



**Division: CORPORATE**  
**Policy Type: RISK MANAGEMENT**  
**Policy Name: RISK POLICY**

---

## **BACKGROUND**

The integrated risk policy is a high level document outlining the Calgary Parking Authority's (CPA's) approach and strategy towards Integrated Risk Management (henceforth IRM). Risk management also includes the risk methodology, risk profiles and related actions that will, by nature, change over time to reflect organizational changes and changes in risk profiles. The Policy and related risks and action plans will be applied to all operational aspects of the organization and all employees are responsible for managing risks within their respective areas.

## **PURPOSE**

This document sets out CPA's risk policy and includes:

- policy objective
- definitions
- principles
- objective setting
- IRM framework
- responsibilities

## **POLICY OBJECTIVE**

The key objective of the Policy is to provide management with a framework to assist in dealing with the risk inherent in achieving CPA's objectives. IRM will help CPA allocate resources to areas of highest risk and provide a sound basis for internal control as a component of good corporate governance.

## **DEFINITIONS**

The Policy is formed around a common understanding of risk management. Accordingly the existence of a common language is a key precursor to the understanding and success of risk management. Definitions of key terms used in the Policy can be found in Attachment 1.1.

## **PRINCIPLES**

Risk management is an essential component of good management

- better decisions are made when supported by a systematic approach
- integrated into existing strategic plans as well as informed decision-making
- consistently applied to the development of policies, programs, plans and future directions of the CPA
- integrated and supported by a corporate philosophy and culture that encourages all CPA employees to manage risks proactively and to communicate openly about risk

## **Objective Setting**

Prior to identifying the risks facing the organization, there must first be objectives against which management can identify possible events (risks) facing their achievement. All risk management activity will be aligned to corporate objectives and organizational priorities.



**Division: CORPORATE**  
**Policy Type: RISK MANAGEMENT**  
**Policy Name: RISK POLICY**

---

This process begins with the bylaw (Bylaw28M2002) establishing the CPA as an authority. Contained within this bylaw are the purpose/objectives of CPA set by Council (Attachment 1.2).

#### **IRM Framework**

All risks should be managed using the Integrated Risk Management Framework approved by Council (Council Policy CC011, 2004 July 6<sup>th</sup>). The Framework is based on the Committee of Sponsoring Organizations (COSO) model. It provides the foundation for establishing a sound IRM function. The framework communicates CPA's IRM direction and infrastructure in terms of

- assessing internal and external factors affecting risk
- assessing and clarifying corporate objectives
- identifying risks
- analyzing and evaluating risks
- accepting to mitigating risks
- monitoring and reporting on risks
- communicating risks and mitigation strategies to the board of directors, Council, CPA employees

#### **RESPONSIBILITIES**

Responsibilities of the board of directors, management, CPA employees, City Auditor's Office are outlined in Attachment 1.3.

#### **REPORTING**

- Updates to CPA Audit Committee in May (annual report to The City's Audit Committee) and in July (Integrated Risk Management Report); reports to be forwarded to the CPA Board
- Immediate disclosure of significant risks to the CPA Board. Administration to include alternatives and the recommended course of action
- It is not acceptable to protect the CPA Board and/or Council from bad news by concealing significant risks



Division: CORPORATE  
Policy Type: RISK MANAGEMENT  
Policy Name: RISK POLICY

---

**AC2012-01-revised  
Attachment 1.1: Definitions**

## **DEFINITIONS**

### **Risk**

An event that impacts the achievement of objectives and deals with the uncertainty of events. It is measured in terms of impact and likelihood when analyzing the risk which results in an evaluation of the level of risk.

### **Risk Management**

The process of identifying, analyzing, evaluating, mitigating, communicating and monitoring risks on objectives.

### **Integrated Risk Management**

IRM is a process, effected by an entity's board of directors, management and other personnel, applied in a strategy setting and across the organization, designed to identify potential events that may affect the entity, and manage risks to be within its risk tolerance, to provide reasonable assurance regarding the achievement of entity objectives.

### **Risk Tolerance**

The level of risk CPA and its board of directors are willing to accept in pursuit of its objectives. This can be measured qualitatively, with categories such as high, medium or low, or it can take a more quantitative approach. The level of risk acceptable is directly related to the strategy, where the desired return is aligned with the risk tolerance. CPA's risk tolerance will be considered by management for resource allocation purposes as it aligns its people, processes and structure to effectively respond to risk.



Division: CORPORATE  
Policy Type: RISK MANAGEMENT  
Policy Name: RISK POLICY

---

**AC2012-01-revised  
Attachment 1.2:  
Bylaw 28M2002 Sec 3.(1)**

**BYLAW NUMBER 28M2002 section 3.(1)**

BEING A BYLAW OF THE CITY OF CALGARY TO ESTABLISH THE CALGARY PARKING AUTHORITY

\*\*\*\*\*

(Amended by Bylaw Numbers 41M2003, 41M2004, 31M2005, 49M2009, 19M2010, 55M2010, 32M2011)

**ESTABLISHMENT OF THE PARKING AUTHORITY**

3. (1) The Authority is hereby established with the following purposes:

- (a) implement the parking policies and framework established by Council;
- (b) arrange for the provision of parking facilities;
- (c) manage and operate the parking facilities;
- (d) manage and operate a parking enforcement program pursuant to the provisions of the Calgary Traffic Bylaw 26M96, as amended, and the *Traffic Safety Act*, R.S.A. 2000, c. T-6;
- (e) report to and advise Council, and City business units as appropriate, on matters related to the parking of vehicles in the City;
- (f) generate sufficient funds from its operation of parking facilities to finance its ongoing operations, service capital debt and meet financial return expectations established by Council;
- (g) demonstrate leadership in customer service by taking a proactive approach to customer complaints and feedback, regularly communicating with customers and establishing and tracking performance metrics;
- (h) ensure Authority operations are efficient and effective; and
- (i) to perform all duties and functions delegated by Council pursuant to this Bylaw, subject to the provisions of the *Act*.

(B/L 32M2011, 2011 April 11)



**Division: CORPORATE**  
**Policy Type: RISK MANAGEMENT**  
**Policy Name: RISK POLICY**

---

**AC2012-01-revised  
Attachment1.3:  
Responsibilities**

## **RESPONSIBILITIES**

In order to support the successful integration of risk management into the Calgary Parking Authority, the responsibilities of the following groups are:

### **Board of Directors/Audit Committee**

The board of directors is an important aspect of the internal environment. A board that is actively engaged, committed and qualified is able to raise and pursue difficult issues with management in a confident manner.

- approve policy
- approve risk tolerance
- provide oversight
- obtain the training to discharge the risk oversight responsibility

### **Senior Management**

- identify and evaluate risks
- establish risk impact parameters as general guidelines for CPA employees
- establish risk tolerance
- establish internal control mechanisms and mitigate risks
- measure – benchmark
- obtain training to discharge the risk management responsibility
- communicate, monitor and train employees
- board reporting

### **CPA Employees**

- identify and evaluate risks
- implement the internal controls established by management
- monitor risks
- report risks to supervisors and management
- obtain training, be informed and ask questions