

	<b>Corporate Policy Guide</b>		
	<b>Risk Management Policy</b>		
<b>Section:</b>	Risk Management		
<b>Policy Number:</b>	RM-001		
<b>Authorized by:</b>	Council		
<b>Effective Date:</b>	March 28, 2023	<b>Revision Date:</b>	

**1. Background**

1.1 The Village of Salmo is committed to achieving sound Risk Management practices and establishing an organizational culture that ensures an effective and integrated Risk Management approach is embedded in all activities and business processes.

1.2 Risks are an everyday occurrence that have the potential to impact the Village’s ability to meet its objectives. The Village recognises that while many risks cannot be eliminated they can be identified, controlled and managed to an acceptable level.

1.3 The Village acknowledges its responsibility to effectively manage risks in all areas of its business activities. The Village will evaluate potential risks as part of its administrative, business and operational processes.

1.4 The Village will ensure that, as far as reasonably practicable, the organization’s operations do not place people, property, or the environment at unacceptable levels of risk or harm.

1.5 The approach for managing risk within the Village will be guided by the ISO 31000:2018 Risk Management – Principles and Guidelines.

1.6 The appropriate level of resources will be provided to ensure that Risk Management initiatives are implemented.

**2. Objective**

2.1 The core objectives of this policy are to ensure:

- (a) Council and staff can make informed decisions based on appropriate risk assessments;
- (b) risks are identified, prioritised and managed in a coordinated manner;
- (c) strategic planning processes are improved through a structured consideration of risk;
- (d) the Village’s resources are safeguarded (e.g. people, finance, property and reputation);
- (e) the Village minimizes exposure to loss:
  - i. to prevent loss by identifying loss exposures, implementing techniques to reduce the chance of loss, monitoring the success of those techniques, and adapting them to changing conditions;
  - ii. to avoid exposures to accidental loss by not undertaking by function or contact, programs or activities which present a potential for accidental loss greater than the benefit to be derived from such program or activity; and
  - iii. to control losses when they do occur.

### **3. Policy**

3.1 It is the policy of the Village of Salmo that all management implement a Risk Management Framework that provides an effective process for the identification, analysis and management of both negative and positive impacts on the Village. This will support and safeguard the Village's assets, infrastructure, people, finances and reputation.

3.2 The Village is committed to continuously improving its practices to benefit the community and minimize costs associated with risk whilst ensuring service standards are maintained.

3.3 The Village of Salmo acknowledges that Risk Management is essential for sound strategic, financial and operational planning, the achievement of Council's objectives as well as the health and safety of its employees and the public. It is vital to the ability to pursue our goals, commence and operate our programs, and to perform duties in a manner which will be recognized as professional by those we serve.

3.4 The Village requires the development and provision of an effective Risk Management Framework and process to mitigate potential risks and to better realize opportunities present in the Village's operations.

3.5 The Village of Salmo is committed to:

- (a) ensuring that, as far as reasonably practicable, their operations do not place people, property, or the environment at unacceptable levels of risk or harm;
- (b) the protection of the organization and its employees, contractors, assets and the community against reasonably foreseeable risks;
- (c) promoting and supporting Risk Management practices and encouraging all employees and the public to utilize their expertise to suggest ways of improving Risk Management practices in our community;
- (d) providing the appropriate level of resources to ensure that Risk Management initiatives are implemented;
- (e) co-operating with, and providing input to, the Municipal Insurance Association of BC to achieve the common goal of reducing accidental losses and their resulting costs for all subscribers; and
- (f) ensuring compliance with legislative requirements and current industry standards.

3.6 This policy supports Council's strategic priorities.

### **4. Roles and Responsibilities**

4.1 Council is responsible for:

- (a) ensuring that strategic Village planning and organizational operations are managed within an effective Risk Management Framework; and
- (b) ensuring that there are adequate budgetary provisions for the implementation and maintenance of this policy.

4.2 The Chief Administrative Officer is responsible for:

- (a) overseeing the development, facilitation and implementation of a strong Risk Management culture and framework (policies and processes) across the organization;
- (b) ensuring that accountabilities for managing risks are clearly defined;
- (c) ensuring that Strategic Risks are regularly reviewed; and



- (d) raising awareness and leads the culture of managing risk responsibly across the organization.
- 4.3 All staff will apply Risk Management practices in their business activities. This involves:
- (a) systematically identifying, analysing, evaluating and treating risks;
  - (b) maintaining awareness of current and potential risks that relate to areas of responsibility;
  - (c) regularly reviewing and monitoring Risk Management practices and treatments;
  - (d) ensuring Risk Management reporting is appropriately undertaken; and
  - (e) advising of any risk issues believed to require attention, such as property exposures for potential loss or damage and community risk.

## 5. **Definitions:**

The following definitions apply to this policy:

- (a) “**risk**” means the effect of uncertainty on the achievement of objectives. An effect is a deviation from the expected and can be either positive or negative;
- (b) “**Risk Management**” means the process and coordinated activities to direct and control the organization with regard to risk;
- (c) “**Risk Management Framework**” means the set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving Risk Management throughout the organization;
- (d) “**Risk Management Policy**” mean this statement of overall intention and direction of the Village relating to Risk Management;
- (e) “**Strategic Risk**” means the risks that will prevent the Village from meeting the objectives outlined in the Council Strategic Plan; and
- (f) “**Village**” or “**Village of Salmo**” means The Corporation of the Village of Salmo.

## 6. **Implementation and Monitoring**

6.1 To effectively implement this policy, the Village will develop and maintain a Risk Management Framework. The objective of the framework is to provide a readily accessible, user friendly and comprehensive document that enables the Village to:

- (a) respond to the objectives in the strategic plan;
- (b) embed a commitment to the Risk Management Framework;
- (c) document accountability for the management and reporting of risks; and
- (d) support a consistent Risk Management practice aligned to the standards in this policy.

6.2 The Risk Management Framework will be developed to support the delivery of the strategic objectives detailed in the strategic plan.

6.3 **Accountabilities** - Under the direction of Mayor and Council, the Chief Administrative Officer is responsible for ensuring that the Risk Management Policy is implemented.

## **Revision History**

Approved at meeting #06, 2023, Resolution #R11-06-23

