



Annual Corporate Risk Profile

Edmonton

November 30, 2023
Audit Committee

Strategic Planning Framework



Our Direction



Our Choices



Our Actions



Our Resources



Our Performance



Our Assurance



Strategic Planning Framework is the collection of plans and processes that guide how the City works to enable a better life for all Edmontonians.

Enterprise Risk Management reflects the city's ability to respond and mitigate identified risks and opportunities for continuous improvement and innovation.

Enterprise Risk Management

Corporate
Objectives

**TRANSFORMING
FOR THE FUTURE**

Strategic Risks



Risks to
our strategies

**SERVING
EDMONTONIANS**

Service Risks



Risks to
service delivery

**MANAGING
THE
CORPORATION**

**Corporate
Operating Risks**

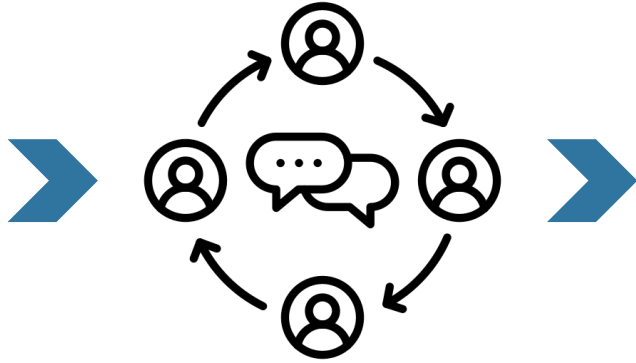
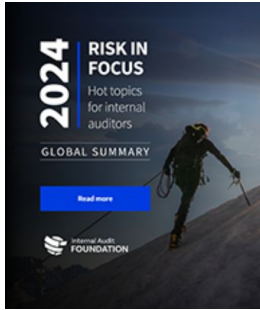
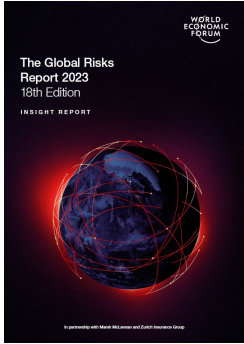


