

## Risk Management

The government defines risk as the uncertainty that surrounds future events and outcomes, such as those mentioned above. Managing adverse events that could influence ministry progress requires planning — identifying and taking action to minimize the likelihood of risk and the consequences should an event occur.

All core business areas within the ministry address risk in the development, monitoring and implementation of their initiatives, regulations, services and programs. For example, protecting the health of British Columbians and taking a leadership role in environmental stewardship requires programs to clearly identify, assess and undertake activities to mitigate potential risks related to water quality, air quality, contaminated sites and managing species at risk.

In addition, the ministry has a diverse set of proactive planning approaches in which risk is identified, assessed and management strategies are developed and implemented. Some examples include:

**Ministry Audit and Risk Management Committee:** This Executive-level committee ensures audits are undertaken as a result of a risk-based prioritization model. Audits may include financial management, information systems reviews, and compliance audits (contractual, regulatory and legislative).

**Program Evaluation and Business Reviews:** Program evaluations and cross ministry business reviews are undertaken by the ministry. Results are analyzed and corrective activities are incorporated into business planning and decision-making.

**Financial Risk Management (FRM):** FRM, with respect to managing the ministry's budget, includes planning, quarterly reporting, balance reviews and variance analysis. Financial policies and procedures in accordance with the *Financial Administration Act*, including contract management, are continually updated and communicated through training programs. Ministry transfer payments are monitored and audited

# Risk Management Framework

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for policy compliance. FRM is also supported through the ministry's Audit Plan.

**People Planning Committee:** This cross ministry committee researches issues and develops effective human resource strategies to address future risks associated with workforce needs and succession planning.

**Business Continuity Management Program (BCMP):** The BCMP is an integral part of the ministry's risk management approach. The ministry is responsible for developing and implementing a business continuity plan to ensure availability of ministry services, programs and operations, and the timely resumption of services in the event of a major failure, emergency or disaster.

**Structured Decision-Making (SDM):** The SDM process is used to consider uncertainty and consequences in the evaluation of alternative management policy options.

Government continues to be called upon to anticipate and address new and emerging risks, as well as potential opportunities. Most issues relating to the environment are complex and have profound implications for both the environment and society. Science plays an important role in effective environmental decision-making. Ministry decision making processes are informed by the best available science, supported through adaptive management<sup>1</sup> processes and depend on the sound and rigorous judgement of knowledgeable and professional staff.

<sup>1</sup>Adaptive management is defined as a systematic process for continually improving management policies and practices by learning from the outcomes of operational programs.