



ITS 835

Chapter 15

Embedding ERM into Strategic Planning at the City of
Edmonton

Enterprise Risk Management

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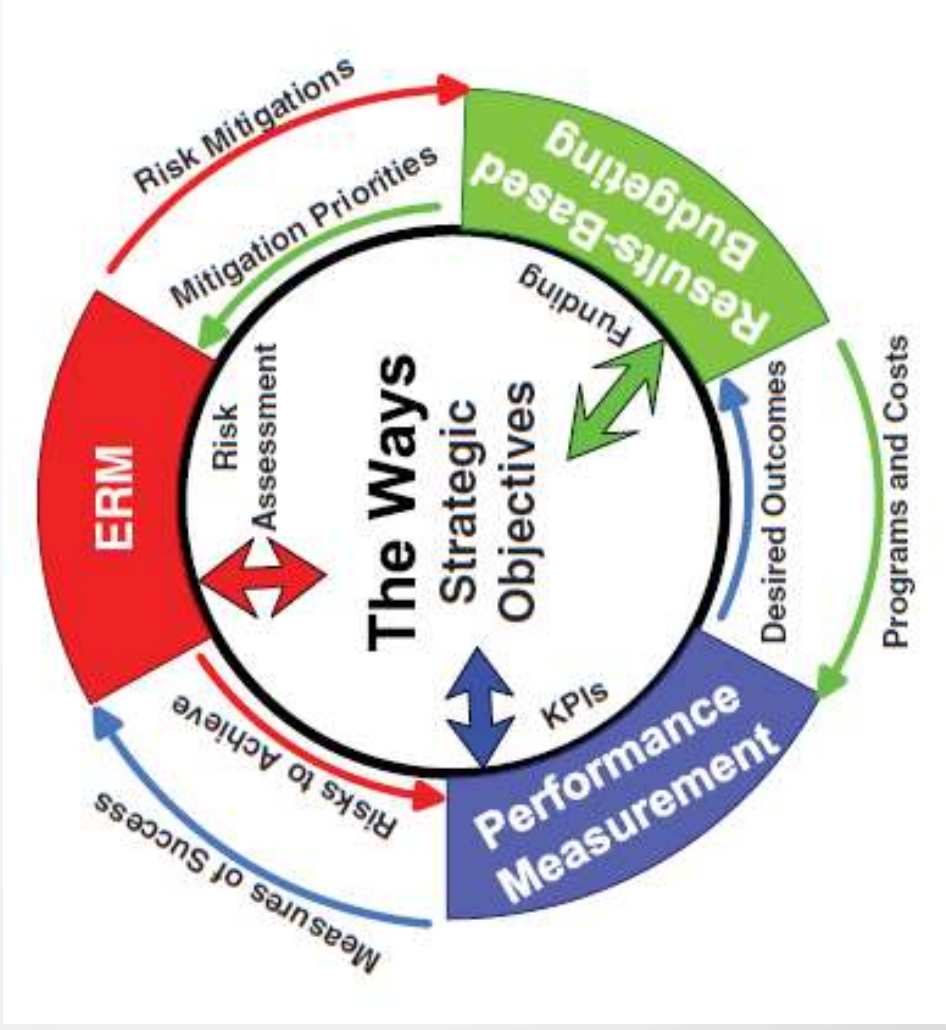
Introduction

- Edmonton – Past and present ERM
- Links to strategic plan and to other strategic tools
- Selecting and testing tools and framework
- Recommended strategic ERM approach
- Lessons learned