Risks to the
corporation



Edmonton

Identifying and Assessing Risk

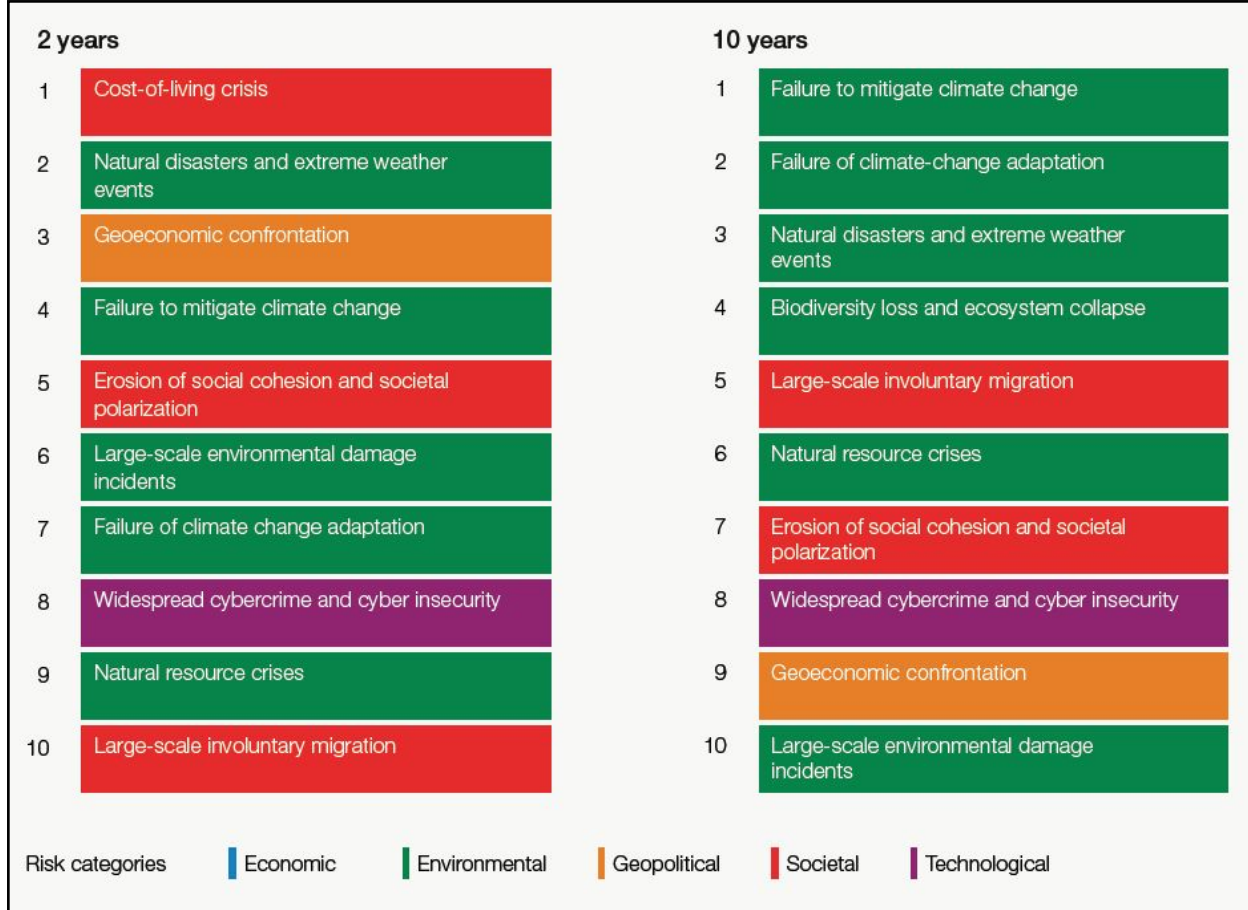
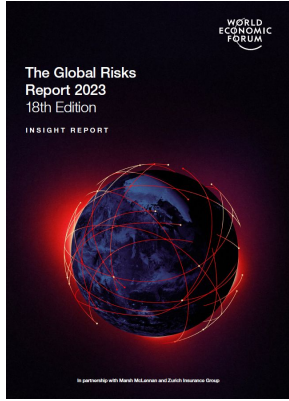


1. Research, environmental scan and community of on trends

2. Consultation with internal leaders, subject matter experts and the Risk Committee

3. Analytics to support integrated planning

World Economic Forum Risk Report 2023



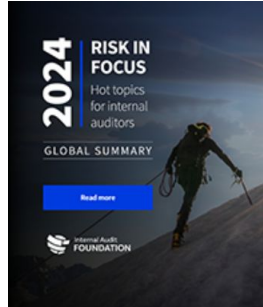
Institute of Internal Auditors Risk in Focus Report 2024

What are the top 5 risks your organization currently faces?

