

A STRATEGY  
TO IMPLEMENT AN  
**INTEGRATED RISK MANAGEMENT FRAMEWORK**  
IN  
HEALTH CANADA

**June 19 2003**  
**Office of Integrated Risk Management**



## Table of Contents

<b>Foreword</b> .....	<b>1</b>
<b>Introduction</b> .....	<b>6</b>
<b>Operating Context</b> .....	<b>6</b>
<b>Providing a Focus - Implementing an IRM in Health Canada</b> .....	<b>8</b>
<b>Action Plan: Implementing an Integrated Risk Management Framework in Health Canada</b> .....	<b>15</b>
<b>Integrating RM With Planning Cycle</b> .....	<b>23</b>
<b>Office of Integrated Risk Management - IRM Network</b> .....	<b>25</b>
<b>List of References</b> .....	<b>28</b>

## **A Strategy to Implement an Integrated Risk Management Framework in Health Canada**

Prepared by the Office of Integrated Risk Management  
Planning and Special Projects Directorate  
Corporate Services Branch

For more information, see the Modern Comptrollership web-site (future location):  
[http://www.hc-sc.gc.ca/csb-dgsg/english/spps/spps\\_mc\\_mmp\\_e.htm](http://www.hc-sc.gc.ca/csb-dgsg/english/spps/spps_mc_mmp_e.htm)

Additional copies are available from:

Office of Integrated Risk Management  
Address locator: 0905A  
Tunney's Pasture  
Ottawa, K1A 0K9  
(613) 946-8034

Contacts:     Brian Sammon, Director, Planning and Special Projects Directorate  
                  Nancy England, Office of Integrated Risk Management  
                  Cheryl Larabie, Office of Integrated Risk Management

## **FOREWORD**

---

**Patrick Borbey**

Assistant Deputy Minister, Corporate Services Branch  
Champion for Integrated Risk Management

## **INTRODUCTION**

Organizations need a framework to manage and control significant risks that could interfere with achieving desired results and objectives. Managing risks is not new: it is fundamentally a good management practice. Mature risk management requires an organized and systematic approach to determine the best course of action under uncertainty. It is an essential part of good management and decision-making at all levels in the organization.

This document describes the strategy for implementing an *Integrated Risk Management Framework in Health Canada*, including what immediate actions the Department intends to take over the next twelve to eighteen months to build a foundation towards mature risk management. These short-term actions are aimed at building commitment through communication, continuous learning and common understanding.

### **What is Integrated Risk Management?**

“*Risk*” refers to the uncertainty that surrounds future events and outcomes. It is the level of exposure to uncertainties that an organization must understand and effectively manage. Risk is the expression of the likelihood of a future event occurring as well as its potential to influence the achievement of an organization’s objectives.

If risk is about future uncertainty, then “*Risk Management*” is about making decisions involving uncertain future situations. Risk management is the systematic process - the practices and procedures - that an organization uses to manage the risks it faces. It is about setting a preferred course of action under uncertainty by identifying, assessing, understanding, acting on and communicating risk issues.

“*Integrated Risk Management*” means incorporating risk information into the strategic direction-setting of the organization and making decisions that consider the department’s established risk tolerance levels. Integrated risk management is an organization-wide approach to managing risk at the strategic, operational and project level which is continuous, proactive and systematic. It is about applying sound risk management practices and fostering a working culture that values learning, innovation, responsible risk-taking and continuous improvement.

## **OPERATING CONTEXT**

### **Government Wide Context**

The Privy Council Office, in 1998, convened a working group of assistant deputy ministers to consider horizontal issues associated with managing risk in the public policy process. The working group published a report in March 2000 recommending, among other things, a government risk management framework.

Also in March 2000, the importance of strengthening risk management was reinforced by the tabling in Parliament of the document *Results for Canadians: A Management Framework for the Government of Canada* which contained a commitment to develop an integrated risk management framework. With the tabling of Results for Canadians, Modern Comptrollership became one of the government's key priorities for modern management. Sound Risk Management is one of the pillars of Modern Comptrollership.

***Towards Management Excellence - Elements of Modern Comptrollership:***

- *Strategic Leadership*
- *Motivated People*
- *Shared Values & Ethics*
- *Integrated Performance Information*
- *Mature Risk Management*
- *Rigorous Stewardship*
- *Clear Accountability*

*Source: TBS April 2003*

In April 2001, the Treasury Board Secretariat (TBS) issued the *Integrated Risk Management Framework (IRMF)* to address its commitment set out in Results for Canadians to strengthen management capabilities in departments and agencies. The IRMF identifies four elements to guide departments to manage risk and advance the development and implementation of modern management practices. It is important to note that in this context, risk is all encompassing and includes program risks of all sorts (e.g., financial,

technology, property, health, etc.) An *Implementation Guide* (April 2003) has been developed as a companion document.

The Clerk of the Privy Council has made the implementation of Modern Comptrollership one of his priorities. In addition, the Clerk made the implementation of Modern Comptrollership, including risk management, a key accountability commitment in the Deputy Ministers' performance assessments.

More recently, TBS introduced a comprehensive *Management Accountability Framework (MAF)* (draft document -June 2003) that defines and clarifies expectations of sound management. The MAF describes the key elements of management excellence and responds to the criticism that there are too many "frameworks" by rationalizing the many existing TBS frameworks. Risk Management is one of the key management elements.

The MAF will be incorporated into the Deputy Ministers' Guide on Accountability and will steer the government's management agenda now and in the future. The Management Accountability Framework is aligned with the vision of Results for Canadians

***Management Accountability Framework - Indicators of Management Excellence -***

***Risk Management***

- Key risk identified and managed
- Risk lens in decision-making
- Risk-smart culture
- Capacity to communicate and manage risk

*Source: TBS June 2003*

and incorporates and builds on the principles of Modern Comptrollership. Ultimately, the MAF will be the basis for assessing the soundness of management practices in departments across the federal government.

