• Encourage Council and employees to communicate openly about risk.
• Provide Council and employees with appropriate risk management education and training in order to understand and manage risk.
• Provide policies and procedures to guide Council and employee actions relating to specific risks within our organization.

Principles:

City of Burlington's Risk Governance Vision:

The City of Burlington will be a Municipal leader in Risk Governance.

Risk Tolerance:
The City delivers a diverse range of services to its residents and community. To provide these services, the City must accept some level of risk. The City therefore is willing to accept and take on some risk to support innovation, develop creative service delivery solutions and in the pursuit or efficiency and effectiveness. The City may sometimes decide to limit and even avoid certain risks. The risk tolerance levels will be assessed and determined on a case by case basis, while encouraging and supporting the overall goals of entrepreneurship, effective management and innovation.

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Responsibilities:

Burlington City Council: Council is responsible for overseeing the complete risk governance function for the City. They establish overarching strategic goals, approve our city budgets and have oversight of, and approve, our organization wide risk governance framework and our strategic vision. Risk decision-making authority within policy parameters.

Audit Committee: Audit Committee provides oversight of our risk management program on behalf of council. They are responsible for our internal control system, including the ERM process. Risk decision-making authority within policy parameters

Strategy and Risk Team (SRT): SRT endorses our risk governance framework and policies, sets Enterprise Risk Management expectations, strategies and accountability. It reports on the effectiveness of risk management to Council. Risk decision-making authority within policy parameters.

Executive Director of Strategy Risk and Accountability: The ED is responsible for coordinating the development of the organization's overall risk management framework, including the policies, standards and procedures, organizational arrangements, and reporting requirements to Council, Audit Committee, and SRT.

Burlington Leadership Team (BLT): BLT promotes the importance of risk management within the city, assists with establishing clear expectations of staff in regards to risk. Risk decision-making authority within policy parameters.

Manager Risk Governance: Risk Governance Manager reports regularly to management and Council on risk, facilitates risk practices across organization, provides tools, templates, information and materials, coaching and guidance.

Risk Owners: Risk Owners utilize the policies and the tools, templates and materials to assess, monitor and report on risk in their business plans, projects and activities. Risk decision-making authority within policy parameters. This includes:

– Maintaining documented risk identification, assessment, and reporting processes to support this policy.
– Regular and timely reporting on the outcomes of the ERM process.
– Appropriate input to the Strategy & Risk Team.
– Dedication of appropriate resources to risk management activities.

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Internal Audit: Internal Audit remains independent of the ERM process and provides independent assurance on the adequacy of the risk management arrangements in place.

Risk Champions/Liaisons: Risk Champions/Liaisons work with the ERM function to provide regular updates on emerging risks to the business. They also share relevant risks with leaders within their business units.

The Risk Management Process:

The ERM Process shall be directly linked to the organization's strategic planning and other risk management activities.

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Risks shall be managed at all levels of the organization. The formal ERM process is focused on identifying those risks that pose the greatest threat to the organization's ability to achieve its mission and objectives. The ERM process shall be integrated with other internal risk assessments (e.g., internal audit, fraud, Insurance, compliance). Specific findings from various risk assessments will provide input into the overall enterprise risk profile.

The process includes: Risk identification, Risk assessment, Risk mitigation, Risk monitoring and Risk reporting

Risk Management Framework:

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The ERM process and framework at City of Burlington will be based on our own internally developed framework, based on Enterprise Risk Management: Integrating with Strategy and Performance from COSO, June 2017.

References:

Enterprise Risk Management: Integrating with Strategy and Performance from COSO, June 2017

Roles:

Accountable:

The Executive Director of Strategy, Risk and Accountability is accountable for this policy.

Responsible:

The Corporate Strategy and Risk Manager is responsible for this policy. This policy will be reviewed and amended every 2 years to adapt to the organization's changing risk management needs.

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