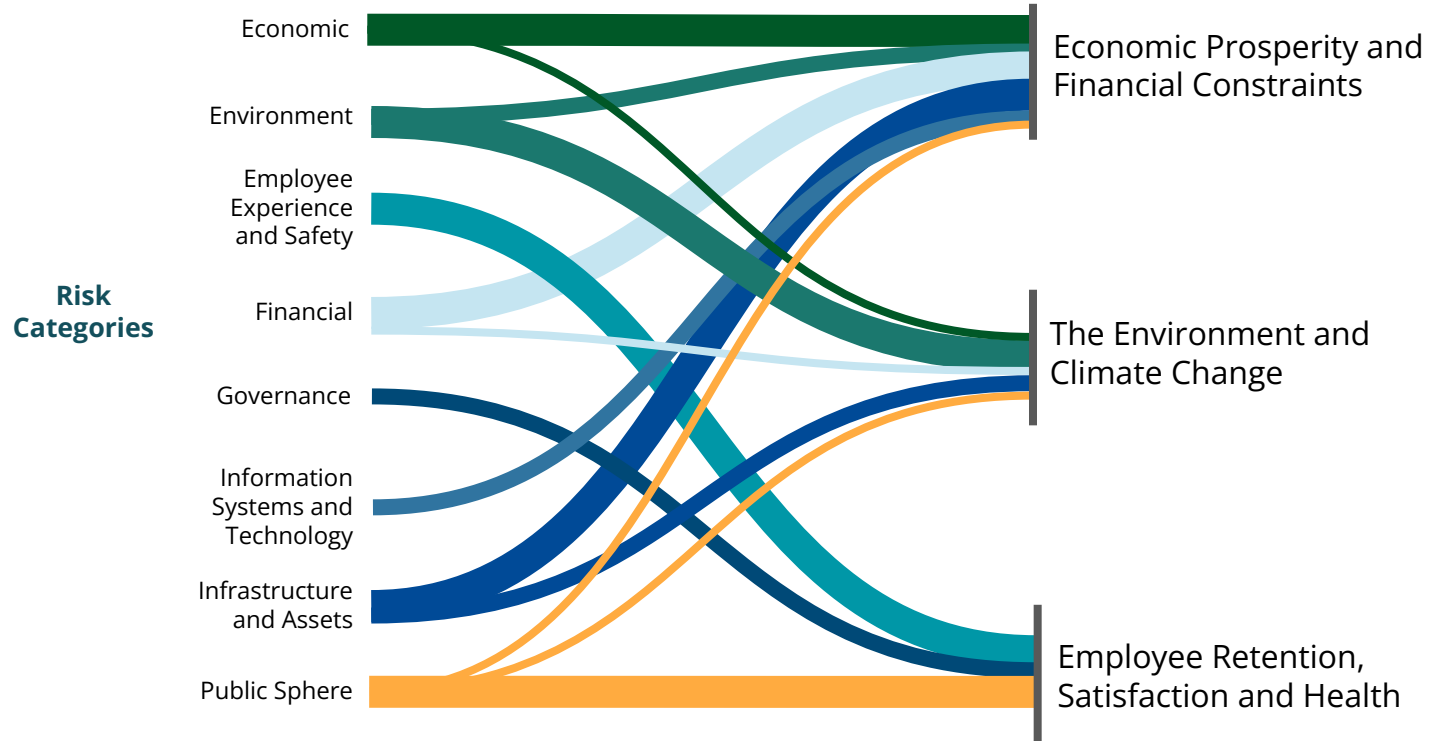
1.	Cybersecurity	73%
2.	Human capital	51%
3.	Business continuity	47%
4.	Regulatory change	39%
5.	Digital disruption	34%
6.	Financial liquidity	32%
7.	Market changes	32%
8.	Geopolitical uncertainty	30%
9.	Governance/corporate reporting	27%
10.	Supply chain and outsourcing	26%
11.	Organizational culture	26%
12.	Fraud	24%
13.	Communications/reputation	21%
14.	Climate change	19%
15.	Health and safety	11%
16.	Mergers and acquisitions	6%

What are the top 5 risks your organization will face 3 years from now?

1.	Cybersecurity	67%
2.	Digital disruption	55%
3.	Human capital	46%
4.	Business continuity	41%
5.	Climate change	39%
6.	Regulatory change	39%
7.	Geopolitical uncertainty	34%
8.	Market changes	33%
9.	Supply chain and outsourcing	25%
10.	Financial liquidity	23%
11.	Organizational culture	21%
12.	Governance/corporate reporting	20%
13.	Fraud	20%
14.	Communications/reputation	15%
15.	Health and safety	11%
16.	Mergers and acquisitions	11%



Strategic Risk Main Themes



Risk Rating - High (score 13-20)