### **Health Canada Context**

As a pilot department for Modern Comptrollership, Health Canada committed to implementing modern management practices in the Department. As part of the management renewal process, the Department conducted, through a series of thirteen workshops and interviews, a self-assessment of current management practices to seek valuable opinions and perceptions of managers as they relate to recognized best practices and principles. Health Canada managers provided their full support and results from the self-assessment indicated excellent participation across the department from all levels of management.

The self-assessment was completed in July 2001 and the findings tabled at the *Departmental Executive Committee* (DEC) in October 2001. The results identified a number of key findings where improvements were needed. In May 2002, the Departmental Executive Committee approved the document: *A Modern Management Strategy - Implementing Modern Comptrollership in Health Canada*. The Strategy included a commitment “to implement an integrated risk management framework.”

**Health Canada’s vision of Modern Comptrollership** is an organization which focuses at every level, on the effective management of resources for the achievement of results in a manner consistent with clearly defined and commonly accepted values and ethics.

Source: *Health Canada’s Modern Management Strategy* May 7, 2002

### **PROVIDING A FOCUS - IMPLEMENTING AN IRMF IN HEALTH CANADA**

IRM is a continuous, proactive and systematic process for understanding, managing and communicating risk from an organization-wide perspective. It is meant to support strategic decision-making that contributes to the achievement of an organization’s overall corporate objectives.

In Health Canada risk management is an ongoing priority as it relates to health risks. The Department adopted in September 2000 the *Decision-Making Framework (DMF)* as a tool for risk management decision-making. The DMF is focused on health-related risk and has been applied primarily in the context of the Department’s *DEC Sub-Committee on Risk Management* which actively manages and provides overall leadership in health related risk activities. However, the scope of the IRMF is much broader.

<b>Government of Canada’s Integrated Risk Management Framework</b>	
<b>Elements</b>	<b>Requirements</b>
<b>Corporate Risk Profile</b>	<ul style="list-style-type: none"> <li>. environmental scan</li> <li>. current status of risk</li> <li>. risk profile</li> </ul>
<b>Establish an IRM Function</b>	<ul style="list-style-type: none"> <li>. management direction</li> <li>. communicate direction</li> <li>. operationalise integrated risk management through existing decision-making structures and reporting processes</li> </ul>
<b>Practice Integrated Risk Management</b>	<ul style="list-style-type: none"> <li>. common risk management process</li> <li>. decision-making and priority-setting</li> <li>. consultations with stakeholders</li> </ul>
<b>Continuous Learning</b>	<ul style="list-style-type: none"> <li>. learning plans</li> <li>. best practices \ case studies</li> </ul>

Source: TBS April 2001

TBS’ s Integrated Risk Management Framework is aimed at strengthening risk management practices within the Public Service. It is important to note that in this context, risk is all encompassing and includes program risks of all sorts (e.g., financial, technology, property, health, etc.). The Department recognizes that with respect to risk management there exist numerous organizational elements that are suitable to building an Integrated Risk Management

Framework; for example: strategic & business planning, performance measurement, the DMF for health risks, modern comptrollership (risk management is one of the seven key elements), program evaluation, values and ethics, internal audit, accountability initiatives, quality assurance units, branch audit groups, technology risk framework, et al.

Further, several Branches and Regions have already invested in risk management tools and techniques and a number have commenced the early stages of developing an IRMF. All Branches and Regions have appointed senior officers to lead this initiative and implement an IRMF for their respective organizations.

**Leadership and Coordination**

Senior Management also recognized the need for overall leadership and coordination to implement an Integrated Risk Management Framework for the Department. To that end the Departmental Executive Committee met in June 2002 to discuss how best to move forward and at its October 2002 meeting, DEC made a number of decisions with respect to ongoing oversight and direction for the implementation of an IRMF. DEC recognizes that implementing an IRMF is a major undertaking and is committed to providing overall leadership. To provide a focus to the initiative, the Departmental Executive Committee agreed to the following:

- ▶ **DEC** DEC has placed IRMF as a standing update item at its DEC-Retreats.
- ▶ **DEC-PAC** the Departmental Executive Sub-Committee on Policy and Analysis has been assigned the responsibility to direct and oversee the implementation of an Integrated Risk Management Framework.
- ▶ **Champion** the ADM-CSB has been identified as the *Champion* for IRM to sustain the momentum to a risk-smart environment.
- ▶ **IRM Network** all Branches, Regions and areas of functional expertise were directed by DEC to assign a senior official to create a Network responsible to take the necessary actions to implement an IRMF and act as lead for incorporating risk management in their respective organizations;
- ▶ **Dept'l Lead** the Director, Planning & Special Projects Directorate / Modern Comptrollership Office is the Department's full time executive accountable to the ADM Corporate Services Branch for implementing the IRMF; chairs the Integrated Risk Management Network and manages the Office of Integrated Risk Management. The Director also manages the Office of Modern Comptrollership for the Department. An essential part of this role is to ensure that the implementation of an IRMF is consistent with Health Canada's Modern Comptrollership initiative and the government's new Management Accountability Framework.
- ▶ **Office of IRM** the Department agreed to establish an Office of IRM, in the Planning and Special Projects Directorate; headed by a senior project officer, the Office is tasked with developing and coordinating the IRMF implementation. An essential part of this task involves developing common terminology and identifying effective linkages with all other related initiatives and processes within the Department whether at the Corporate, Branch or Agency levels, such as corporate and business planning. The Office is to ensure that DEC Sub-Committees - specifically DEC-RM, DEC A&E, DEC-OPS, are informed of progress. The Office facilitates the implementation of the IRMF, functions as an expert resource and acts as a single window with Central Agencies and other government departments regarding IRM.

With the evident amount of existing resources and work in progress by some Branches and Regions, DEC members directed that every effort should be made to build on existing investments. Specifically, DEC directed that a shared and common approach be applied. The OIRM and IRM Network would develop a departmental approach to ensure consistency and continuity. Branches and Regions are to incorporate risk management in their management frameworks and consistent with the departmental approach.

