



TITLE

ENTERPRISE RISK MANAGEMENT

SCOPE

Provincial

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Alberta Health Services Board

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SPONSOR

President and Chief Executive Officer; Corporate Services
(Enterprise Risk Management)

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Not applicable

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February 13, 2022

NOTE: The first appearance of terms in bold in the body of this document (except titles) are defined terms – please refer to the Definitions section.

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OBJECTIVES

- To establish and maintain an effective and efficient organization-wide *Enterprise Risk Management and Governance Framework* to support Alberta Health Services (AHS) in achieving organizational goals and governance responsibilities.
- To provide direction on the requirements and responsibilities to integrate and apply the *Enterprise Risk Management and Governance Framework* and its **risk** management practices within AHS.

PRINCIPLES

AHS is committed to fulfilling its responsibilities for overseeing and managing risk, ultimately supporting the achievement of organizational goals and objectives. To support this responsibility, AHS recognizes that:

- AHS shall integrate consistent and organization-wide risk management practices into planning and execution of the Health Plan and Business Plan, and in analysis and decision-making processes essential to achieving AHS' strategic and organizational objectives.
- **enterprise risk management** is a shared responsibility extending from the AHS Board to AHS Executive Leadership, and **AHS personnel**.
- **enterprise risks** shall be evaluated, prioritized and managed within AHS' risk appetite and tolerance levels in support of achieving AHS' goals and objectives.

- adoption and integration of the *Enterprise Risk Management and Governance Framework* across the organization shall support the continuous, proactive, and systemic management of risk that may affect AHS' ability to meet its objectives.

APPLICABILITY

Compliance with this document is required by all Alberta Health Services employees, members of the medical and midwifery staffs, Students, Volunteers, and other persons acting on behalf of Alberta Health Services (including contracted service providers as necessary).

ELEMENTS

1. Enterprise Risk Management and Governance Framework

- 1.1 The *Enterprise Risk Management and Governance Framework* is a set of components that provide foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization.
- 1.2 The *Enterprise Risk Management and Governance Framework* shall establish principles, processes, specific roles and responsibilities and governance structures that enable:
 - a) oversight of enterprise risk management;
 - b) establishment of the strategic context in which risk is identified;
 - c) communication and consultation with key stakeholders;
 - d) strategic risk assessment, classification (levels and categories) and risk management (treatment);
 - e) refresh of the Enterprise Risk Register;
 - f) risk reporting, monitoring, measurement and review; and
 - g) AHS to build its enterprise risk management maturity and continuous improvement of risk management capabilities.
- 1.3 Further to Section 1.1 above, the *Enterprise Risk Management and Governance Framework* shall establish risk assessment and management processes, specific roles and responsibilities and structures that foster the use of evidence-based risk assessments that enable:
 - a) establishing general and specific risk context;
 - b) risk identification;
 - c) risk analysis;

- d) risk evaluation and prioritization;
- e) establishment of risk management (treatment) options;
- f) execution of risk management plans;
- g) risk monitoring, measurement, review and reporting; and
- h) communication and consultation regarding risk.

2. Organizational Accountability and Communication

- 2.1 All areas, programs and functions of AHS shall be responsible for incorporating risk assessment and risk management processes into management systems in alignment with the *Enterprise Risk Management and Governance Framework*.
- 2.2 Individuals who identify risk with real or potential significance to objectives shall communicate the risk to their manager.
- 2.3 Managers may share accountability to identify, assess, manage, communicate and escalate risk where accountability or responsibility for the corresponding objective is also shared, such as in the case of dyad accountabilities.
- 2.4 Risks of real or potential significance to strategic and organizational objectives shall be communicated to the AHS Board (the Board), or its Standing Committee(s) in respect of the Board's governance responsibilities.

3. Risk Escalation

- 3.1 Individuals that identify or are informed of a risk of real or potential significance to organizational outcomes, objectives, or performance expectations shall in a timely manner:
 - a) assess the risk to identify potentially impacted objectives and to inform the urgency in which the following steps should be taken to escalating the risk.
 - b) communicate the risk to the next higher accountable manager(s) or accountable person(s) or oversight body.
 - c) inform other relevant internal stakeholders where there is real or potential effect on other parts, levels or aspects of the organization.
 - d) escalate the risk to the accountable Executive Leader through appropriate communication channels where assessed as a potential **enterprise risk**.
- 3.2 The accountable Executive Leaders shall escalate an identified risk to the Executive Leadership Team and/or the Enterprise Risk Management Executive Committee (ERMEC) where the risk has potential to affect organizational

objectives, strategies or mandate and / or where complex or broad organizational participation in managing the risk may be required.

- 3.3 Risk to organizational objectives shall be communicated to the AHS Board (the Board), or its Standing Committee(s) in respect of the Board's governance responsibilities.

DEFINITIONS

AHS personnel means anyone who provides care or services or who acts on behalf of AHS, which include AHS Board members, AHS employees, AHS Medical Staff members (physicians, dentists, oral and maxillofacial surgeons and podiatrists), AHS Midwifery Staff members, other allied health professionals and with an AHS appointment and privileges, students, volunteers, researchers working with AHS or studying AHS staff or patients, and other persons acting on behalf of Alberta Health Services (including contracted service providers as necessary).

Enterprise Risk means any risk that may have an effect on strategic goals and / or objectives, and / or spans across a strategically meaningful part of the organization.

Enterprise Risk Management means coordinated activities, managed and overseen at the strategic management level across an organization to direct and control risk related to meeting its organizational goals and objectives.

Risk means the effect (positive or negative) of uncertainty on objectives.

REFERENCES

- Alberta Health Services Resources
 - AHS *Enterprise Risk Management and Governance Framework*
 - AHS *Health Plan and Business Plan*
- Non-Alberta Health Services Documents
 - ISO 31000:2009 *Risk Management - Principles and guidelines* (International Organization of Standardization)
 - IEC 31010 *Risk management – risk assessment techniques* (International Electrotechnical Commission)
 - *Governance Standards* (Accreditation Canada)
 - *Leadership Standards* (Accreditation Canada)

VERSION HISTORY

Date	Action Taken
July 19, 2012	Non-substantive change
February 13, 2019	Revised
Click here to enter a date	Optional: Choose an item