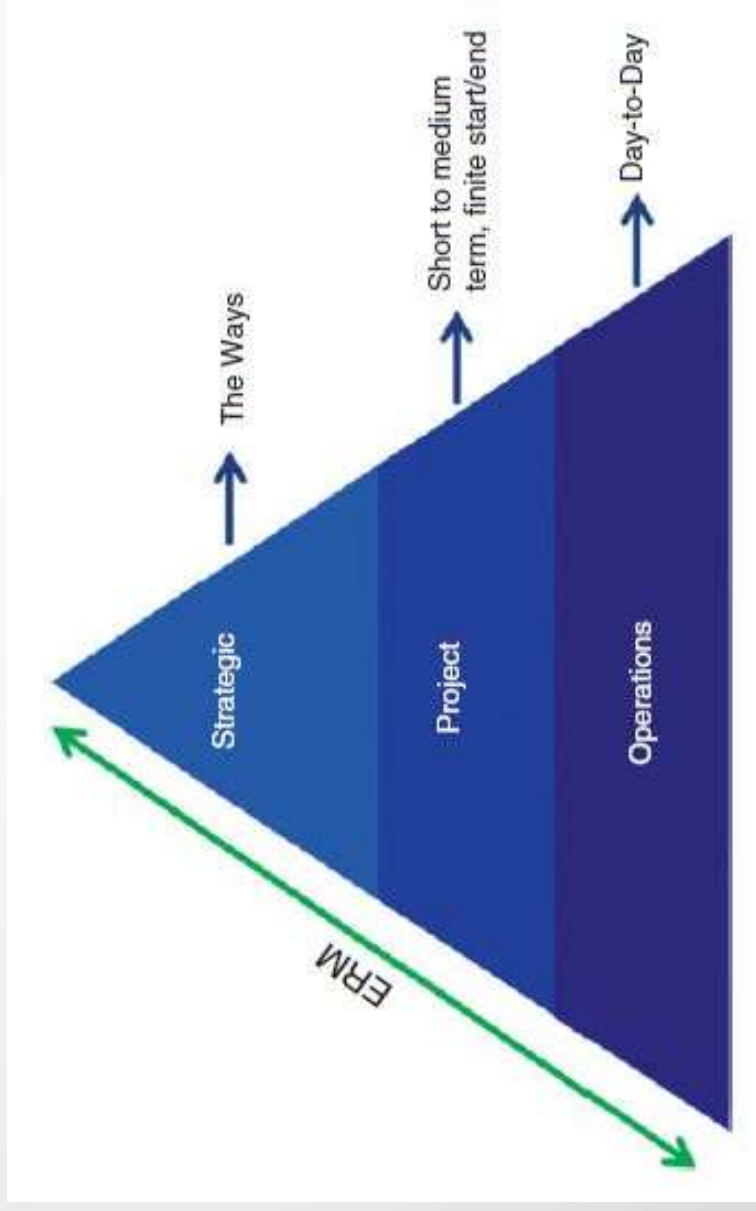
Edmonton – Past and Present ERM

- Edmonton – Capital of Alberta, Canada
 - Over 800,00 population
- ERM piloted in 2005
- CORPORATE Business Risk Planning (CBRP) model
 - Not fully implemented
 - Based on COSO
- Adopted strategic plan
 - *The Way Ahead*
 - Strategic ERM