## Linking IRM to the Planning Cycle

The Departmental Executive Committee also agreed that risk management is an integral component of the department’s business cycle (Annex B) and that to assist in developing a corporate risk profile, the Office of Integrated Risk Management will work closely with the Department’s Horizontal Policy and Strategic Planning Division to ensure that risk management is incorporated in the environmental scan exercise leading to the establishment of the Department’s strategic priorities. This will enable the department to start identifying areas of risk at the corporate level.

Risk Assessment Model for Decision-Making

Impact:	Risk Management Actions		
Significant			
Moderate			
Minor			
Likelihood:	Low	Med.	High

= Extensive management essential  
 = Manage and monitor risk  
 = Monitor/Accept risk

*source: TBS IRMF April 2003*

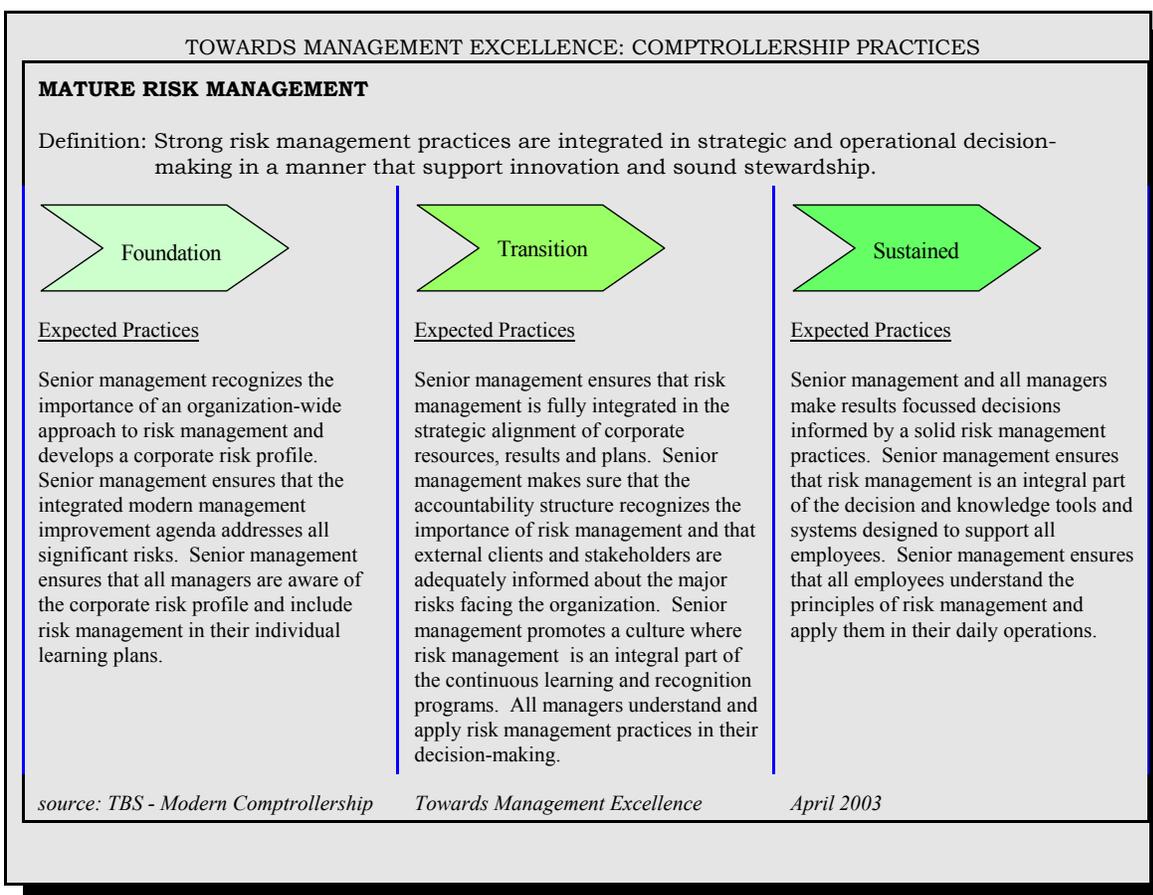
## AN ACTION PLAN - IRM Network Planning Retreat - May 6-7, 2003

### A Phased Approach

Under the leadership of the Office of Integrated Risk Management, the IRM Network met for two days in early May 2003 to review, discuss and determine its approach to implementing an Integrated Risk Management Framework in Health Canada. As the implementation of an IRMF is a long-term initiative, the Network concluded that, consistent with TBS’s modern comptrollership model, Managing For Excellence, a phased approach is necessary:

- a **foundation phase** that addresses the basic requirements of IRMF
  - a **transition phase** that more fully integrates risk management
  - a **sustaining phase** that is ongoing.

## The Guiding Principles : The 6 C's



To guide its work, the Integrated Risk Management Network agreed that it will build on what already exists at Health Canada and identified six principles - these are already being referred to as the Six Cs:

- ▶ **Commitment** - visible senior management leadership; departmental management fosters an environment of support that encourages integrated management of risk;
- ▶ **Continuity** - a sustaining and ongoing management practice; risk management becomes an integral component of decision-making;
- ▶ **Consistency** - common strategy, practices, tools and techniques;
- ▶ **Communication** - build awareness and understanding; significant decisions involving risk should be documented to support accountability;
- ▶ **Culture-conscious** - develop effective strategies to implement risk management and gain momentum; all Branches / Regions are responsible to integrate risk management into their management frameworks;

- ▶ **Continuous Learning** - maintaining and improving competencies - learning from previous experiences; risk management to be incorporated as part of continuous learning

As well, during the Planning Retreat members of the IRM Network discussed the benefits that the Department can anticipate by implementing an Integrated Risk Management Framework, including the following:

- ▶ by managing risk, the Department can increase its certainty that its objectives will be met;
- ▶ understanding risk improves decision-making and enhances awareness of risk at all levels in the organization;
- ▶ a planned and proactive approach to managing and understanding risk assists in the identification of the Department's strategic priorities;
- ▶ risks are identified and managed within the organization's understanding of risk tolerance;
- ▶ clarifying and communicating organizational risk tolerance assists managers and employees in understanding the boundaries or limits within which they are expected to manage risk.

