

CITY OF PASADENA MANUAL OF PERSONNEL AND ADMINISTRATIVE RULES

SECTION 9 | RISK MANAGEMENT AND SAFETY

Effective Date:	Established:
City Manager Approval	

Policy Statement

Enterprise Risk Management (ERM) is the coordinated activity of identifying, evaluating, controlling, and monitoring organization-wide risks with the purpose of creating and protecting organizational value. The City of Pasadena is committed to creating and maintaining an Enterprise Risk Management program that establishes proactive, uniform, and ongoing processes that facilitate a risk-aware organizational culture and make risk assessment a central consideration in organizational decision making.

Purpose

The purpose of this Policy is to:

1. Ensure all employees understand and take responsibility for managing risks associated with activities within their span of control.
2. Establish roles and responsibilities necessary to ensure that risks are identified, evaluated, controlled, and monitored on an ongoing basis.

Scope

This Policy is applicable to all City of Pasadena employees.

Policy Application

A risk management framework consistent with the International Organization for Standardization (ISO) 31000-2018 “Risk Management Guidelines” will be applied to create a continuous process for identifying and managing risks that may positively or negatively impact the ability of the City to meet its objectives based on the following:

- A systemic and consistent approach to risk assessment that examines risk history well as the likelihood and potential impacts of present and future risks;
- Integration of risk assessment principles and processes into operational and strategic planning as well as daily operations;
- Alignment with the City’s risk philosophy; and
- The use of risk assessment tools such as risk workshops, risk registers, and risk profiles to make better informed business decisions.

While the focus of this Policy is to ensure ERM is formally established at the enterprise-wide level, the risk management concepts applied to the City’s ERM program may be applied to all departments and

divisions at any stage in the life of a policy, process, project, or activity, in initial planning, identification and remediation of factors which create risk, and in the evaluation of options.

Risk Management Committee

A Risk Management Committee will be established to support the continued development of the ERM program, conduct regular reviews of current and emerging risks, and perform quality assurance of the ERM program. The Committee will be comprised of the following individuals:

- City Manager or designee
- City Attorney or designee
- Director of Finance
- Director of Information Technology
- Director of Human Resources
- Internal Audit Manager
- Liability and Claims Administrator
- Any other individuals assigned by the City Manager

Roles and Responsibilities

- City Manager – (1) Establish the City's risk philosophy; (2) understand the most significant risks and opportunities facing the City and ensure risks are being monitored and mitigated in a manner consistent with the City's risk philosophy; (3) promote an organizational culture that facilitates sound and prudent risk taking and risk management activities; (4) provide regular reporting to the Finance/Audit Committee on the City's risks; (5) establish recognition and accountability measures to support prudent management of organizational risks; (6) determine the composition of the Risk Management Committee; (7) evaluate Department Directors as appropriate where identified goals pertaining to risk and risk mitigation are established.
- Deputy City Manager for Enterprise Risk Management – (1) Maintain overall ownership of the ERM program; (2) ensure implementation and integration of the City's risk management framework and processes into the City's management system and processes; (3) develop and implement ERM Guidelines; (4) provide risk management training; (5) facilitate risk assessment workshops and the development of risk profiles; (6) ensure managers have the tools necessary to assess and mitigate risks in a manner consistent with City policy.
- Executive Leadership Team – (1) Understand the most significant risks and opportunities facing their respective departments and ensure risks are being monitored and mitigated in a manner consistent with the City's risk philosophy; (2) promote departmental culture that facilitates sound and prudent risk taking and risk management activities; (3) serve as risk owner for key departmental initiatives and/or assign departmental risk owners as appropriate; (4) establish recognition and accountability measures to support prudent management of organizational risks; (5) evaluate Managers and Supervisors as appropriate where identified goals pertaining to risk and risk mitigation are established.

- Managers and Supervisors – (1) Understand the most significant risks and opportunities facing their respective business units and ensure risks are being monitored and mitigated in a manner consistent with the City’s risk philosophy; (2) promote a culture within assigned business units that facilitates sound and prudent risk decisions and risk management activities; and (4) recognize sound risk management practices within their business units and ensure consistent application of accountability measures designed to correct poor risk management practices.
- Employees – All employee are responsible for understanding, managing and making prudent decisions related to risk as part of their daily responsibilities.

Revision History

Date	Revision
7/1/24 (target implementation date)	Established