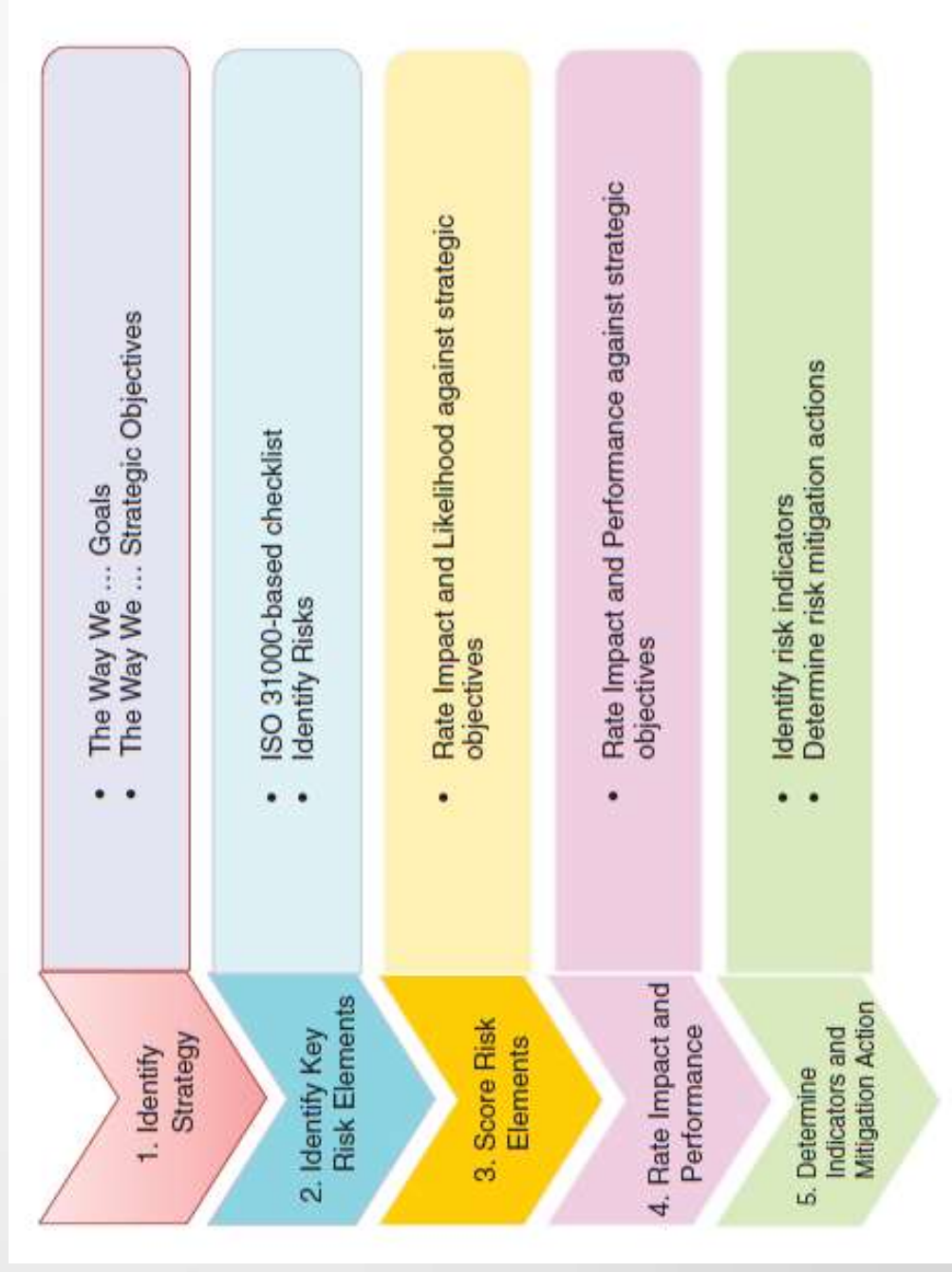
Links to Strategic Plan



Selecting and Testing Tools and Framework



Selecting and Testing Tools and Framework



Strategic Goals and Objectives

THE WAY WE LIVE		STRATEGIC OBJECTIVE		
		1.1	1.2	1.3
		Vibrant Communities Using Public Spaces	Create Connections Using Infrastructure	Integrate Transit with Local Hubs
		A	B	
GOALS	Wgt	5	5	5
Vibrant, Connected, Engaged, Welcoming	21	5	5	5
Celebrates Life	12	4	1	2
Caring, Inclusive, Affordable	24	4	3	5
Safe City	19	2	1	1
Attractive City	10	2	2	1
Sustainable City	14	3	4	4
	100.0	C 4	3	4