### **The Action Plan**

The Planning Retreat focused on identifying actions for the short-term - the next twelve to eighteen months - to address the following seven key areas which the IRM Network deemed to be essential to building the foundation of an Integrated Risk Management Framework:

#### Key Activities

- ▶ integrating risk management into existing decision-making processes
- ▶ understanding risk tolerance
- ▶ assessing current risk management capacity
- ▶ communicating corporate direction for risk management
- ▶ shared leadership: roles and responsibilities
- ▶ risk management learning
- ▶ integrating risk management in the strategic priority setting exercise

Annex A presents the planned actions to address these key activities, including objectives and measures of success. The Network members have concluded that four of these key activities require concerted work and to this end, have established subgroups composed of Network members to address these key activities. These subgroups will report regularly to the Network through the OIRM. The OIRM will facilitate and coordinate the work of the Network and subgroups so that there is no duplication effort and that actions taken are complimentary. The overall measures of success for mature risk management were approved by the DEC as articulated in the Modern Management Strategy.

## Monitoring & Reporting

Ongoing monitoring and reporting on progress will ensure that Integrated Risk Management remains a priority in the Department's modern management agenda. Periodic update reports on progress will be presented to DEC-PAC by the Office of Integrated Risk Management. The Action Plan identified in Annex A will be reviewed semi-annually and updated by the OIRM to reflect progress and further steps required for ongoing management renewal. Planned activities that require specific direction/decision will be tabled at DEC-PAC by the OIRM.

**Mature Risk Management -  
*decision-making and monitoring processes  
based on identification and management of  
risk.***

Success will be measured by:

- risk management framework supported by decision-makers and consistently used in decision-making;
- employee responsibilities and account- abilities for managing risk are well understood and followed.

*Source: Health Canada's Modern Management Strategy*

Treasury Board will be kept up-to-date on progress towards implementing an IRMF through the Department's regular reports on implementing Modern Comptrollership. As well, the Departmental Lead will provide regular updates as member of TBS IRM Implementation Council.

Branches/Regions will regularly report on progress in implementing the IRMF in their respective areas and "best practices" will be identified and promoted across the department through the IRM Network. Regular updates on progress will be posted by the OIRM on the Health Canada website under "modern comptrollership". Annually, the department will report on its plans and priorities, including IRMF, for modernizing comptrollership to Treasury Board, the Auditor General and Parliament through the Department's Performance Report (DPR).

## **ACTION PLAN: IMPLEMENTING AN INTEGRATED RISK MANAGEMENT FRAMEWORK IN HEALTH CANADA**

### **A. Background**

This Action Plan consolidates the work of the IRM Network during the early part of 2003, culminating at its two-day Planning Retreat in May. It is the general view of the IRM Network that in order to move forward on Integrated Risk Management, the Department needs to adopt a more systematic approach to the identification of risks at all levels of the organization. As the organization advances, the ongoing provision of guidance and structures (e.g. roles and responsibilities, operating principles, key terminology) will be important. Communicating about risk, strengthening competencies and providing tools for managing risk are seen as critical success factors. Continuous learning, by using case studies, best practices and sharing experiences and tools, is viewed as an integral part of Integrated Risk Management.

The IRM Network deemed the following as “**Key Activities**” essential to building the foundation of an Integrated Risk Management Framework:

- ▶ integrating risk management into existing decision-making processes
- ▶ understanding risk tolerance
- ▶ assessing current risk management capacity
- ▶ communicating corporate direction for risk management
- ▶ shared leadership: identifying roles and responsibilities for integrating risk management
- ▶ risk management learning
- ▶ integrating risk management into departmental planning - profiling corporate risk

### **B. Overview of Action Plan**

The Action Plan is explicitly designed to address the four elements of an IRMF:

- ▶ Developing a Corporate Risk Profile
- ▶ Establishing an IRM Function
- ▶ Practicing IRM
- ▶ Ensuring Continuous Risk Management Learning.

In developing the Action Plan, the Departmental Office of IRM and the Network analyzed the TBS requirements in terms of managing for excellence; considered what other departments had done; and reviewed the observations in the Auditor General’s recent report regarding implementing risk management.

The Action Plan identifies the Key Activity, suggested measures of success, planned actions to address the key activity, who is responsible and planned target

completion dates. The Action Plan will be updated semi-annually to reflect progress and appropriate actions as they unfold.

The Network, as a whole, will collectively address three key activities and has established subgroups comprised of Network members to address the following: Understanding Risk Tolerance, Assess Current Risk Management Capacity, Communicate Corporate Direction for Risk Management, and Risk Management Learning. These sub-groups will have specific deliverables within each of these activities and will report on a regular basis to the Network through the OIRM.

DEC-PAC will provide oversight for the Action Plan and progress reporting will be coordinated by the OIRM and posted on the Health Canada website under modern comptrollership.

### C. Relationship of Action Plan - Key Activities to TBS Requirements

The following chart illustrates the relationship of the Key Activities to TBS requirements.

