

LEGISLATIVE ASSEMBLY OF BRITISH COLUMBIA
POLICY MANUAL

SECTION	Financial Management and Administration
POLICY	3300 – Risk Management

Objective To ensure implementation of an appropriate risk management accountability mechanism and to outline the framework for identifying and managing operational risks at the Legislative Assembly. This includes financial, reputational, technological, health and safety, business continuity, personnel, governance, policy and processes, and security risks. The Legislative Assembly’s risk management framework does not include political risks.

Authority Legislative Assembly organizational policies are approved by the Legislative Assembly Management Committee, as per *Policy 1000 – Legislative Assembly Policy Framework*.

Key Definitions **“Enterprise Risk Management program”** means the coordinated and systematic ongoing application of risk management across all parts of the Legislative Assembly, which flows from strategic planning to service delivery;

“Legislative Assembly management” means the Clerk of the Legislative Assembly and Legislative Assembly employees holding an executive or director-level position;

“risk” means any event or action that may adversely affect the Legislative Assembly’s ability to achieve its strategic and operational priorities;

“risk management” means the establishment of procedures and management systems to identify, assess, validate, mitigate, and monitor risks to the organization in such a way as to eliminate them, effectively reduce their impact, or be prepared to respond to them;

“Subcommittee on Finance and Audit” refers to the subcommittee of the same name struck by the Legislative Assembly Management Committee.

- 1. General**
- .01 Oversight of the Legislative Assembly’s Enterprise Risk Management program rests with the Subcommittee on Finance and Audit.
 - .02 It is the responsibility of Legislative Assembly management to analyze and manage risks within their respective areas of oversight in an integrated and coordinated fashion. This includes identifying, analyzing and prioritizing risks; and developing cost-effective mitigating strategies, implementing them, evaluating progress, reporting on progress and re-evaluating risk exposure in an integrated and coordinated fashion.

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- .03 Legislative Assembly management shares a collective responsibility to develop a culture that is risk-aware and to pursue opportunities that further the Legislative Assembly’s strategic and operational priorities while effectively managing risks that have the potential to adversely impact the institution. The guiding approach is that an appropriate balance must be struck between managing hazards and pursuing strategic opportunities.
- .04 Management of the Enterprise Risk Management program rests with the Executive Financial Officer, subject to any direction of the Subcommittee on Finance and Audit. The Executive Financial Officer is responsible for ensuring that Legislative Assembly management is familiar with the principles of risk management and appropriately manages risks within their areas of responsibility, and for escalating the management of those risks as may be appropriate.
- .05 The Legislative Assembly determines the appropriate level of acceptable risk based on a balanced view of risk, considering both the threat of adverse impacts and the opportunities that arise from properly managed risk.

2. Risk Assessment and Management

- .01 The Legislative Assembly’s approach to risk management shall be guided by public sector guidelines as well as internationally-accepted risk management standards and processes such as the CAN CSA/ISO 31000 – Risk Management Principles and Guidelines Standard.
- .02 Legislative Assembly management shall undertake an annual risk assessment process in accordance with the Enterprise Risk Management program, which establishes and confirms consistent and compatible risk management standards, processes and practices across Legislative Assembly departments.
- .03 The Executive Financial Officer shall maintain a risk register which records identified risks across the organization, ranked in order of priority, their likelihood of occurrence, the nature and seriousness of consequence, and the management plans to eliminate or mitigate them, along with deliverables and timelines for implementing the management plans.

3. Reporting

- .01 The Executive Financial Officer shall submit a report consisting of the following to the Subcommittee on Finance and Audit annually or at other intervals as requested by the Subcommittee:

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- a. identified risks (nature, consequence and impact);
- b. priority of risks;
- c. mitigation strategies and timelines for implementation;
- d. an evaluation of the progress of the actions implemented;
and
- e. re-evaluation of risk exposure, if applicable.

Contact Questions regarding this policy may be directed to the Office of the Executive Financial Officer at FinancialServices@leg.bc.ca.

Procedures *Risk Register Template*
Likelihood and Consequences Matrix

Approved and authorized by the Legislative Assembly Management Committee on June 16, 2020.

POLICY HISTORY

Version 1	May 7, 2019
Version 2	June 16, 2020