Risks and Strategic Objectives

		1		2		3	
		Reduced Revenue	Major Event Competition from other Municipalities	Population Increase—Increased Demand			
		2	3	5			
The Way We Live		Likelihood					
Pilot Risk Scorecard		D					
Risk Matrix							
Reference	Likelihood						
Strategic Objectives							
1.1	Vibrant Communities Using Public Space	H	1	2			
1.2	Create Connections Using Infrastructure	M	1	2			
1.3	Integrate Transit with Local Hubs	H	1	2			
1.4	Connect Communities to Services	M	1	2			
1.5	Connect Citizens to City's History	L	1	1			
1.6	Connect Citizens to Their Leadership	L	1	1			
2.1	Promote Healthy Living	L	1	2			
2.2	Provide Well-Being with Public Spaces	H	1	2			
2.3	Vibrant Cultural Community	L	1	1			
2.4	Vibrant, Diverse Sports Sector	M	2	1			
2.5	Promotes Celebrations and Festivals	M	1	1			
2.6	Host Major Events	L	4	1			
3.1	Caring and Inclusive Society	H	1	1			
3.2	Care for Vulnerable Citizens	H	1	2			
3.3	Reduce Barriers for Residents	H	1	2			
3.4	Creating a Caring Community	L	1	2			
4.1	Citizens Enjoy Safety and Security	M	1	3			
4.2	Shared Responsibility for Social Order	M	1	2			
4.3	Protect Public Health	M	1	3			
4.4	Emergency Response	M	1	3			
5.1	Attractive Design	L	1	1			
5.2	Showcase Vibrant Special Districts	M	1	1			
5.3	Showcase Green Spaces	M	1	1			
5.4	Preserve Neighborhood Character and History	L	1	1			
5.5	Keep Edmonton Clean	H	1	1			
6.1	Socially Sustainable	H	1	3			
6.2	Environmentally Sustainable	H	1	1			
6.3	Economically Sustainable	M	1	1			
6.4	Fiscally Sustainable People Services	L	1	1			

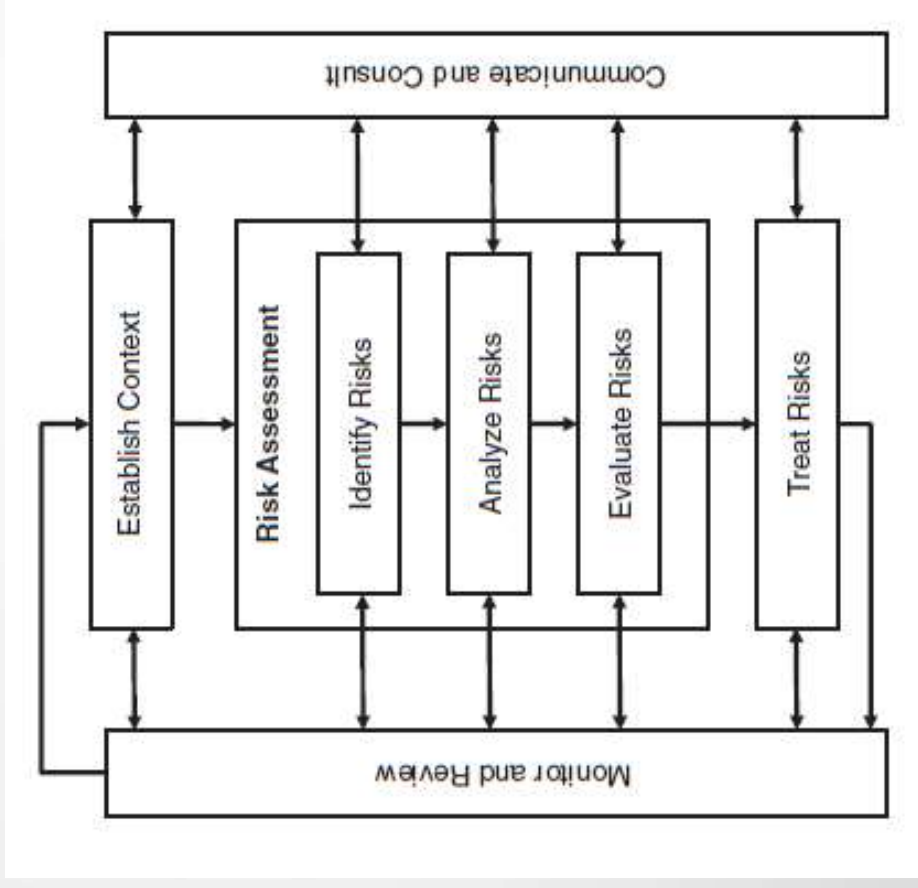
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Likelihood
 1 Rare
 2 Unlikely
 3 Possible
 4 Likely
 5 Almost Certain