<b>Relationship of Action Plan - Key Activities to TBS Requirements for Integrated Risk Management</b>		
<b>Elements</b>	<b>Requirements</b>	<b>Action Plan: Key Activities</b>
<b>Developing a Corporate Risk Profile</b>	<ul style="list-style-type: none"> <li>. Environmental scanning</li> <li>. Identifying current status of risk</li> <li>. Establishing a risk profile</li> </ul>	<ul style="list-style-type: none"> <li>. Understanding Risk Tolerance</li> <li>. Integrating Risk in the Strategic Priority Setting Exercise</li> </ul>
<b>Establishing an Integrated Risk Management Function</b>	<ul style="list-style-type: none"> <li>. Senior management direction</li> <li>. Communicate management direction</li> <li>. Operationalise integrated risk mngt thru existing decision-making &amp; reporting structures</li> <li>. Assess capacity</li> </ul>	<ul style="list-style-type: none"> <li>. Integrating Risk Management within Existing Decision-Making Processes</li> <li>. Assess Current Risk Management Capacity</li> <li>. Communicate Corporate Direction for Risk Management</li> <li>. Shared Leadership : Roles and Responsibilities</li> </ul>
<b>Practising Integrated Risk Management</b>	<ul style="list-style-type: none"> <li>. Common RM process applied at all levels</li> <li>. Decision-making and priority setting</li> <li>. Ongoing consultations w\stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>. Assess Current Risk Management Capacity</li> <li>. Understanding Risk Tolerance</li> <li>. Integrating Risk Management within Existing Decision-Making Processes</li> </ul>
<b>Ensuring Continuous Risk Management Learning</b>	<ul style="list-style-type: none"> <li>. Learning plans</li> <li>. Ongoing experience:                             <ul style="list-style-type: none"> <li>- best practices</li> <li>- case studies</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>. Risk Management Learning</li> </ul>

## ACTION PLAN FOR IMPLEMENTING AN INTEGRATED RISK MANAGEMENT FRAMEWORK IN HEALTH CANADA

*(Building the Foundation over the next 12 to 18 months)*

Key Activity: INTEGRATING RISK IN THE STRATEGIC PRIORITY SETTING EXERCISE				
Goal	Success will be	Action by	Planned Actions to Address Key Activity	Target Date
To identify high-level corporate risks and incorporate related information in corporate and departmental reporting documents.	Development of a profile of corporate risks, and included in the 2004-05 RPP.	- Office of IRM with Strategic Planning  - IRM Network	Incorporate risk management lens in the departmental E-scan exercise	June 2003
			Analyse results with areas of expertise	August 2003
			Organize workshops to consult with managers	September 2003
			Commence to identify potential areas at risk	November 2003
			Incorporate key risks and related information in corporate/departmental documents (i.e. RPP, DPR)	November 2003
			Draft departmental risk profile and include findings in the next RPP	November 2003
			Review process for lessons-learned and adopt new cycle	November 2003
Plan for next cycle	January 2004			
Key Activity: INTEGRATING RISK MANAGEMENT WITHIN EXISTING DECISION-MAKING PROCESSES				
Goal	Success will be	Action by	Planned Actions to Address Key Activity	Target Date
To integrate risk management within existing decision-making.	Evidence that risk information and assessment is incorporated in key decision-making senior management committees.	- IRM Network  - Office of IRM	Identify/confirm key decision-making committees at Departmental, Branch and Regional levels (systematically incorporate risk discussion (i.e. key questions) in mandate of key decision-making committees at all levels)	March 2004

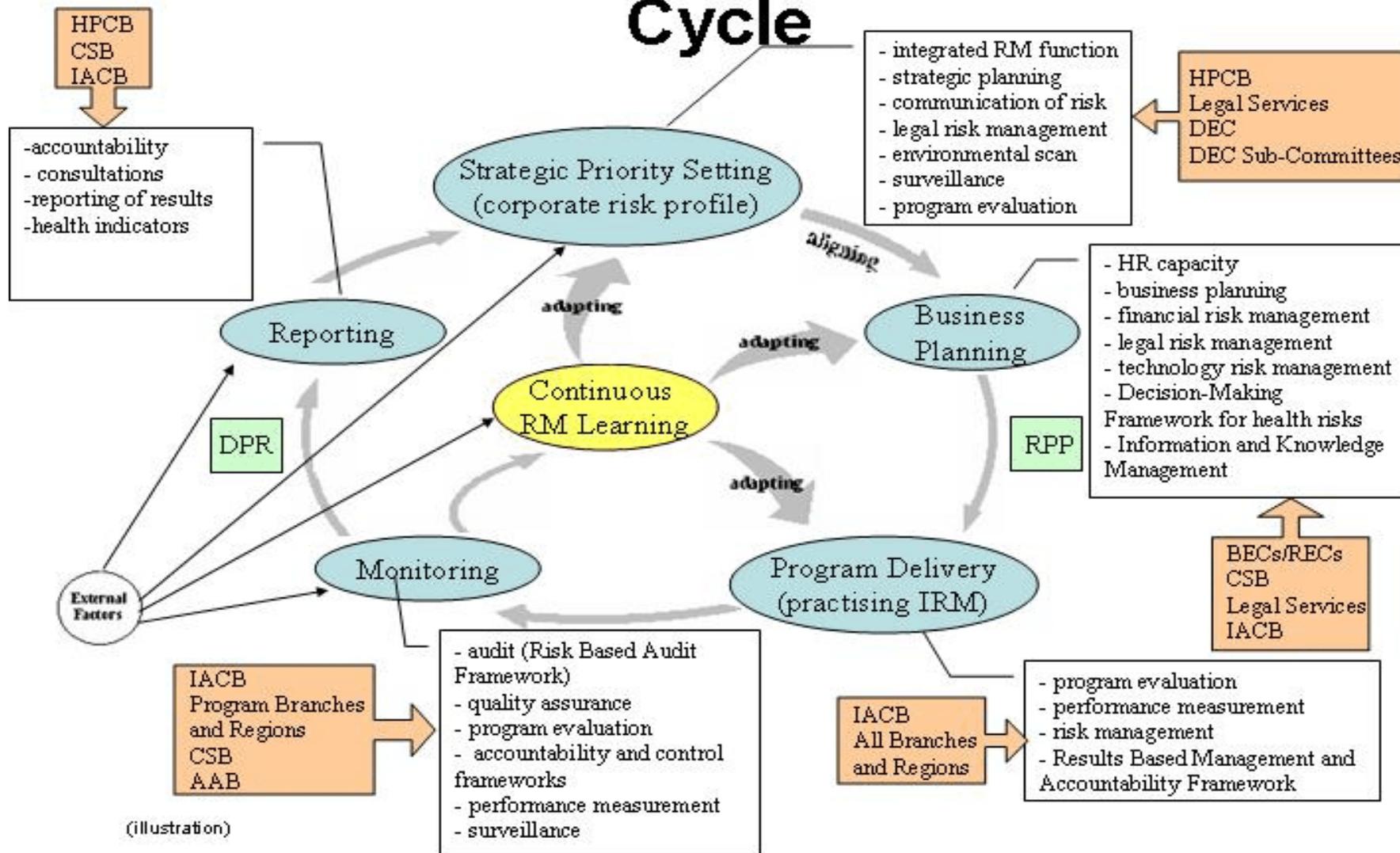
<b>Key Activity: INTEGRATING RISK MANAGEMENT WITHIN EXISTING DECISION-MAKING PROCESSES (CONT'D)</b>				
<b>Goal</b>	<b>Success will be</b>	<b>Action by</b>	<b>Planned Actions to Address Key Activity</b>	<b>Target Date</b>
			Establish guidelines for risk assessment (e.g. DMF)  Determine best method to promulgate risk assessment guidelines - e.g. policy/procedures  Incorporate risk assessment (i.e. key r.m. questions at key decision-making committees)  Determine process for key decision-making committees to communicate decision including risk assessment	December 2003  January 2004  January 2004  October 2004
<b>Key Activity: UNDERSTANDING RISK TOLERANCE</b>				
<b>Goal</b>	<b>Success will be</b>	<b>Action by</b>	<b>Planned Actions to Address Key Activity</b>	<b>Target Date</b>
To establish a common understanding of risk tolerance.	Developing and providing clear direction on risk tolerance.	- Network Subgroup  - Office of IRM  (Reporting to IRM Network)	Research risk tolerance and commence discussing in Health Canada context  Describe and identify the key components of risk tolerance  Develop risk tolerance framework/guide/case studies/lessons learned  Determine how best to introduce and communicate the concept of risk tolerance  Develop risk tolerance awareness sessions and Incorporate into departmental learning programs (e.g. Values/Ethics)  Integrate lessons learned into a web-enable repository	October 2003  December 2003  October 2004  November 2004  November 2004  November 2004
<b>Key Activity: ASSESS CURRENT RISK MANAGEMENT CAPACITY</b>				

