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Repealed:	

1.1.6 RISK MANAGEMENT AND AUDIT

It is the responsibility of the Edmonton Police Commission to ensure that all significant risks facing the Edmonton Police Service are effectively managed. Risk refers to those conditions, events and developments that may affect the Service's ability to achieve its goals. In conjunction with the Chief of Police, the Commission will regularly assess strategic risks, prioritize them and incorporate necessary mitigation strategies into its long-term planning, its overall assessment of the evaluation of the Chief, and its overall interaction with the community and the Council in terms of funding.

Procedures:

In order to successfully integrate risk management into policies, strategic planning and oversight of the performance of the Edmonton Police Service, the Commission will:

1. Adopt a standard diagnostic tool for identifying and assessing strategic risks.
2. Engage in an annual review of risk management using this tool, based on a scan of community issues that can involve:
 - a. advice from the Chief;
 - b. input from municipal and regional officials;
 - c. public input through open meetings or focus groups; and,
 - d. Commission meetings.
3. Annually prepare a general statement on strategic risks facing the Service and how they are to be addressed in planning, resourcing, auditing, performance tracking and policy. This statement will be incorporated into the Strategic Plan of the Service.
4. Annually review the Service's risk profile and ensure that mitigation strategies are in place. The Service will provide the Commission with regular performance reports of the identified risk mitigation strategies. These reports should verify that the assessments remain at the level identified, raising and lowering the inherent risks as deemed necessary.
5. Require the Chief to provide an audit plan that assesses those risks within the organization whose priority merits an audit review.
6. Review any policies for which significant risks have been identified.
7. Review, subsequent to the approval of strategic plans for the Police Service, those performance measures and indicators that will monitor high risk areas.
8. Ensure that the performance evaluations objectives of the Chief address high risk areas identified in the exercise that are part of the Chief's responsibility.

Definition – Risk Management is the process used to identify, assess, manage and control potential events or situations and to provide reasonable assurance regarding the achievement of the organization’s objectives. Risk in this policy refers to all those social, economic, organizational and human elements both within the Service and the community it serves that would affect the achievement of the Service’s approved mission, goals, objectives and activities.

References:

1. Appendix B – *Risk Management and Audit.*

**APPENDIX B – RISK MANAGEMENT AND
AUDIT**

RISK MANAGEMENT AND AUDIT

Without limiting the actions of the Commission, the following are considered to be sound practices in ensuring effective risk management:

1. **Periodic Risk Identification and Assessment** – In conjunction with the Commission strategic planning process, a systematic effort that identifies and weighs the types of risks that the Service may face in achieving its objectives is required. This can be financial, performance-based, demographic or technological, to name some examples. In identifying such risks, each would be assigned a weight in terms of the severity of the risk, the likelihood of its occurrence and the potential impact on the organizational capacity of the Service to meet its objectives.
2. **Incorporation of Risk into Strategic Planning** – In a section of the Service’s strategic plan, the risk identification and assessment, weighting and mitigation strategies need to be outlined as a risk management plan. Such information would be public and available to all users. It is important to matters such as financial planning, infrastructure planning, personnel and succession planning, and the audit program of the Service.
3. **Incorporation of Risk Priorities into the Evaluation of the Chief** – The high-risk issues involving the operational leadership of the Chief need to be incorporated into his or her performance contract. There should be an agreement between the Commission and the Chief on this risk profile and the mitigation strategy needed to deal with it. There would also have to be a mutual understanding of the relative weighting of the risk and how to measure success.
4. **Incorporation in the Audit Plan for the Service** – The Commission will want to ensure that the audit plan for the Service be risk-based. To that end, an audit plan should be prepared by the Chief and the auditing entity based on overall risk assessment in addition to the need to periodically ensure compliance in such areas as finance, personnel and relevant performance standards in policing (e.g. provincial standards) and municipal operations.

Approaches to measurement of the Commission’s performance in regard to risk management include:

1. annual environmental risk assessment as part of strategic planning;
2. quarterly reviews of outstanding high priority risk areas;
3. inclusion of risk assessments, prioritization and mitigation strategies as part of the Service Strategic Plan; and,
4. inclusion of priority risk areas in the Chief’s performance objectives and evaluation process.