POLICY AND DIRECTIVES		
Capital Asset Risk Management Policy		
#CAM-RSK-001	**Date Approved/ Resolution #**	**Date Revised:**

1. PURPOSE

This Policy establishes the City of Thompson's approach to identifying, assessing, treating, monitoring, escalating, and reporting risks associated with capital assets and the services they support. It implements the risk-based decision-making requirements of the Corporate Asset Management By-law (including Section 8.3), supports ISO 55001 risk requirements, and links risk information to Levels of Service, capital prioritization, maintenance planning, and residual risk acceptance.

2. POLICY STATEMENT

The City shall apply a consistent, corporate risk management approach to capital assets so that resources are directed to the greatest risks to service delivery, public safety, the environment, and financial sustainability. Risk information shall be recorded in a living corporate Risk Register, reviewed by the Asset Management Steering Committee (AMSC) at least quarterly, and used to inform budget and capital decisions. High and Extreme risks shall not remain invisible to senior leadership.

3. SCOPE

This Policy applies to asset-related risks across all asset classes within the Scope of the Asset Management System (CAM-GOV-SCP-001), including risks arising from asset condition, failure modes, capacity constraints, climate and northern operating factors, and operational practices that affect service continuity (including winter maintenance where it protects emergency and critical facility access).

It applies to all City departments and to external parties performing work that affects in-scope assets, to the extent required by the By-law, this Policy, or contract.

4. DEFINITIONS

Consequence. The outcome of a risk event if it occurs, assessed against safety, environmental, service delivery, and financial/reputational categories.

Inherent Risk. The risk level before considering the effectiveness of planned or existing treatments and controls.

Likelihood. The chance of a risk event occurring, informed primarily by condition, performance history, and relevant operating context.

Residual Risk. The risk level remaining after treatments and controls are applied or planned.

Risk Register. The structured corporate record of identified asset-related risks, scores, treatments, ownership, status, and residual risk (CAM-RSK-REG-001).

Risk Treatment. An action to accept, mitigate, transfer, or avoid a risk, with assigned ownership and target timing.

5. PRINCIPLES

- Risk is assessed in relation to service consequences, safety, environmental impact, and financial impact.
- A standardized corporate risk matrix and methodology shall be used across departments.
- Likelihood shall be informed by condition and operating evidence; consequence shall use the highest applicable category, not an average of unrelated impacts.
- Northern and climate factors (including freeze–thaw, winter access, lead times, and extreme cold) shall be considered where they materially affect likelihood or consequence.
- High and Extreme risks shall receive priority attention in capital and operational planning.
- Residual risk that remains after treatment may be accepted only through defined processes; material residual risk shall be visible to senior leadership and, where warranted, to Council.
- The corporate Risk Register is a living tool, not a one-time exercise, and shall be reviewed regularly by the AMSC.
- Low data confidence does not mean a risk is ignored; it means verification and data improvement are part of the response.

6. REQUIREMENTS

6.1. Risk Assessment

Asset risks shall be assessed using the corporate methodology (likelihood × consequence), linked where practicable to condition, criticality, Levels of Service, and known failure history. Assessments shall be documented and updated when material changes occur (for example, major deterioration, incidents, completed treatments, or new service commitments).

6.2. Risk Levels and Response

Risk scores shall be classified and acted upon as follows, consistent with the corporate matrix:

- Extreme — Immediate action; escalate to the City Manager; current-year or emergency response as required
- High — Urgent action; AMSC visibility; prioritize in the next budget cycle / near-term capital plan
- Medium — Plan structured action within the medium-term capital or maintenance program
- Low — Manage through routine maintenance and monitoring

6.3. Risk Register

The City shall maintain a corporate Asset Risk Register (CAM-RSK-REG-001). The Register shall record, at a minimum: risk identity; asset or asset group; service affected; risk event; scores; treatment; owner; status; and residual risk. The AMSC shall review the Risk Register at least quarterly, as required by the Corporate Asset Management By-law.

6.4. Treatment and Prioritization

Capital and major operating initiatives addressing assets with High or Extreme inherent or residual risk ratings shall be prioritized in the capital budgeting process unless a documented treatment or acceptance decision provides otherwise. Treatment options (mitigate, transfer, avoid, or accept) shall be considered and recorded with ownership and target dates.

6.5. Escalation

Extreme risks shall be escalated promptly to the City Manager. High risks shall be visible to the AMSC and reflected in capital recommendations. Departments shall not retain High or Extreme risks solely within local files without corporate registration.

6.6. Reporting

An annual summary of the infrastructure risk profile, top risks, treatment progress, and material residual risk shall be provided to the City Manager and included in reporting to Council, including the Annual State of the Infrastructure and Asset Management Report tabled with the budget process.

7. ROLES AND RESPONSIBILITIES

- Council — Approves this Policy; considers residual risk and funding implications in budget and strategic decisions.
- City Manager — Accountable for implementation of this Policy; ensures resources for risk management; receives escalation of Extreme risks; chairs the AMSC.
- AMSC — Reviews the Risk Register at least quarterly; endorses risk-related procedures; recommends capital priorities from a risk perspective.
- Asset Management Sponsor — Maintains methodology and Register integrity; facilitates assessments; supports AMSC reporting. These functions may be combined in a single position.
- Department Heads — Ensure risks in their areas are identified, assessed, registered, and treated; implement approved treatments; do not hold High/Extreme risks outside the corporate Register.
- Supervisors and technical staff — Report condition issues, failures, and near-misses that may constitute or inform asset risk.

8. RELATIONSHIP TO OTHER AMS DOCUMENTS

This Policy is implemented through the Corporate Asset Risk Assessment and Risk Register Framework (CAM-FRM-004), the corporate Risk Register (CAM-RSK-REG-001), condition and criticality methods, and related procedures. It is read with the Asset Management Policy (CAM-000), the Scope of the AMS (CAM-GOV-SCP-001), and the SAMP.

9. REVIEW

This Policy shall be reviewed at least every four years, aligned with the Council term, or after significant incidents, regulatory change, or revision of the corporate risk methodology.

10. APPROVAL

This document is submitted for formal adoption by the Council of the City of Thompson in accordance with the Corporate Asset Management By-law (Level 2 – Strategic Directives).

Recommended for Council consideration by the Asset Management Steering Committee.

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Chief Administrative Officer / City Manager

Date: _____

Adopted by Resolution of Council:

Resolution No.: _____ Date: _____

Mayor: _____