Goal	Success will be	Action by	Planned Actions to Address Key Activity	Target Date
To determine how best to identify current risk management capacity and how to build organizational capacity.	<p>Common language and tools being used as an integral part of risk assessment supporting decision-making.</p> <p>Examples demonstrating that risk management information (e.g. best practices, lessons learned) is being shared across disciplines.</p>	<p>- Network Subgroup</p> <p>- Office of IRM</p> <p>(Reporting to IRM Network)</p>	<p>Develop capacity assessment template</p> <p>Communicate purpose and intent of assessment</p> <p>Identify the elements of a common RM process for Health Canada</p> <p>Collect and compile findings from capacity assessment template</p> <p>- develop process</p> <p>- start date</p> <p>- mid-review</p> <p>- end date</p> <p>Analyse gaps</p> <p>Propose solutions/recommendations</p>	<p>September 2003</p> <p>October 2003</p> <p>November 2003</p> <p>October 2003</p> <p>November 2003</p> <p>November 2003</p> <p>December 2003</p> <p>February 2004</p> <p>March - April 2004</p>
<b>Key Activity: COMMUNICATE CORPORATE DIRECTION FOR RISK MANAGEMENT</b>				
Goal	Success will be	Action by	Planned Actions to Address Key Activity	Target Date
To develop a communication strategy and action plan.	Communication tools and use of common language in place to articulate the organization's risk management objectives and operating principles.	<p>- Network Subgroup</p> <p>- Office of IRM</p> <p>(Reporting to IRM Network)</p>	<p>Prepare overall communication strategy including key messages - Communicating measures of success; the role of OIRM and the Network, etc.</p> <p>Identify Senior managers to carry out and to provide key messages to all staff</p> <p>Establish and build consensus around a common lexicon</p> <p>Develop a Manager's guide</p>	<p>October 2003</p> <p>October 2003</p> <p>November 2003</p> <p>February 2004</p>

<b>Key Activity: COMMUNICATE CORPORATE DIRECTION FOR RISK MANAGEMENT (CONT'D)</b>				
<b>Goal</b>	<b>Success will be</b>	<b>Action by</b>	<b>Planned Actions to Address Key Activity</b>	<b>Target Date</b>
			Communicate availability of resources, tools, training, monitoring	February 2004
			Adopting the techniques - tools	March 2004
			Find creative ways to recognize achievements at all levels	March 2004
			Incorporate risk management in performance agreements of all managers	September 2004
<b>Key Activity: SHARED LEADERSHIP: ROLES AND RESPONSIBILITIES</b>				
<b>Goal</b>	<b>Success will be</b>	<b>Action by</b>	<b>Planned Actions to Address Key Activity</b>	<b>Target Date</b>
To develop a strategy on how to clarify and communicate the roles and responsibilities of the different parties involved in integrated risk management and identify the linkages.	Extent to which management is aware and committed to management improvement.  Responsibilities and accountabilities for managing risks in the planning cycle are understood and followed.  Integration of risk management in all areas of the planning cycle.	- IRM Network  - Office of IRM	Identification of Oversight Committee  Establishment of the OIRM & IRM Network  Development of draft Strategy/Action Plan  Clarify roles and responsibilities of areas of expertise (i.e. QA, Internal Audit, Program Evaluation, etc.) with respect to risk monitoring and their linkages to the planning cycle  Clarify roles, responsibilities and linkages of the key risk management functions (e.g. risk communication, legal risk management, technology risk management, etc.) in the departmental planning cycle  Consolidate and report on the integration of risk management in the planning cycle	October 2002  Nov. '02 / Jan. '03  June 2003  March 2004  June 2004  August 2004

