

Corporate Strategic Risk Register 2018-2019

Recommendation

That the November 9, 2018, Urban Form and Corporate Strategic Development report CR_6405, be received for information.

Executive Summary

The Enterprise Risk Management Policy (C587) was approved by Council in March 2016 and formalized the process of reporting annually on strategic risks. Since the Policy was approved, the City has shifted to a standardized corporate-wide approach to risk management.

With the expiry of *The Way Ahead* and its directional plans at the end of 2018, a new strategic plan is being finalized, and with it, a new methodology for identifying strategic risks. This report provides the key strategic risks for 2018-2019 based on the approved strategic goals of Council's Strategic Plan for 2019-2028 and the next steps on Administration's increasingly mature risk management practices.

Report

Risks that may adversely impact the achievement of Council's goals and outcomes are considered strategic risks. Strategic risk registers are updated and reported to Audit Committee on an annual basis as outlined in the Enterprise Risk Management Policy (C587), which was approved by Council in March 2016.

From 2014 to 2017, Administration based its strategic risk assessments on Council's strategic plan, *The Way Ahead*, and its directional "Ways" plans. Council's new strategic plan is currently being finalized in early 2019. The City's new strategic risk assessment process, which will be tied to the new strategic plan, is being updated at the same time.

In June 2018, Council approved the foundational elements of Council's Strategic Plan: a vision for Edmonton in 2050, a unifying principle to act as a lens for decision making and four strategic goals. These goals are: healthy city, urban places, regional prosperity and climate resilience.

Administration used these four goals to guide the strategic risk register for the 2018-2019 period. In addition to the goals, the 2018 Corporate Strategic Risk Register was informed by the following:

- 2017 Corporate Strategic Risk Register;
- progress of mitigations from previously identified risks;
- 2018 operational risk registers;
- current environmental scans; and,
- trend analysis, benchmarking and best practice.

The Corporate Strategic Risk Register is found in Attachment 1. The top 10 risks were assessed as medium-level risks.

Progress, Process and Next Steps

Since the Enterprise Risk Management Policy was approved in 2016, Administration and Council have worked together to increase the maturity of the City of Edmonton's risk program.

Based on the Risk and Insurance Management Society's Risk Management Maturity Model, the City progressed from a departmental approach to risk management to a corporate approach. In 2016, some departments would have been rated as a 'level zero' on the maturity model where risk management was non-existent, and other departments at a 'level one' where risk processes were applied on an ad hoc basis.

Today the corporation as a whole has been self-assessed as a 'level two', and is well on the way to a 'level three', where an organization's risk management processes are structured and formalized for use as a tool in strategic management processes around strategic, business and project planning in every department across all lines of business.

To support the ongoing advancement of the City's risk management program, Administration initiated an independent review of the existing program in 2018. The recommendations from this review will be initiated to achieve the target of the leadership maturity level ('level five'), where risk procedures and tolerances are fully understood throughout the organization in each of the seven attributes in the model below:

1. Adoption of an enterprise risk management based approach
2. Enterprise risk management process management
3. Uncovering risks
4. Risk Tolerance Management
5. Root Cause Discipline
6. Performance Management
7. Business resiliency and sustainability

A key benefit of the maturity model is the ability to demonstrate progress on intangible business objectives. This is done by providing a framework informed by measures,

indicators, initiatives and progress reports. Ultimately, the framework's success will be defined by the culture of risk awareness instilled among all staff and the achievement of the City's strategic outcomes, due in part to effectively mitigating and managing risks.

Corporate Outcomes and Performance Management

Corporate Outcome(s): Efficient and Effective Service Delivery			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Safe and efficient service delivery - the City adheres to established directives, policies and guidelines*	RIMS Risk Maturity Model score: 0 - Non-Existent 1 - Ad Hoc 2 - Initial 3 - Repeatable 4 - Managed 5 - Leadership	Level 2.5 (2018)	Level 5 (2021)

*ERM Policy C587

Attachment

1. 2018-2019 Corporate Strategic Risk Register

Others Reviewing this Report

- K. Armstrong, Deputy City Manager, Employee Services
- T. Burge, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- G. Cebryk, Deputy City Manager, City Operations
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- C. Owen, Deputy City Manager, Communications and Engagement
- R. Smyth, Deputy City Manager, Citizen Services