E

Impact
 1 Insignificant
 2 Minor
 3 Moderate
 4 Major
 5 Catastrophic

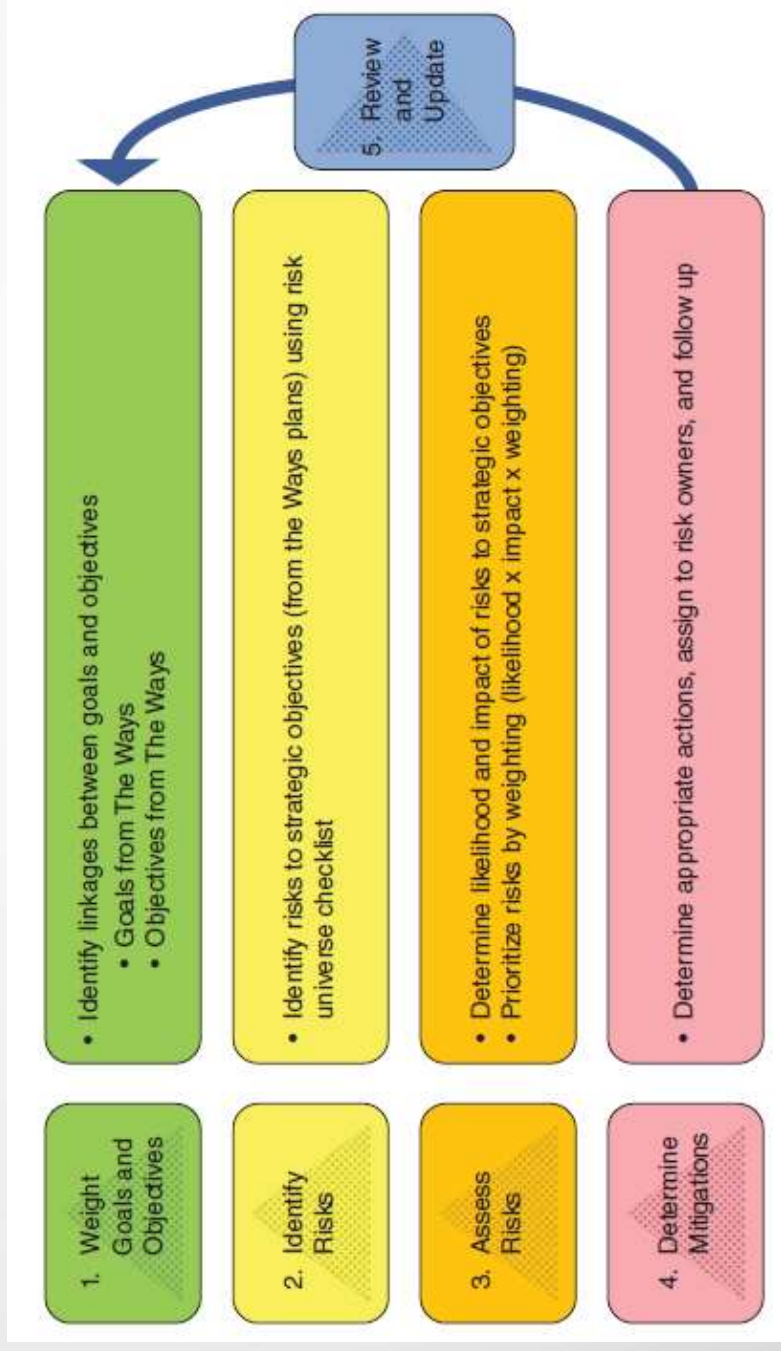
ISO 31000 Risk Management



PM² versus ISO 31000

PM ² RISK SCORECARD	ISO 31000
PROS	PROS
Strong weighting method	Simpler to implement
Includes programs and initiatives	Robust global standard
Powerful tool	Required for Enviso
CONS	CONS
Part of a larger process	No programs and initiatives
Complex—hard to implement	No direct tie to other processes
Mitigation process hard to implement	

Proposed ERM Framework



Lessons Learned

- Key success factors
 - Senior management buy-in
 - Culture of innovation
 - Consistency of model across goals
 - Resource requirements for department SMEs
 - Department accountability for key risks
- Process of selecting and implementing framework
 - Takes longer than expected
 - No system is perfect
 - Do not roll out all at once
 - Clearly define all milestones and deliverables