<b>Key Activity: RISK MANAGEMENT LEARNING</b>				
<b>Goal</b>	<b>Success will be</b>	<b>Action by</b>	<b>Planned Actions to Address Key Activity</b>	<b>Target Date</b>
To invest in building risk management capacity - both at the organizational and individual levels.	IRM being considered a key component of “continuous learning” in Health Canada.  Use of issue sheets completed for submission when making decisions.	- Network Subgroup  - Office of IRM  (Reporting to IRM Network)	Develop RM checklist (7 steps, issue sheet)	November 2003
			Identify RM experts, communities of practices and other learning opportunities	December 2003
			Inventorize current training available in house	January 2004
			Undertake gap analysis of levels of expertise (awareness, expert, corporate intelligence)	February 2004
			Integrate RM into learning program / personal learning plans (i.e. Learning for Leadership, Managing for Results)	March 2004
			Determine what “continuous learning” means for IRM	October 2003

# Integrating RM with Planning Cycle



**Integrating Risk Management in Health Canada - Roles and Responsibilities**  
*(DRAFT....to be more fully defined / communicated by IRM Network as part of its action plan)*

DM & Assoc. DM	IRM Governance Structure	IRM Network	ADM's & RDG's	Managers	All Employees
<ul style="list-style-type: none"> <li>Send message that IRM is a valuable discipline</li> <li>Include IRM as ongoing commitment for all senior managers</li> <li>Provide direction on IRM, including risk tolerance</li> <li>Assign roles for corporate IRM governance</li> <li>Regular report to TBS &amp; OCG</li> <li>Include progress on IRM in DPR and RPP</li> </ul>	<ul style="list-style-type: none"> <li><b>DEC-PAC</b> - oversight for IRMF implementation to direct and sustain IRM</li> <li><b>DEC-Retreats</b> - IRM is a standing item</li> <li><b>Champion</b> - to sustain the momentum \ raise awareness</li> <li><b>Departmental Lead &amp; Office of IRM</b> - develop and coordinate IRMF implementation; link RM to the planning cycle; lead development of corporate risk profile; ensure links to key DEC-sub-committees -RM, A&amp;E, Ops</li> <li>all <b>DEC sub-committees</b> to incorporate risk management in decision-making</li> </ul>	<p><b>IRM Network</b> - responsible to develop and implement action plan for IRMF, including communication, tools &amp; methods, continuous learning; comprised of senior representatives from:</p> <ul style="list-style-type: none"> <li><b>all Branch &amp; Regional representatives</b> are their respective organization's lead for IRM</li> <li><b>Areas of Expertise</b> include:                             <ul style="list-style-type: none"> <li><b>-Strategic Planning</b> (identifying corporate risk by incorporating risk management in strategic priority setting)</li> <li><b>-Audit &amp; Accountability</b> (annual &amp; multi-year audit plans based on risk assessment of business lines)</li> <li><b>-Program Evaluation</b> (promoting performance measurement that will help managers focus on program results)</li> <li><b>-Quality Assurance</b> (appropriate monitoring activities for early identification of risks)</li> <li><b>-Human Resources</b> (learning, &amp; training strategies)</li> <li><b>-Communications</b> (corporate risk communications strategy)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Identify key risk areas for their respective organizations</li> <li>Develop and provide clear direction on risk tolerance levels</li> <li>Incorporate risk management in their management frameworks</li> <li>Incorporation of RM into respective business planning</li> <li>Ensure RM is incorporated into key decision-making bodies</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to development of risk tolerance levels</li> <li>Contribute to organizational risk awareness by identifying &amp; raising risk issues to higher levels</li> <li>Be an agent of change; understand and communicate organization's approach to IRM</li> <li>Ensure employees are made available for awareness and development sessions</li> <li>Put into practice the necessary actions to support continuous RM learning</li> </ul>	<ul style="list-style-type: none"> <li>Participate in learning programs about risk, apply learnings and tools while ensuring managers are advised of risk within the scope of their work</li> <li>Looking for opportunities for sensible risk taking</li> <li>Report, respond to, monitor &amp; evaluate risks as required by respective manager \ organization</li> <li>Request and contribute by including RM in personal learning plans</li> </ul>

**ANNEX D**

**Office of Integrated Risk Management - IRM Network**

<b>Branch</b>	<b>Member</b>	<b>Phone # Fax #</b>	<b>Mailing Address/email address</b>
CSB / DGSG	Brian Sammon (Chair)	(613) 941-3046 (613) 957-6364	5th Floor, Brooke Claxton Building, Tunney's Pasture Ottawa, Ontario K1A0K9
AAB/BVR	Pierre Lacasse	(613) 941-7316 (613) 957-8910	13th Floor, Vanguard Building 171 Slater Street Ottawa, Ontario K1A 0K9
Office for Integrated Risk Management / CSB / Bureau de la gestion intégrée du risque / DGSG	Nancy England	(613) 957-6299 (613) 957-6364	5th Floor, Room 500A, Brooke Claxton Building Tunney's Pasture Ottawa, Ontario K1A 0K9
Office for Integrated Risk Management / CSB / Bureau de la gestion intégrée du risque / DGSG	Cheryl Larabie	(613) 948-6357 (613) 957-6364	5 <sup>th</sup> Floor, Room 500A, Brooke Claxton Building Tunney's Pasture Ottawa, Ontario K1A 0K9
DEX/EM	Helene Nadeau	(613) 952-6227 (613) 952-1778	14th Floor, Room 1473D, Brooke Claxton Building Tunney's Pasture Ottawa, Ontario K1A 0K9
FNIHB/DGSPNI	Sony Perron  Christine Mayer	(613) 952-9472 (613) 954-6207 (fax) (613) 957-7682	2nd Floor, Room 2605, Main Stats Building Tunney's Pasture Ottawa, Ontario K1A 0K9
HECSB/DGSESC	Suzanne Bisailon	(613) 946-6536 (613) 946-6666	5th Floor, Holland Cross, Tower B 1600 Scott Ottawa, Ontario K1A 0K9

Branch	Member	Phone # Fax #	Mailing Address/email address
HPCB/DGPSA	Bersabel Ephrem Tina Walter (Rm. 1174D)	(613) 952-1397 (613) 946-6525 (fax) (613) 957-3910 (613) 954-2496 (fax)	11th Floor, Room 1107A, Brooke Claxton Building Tunney's Pasture Ottawa, Ontario K1A0K9
HPCB/DGPSA	Jayne Simms-Dalmotas	(613) 948-4318 (613) 952-6032 (fax)	12th Floor, Room 1265D, Brooke Claxton Building Tunney's Pasture Ottawa, Ontario K1A0K9
HPFB/DGPSA	Ginette Workman	(613) 952-0868 (613) 952-8872	1st Floor, Health Protection Building Tunney's Pasture Ottawa, Ontario K1A 0L2
IACB/DGIAC	Margaret MacLellan	(613) 946-8108 (613) 957-1587	13th Floor, Room 1319A, Brooke Claxton Building Tunney's Pasture Ottawa, Ontario K1A 0K9
OCS/BESC	Abdel-ilah Sadiki	(613) 952-8884 (613) 948-2419	2nd Floor, Frederick G Banting Building Tunney's Pasture Ottawa, Ontario K1A 0K9
PMRA/ARLA	Robert Woods	(613) 736-3411 (613) 736-3410	5th Floor, Room C523, Tupper Building 2720 Riverside Drive Ottawa, Ontario K1A 0K9
PPHB/DGSPSP	Frank Welsh	(613) 957-2992 (613) 952-8189	Room 103B, A.L. 6201A 100 Colonnade Road Ottawa, Ontario K1A 0K9
Program Evaluation/Evaluation des programmes	Marcel Dubois	(613) 952-9522 (613) 952-9660	5th Floor, Jeanne Mance Building Tunney's Pasture Ottawa, Ontario K1A 0K9

Branch	Member	Phone # Fax #	Mailing Address/email address
Quality Assurance/Assurance de la qualité	Philippe Martineau Sylvain Amyotte	(613) 957-7759 (613) 952-0352 (fax) (613) 941-3567	2 <sup>nd</sup> Floor, Qualicum Twr C 2932 Baseline Nepean, Ontario K1A 0K9
British Columbia & Yukon Columbie-Britannique et Yukon	Sylvie Bérubé	(604) 666-1513 (604) 775-8716	2nd Floor, Sinclair Centre - Federal Tower 757 West Hasting St Vancouver, British Columbia V6C 3E6
Alberta & NWT / Alberta et T.N.O.	Kathleen Hunter Penny Mosmann	(780) 495-8785 (780) 495-5551(fax) (780) 495-8201	7th Floor, Canada Place 9700 Jasper Avenue Edmonton, Alberta T5J 4C3
Manitoba/Saskatchewan	Bill Ewanchuk	(204) 983-5321 (204) 983-5325	4th Floor, Room 437, Stanley Knowles Building 391 York Avenue Winnipeg, Manitoba R3C 0P4
Ontario & Nunavut	Rossllyn Dowell Ruth Plant	(416) 954-0071 (416) 954-0322 (fax) (416) 952-6025	4th Floor, Arthur Meighen 25 St Clair Avenue E Toronto, Ontario M4T 1M2
Quebec/Québec	Marie-Eve Cournoyer	(514) 496-0993 (514) 283-6739	Guy-Favreau Complex - East Tower - Floor 2 Room 210 200 René-Lévesque Blvd West Montreal, Quebec H2Z1X4
Atlantic/Atlantique	Teressa Laforest	(902) 426-6861 (902) 426-6659	19th Floor, Maritime Centre 1505 Barrington Street Halifax, Nova Scotia B3J 3Y6

## LIST OF REFERENCES

### **Health Canada:**

- Implementing Modern Comptrollership in Health Canada, *A Modern Management Strategy*, May 2002
- Departmental Executive Sub-Committee on Risk Management - terms of reference
- Departmental Executive Sub-Committee on Planning, Analysis and Communications - terms of reference
- Integrated Risk Management Framework - Presentation to Departmental Executive Committee - June 28, 2002
- Summary Note IRM Network Plans retreat, May 6-7, 2003
- Health Canada Website - modern comptrollership :  
[http://www.hc-sc.gc.ca/english/care/estimates/modern\\_comptrollership.htm](http://www.hc-sc.gc.ca/english/care/estimates/modern_comptrollership.htm)

### **Treasury Board of Canada:**

- Risk, Innovation and Values – Examining the Tensions – April 15, 1999
- Integrated Risk Management Framework - April 2001
- Management accountability Framework - Update Presentation - May 7, 2003
- Results for Canadians: A Management Framework for the Government of Canada, tabled in Parliament by the President of the Treasury Board in March 2000
- Risk Management Policy - Modified October 5, 2001
- Best Practices in Risk Management: Private and Public Sectors - April 1999
- Integrated Risk Management - Implementation Guide - April 2003 - Consultation Draft - p.3
- Policy on Active Monitoring - Modified June 1, 2001
- Modern Comptrollership Practices: Towards Management Excellence - April 7, 2003
- Integrated Framework of Management Expectations plus associated indicators and measures - draft - May 2003
- Integrated Risk Management Framework: A report on Implementation Progress - Final Draft - February 2003
- Implementation Council for the Integrated Risk Management Framework - Terms of reference - June 2002
- Integrated Risk Management - Implementation Guide - April 2003 - Consultation Draft
- Risk Management Division website for extensive list of risk management websites inside and outside the federal government : <http://www.tbs-sct.gc.ca/rm-gr/home-accueil.asp#M>

### **Privy Council Office:**

- Risk Management for Canada and Canadians - report of the ADM Working Group on Risk Management - March 2000

### **The Canadian Centre for Management Development:**

- Foundation for Developing Risk Management Learning Strategies in the Public Service - CCMD Roundtable on Risk Management - April 2001

### **Auditor General of Canada:**

- Report of the on Progress in Implementing IRM - April 2003