Public

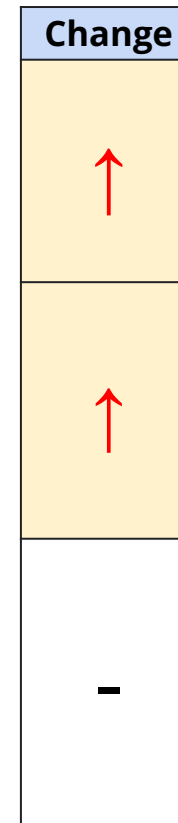
Social support and public safety services do not meet increasing and changing demands, negatively impacting livability, vibrancy and growth. (Score - 13.3)

Financial

Continued uncertainty in provincial grants and tax transfers reduces stability and predictability in revenues and increases tax base pressures. (Score - 13.3)

Economic

The City faces persistent pressure of high cost and price environment of services and materials. (Score 13.0)



Risk Rating - Medium (score 7-12)

Financial

Increasing financial strain due to continued reduction in budget impacts the ability to meet the public's service level expectations. (Score - 12.2)

Technology *(updated inclusion of Cyber Security)*

Replacements, upgrades or maintenance of aging digital infrastructure assets are insufficiently funded, resulting in vulnerability to increasing cyber security attacks, increasing protection costs, and service re-prioritizing capabilities. (Score - 11.6)

Environment

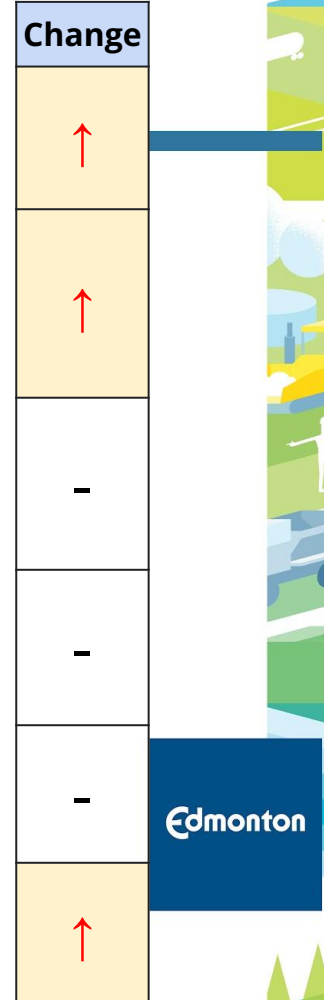
Limits on electrical utility infrastructure (electrical grid) impact the City's ability to support a complete transition to zero emissions transportation. (Score - 10.4)

Reliance on industry, community and Edmontonian partnerships and participation is needed in reaching climate goals. (Score - 9.5)

Financial

Unintended consequences of changes to planning, development and social funding strategies will create a shift in tax burden and pressure on the tax base. (Score - 9.2)

Growth and infrastructure renewal deficits increase budget costs, putting pressure on the debt limit and tax increases. (Score - 9.0)



Risk Rating - Medium (score 7-12)

Infrastructure

Climate change adaptation, mitigation and transition required impact lifecycle management scope and costs for infrastructure, fleet and equipment. (Score - 8.8)

Employees

Continued mental fatigue reduces the resiliency and capacity of staff. (Score - 8.6)

Collective bargaining or other emerging disruptive events result in labour disruption. (Score - 8.1)

Governance

Increasing complexity and volume of work negatively impacts the responsiveness of decision-making. (Score - 7.4)

Infrastructure

Increasing funding deficit on capital asset transfer impacts operating costs, increases pressure on maintenance service levels and reduces overall effectiveness. (Score - 7.4)

Public

The inability to meet the majority and divergent customer/public expectations creates dissatisfaction. (Score - 7.0)

Divergent public perception and values due to perceived inadequate services and slow results reduces public trust. (Score - 7.0)

Change
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-
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Risk Rating - Low (score 1-6)

Economic

Continued economic challenges, such as persistent inflation and high costs, reduce the ability of small/medium businesses in Edmonton to survive or expand. (Score - 6.7)

Employees

Some talent segments are experiencing rapidly changing skills to deal with emerging work along with increased challenges in recruitment and retention due to industry competition. (Score - 6.3)

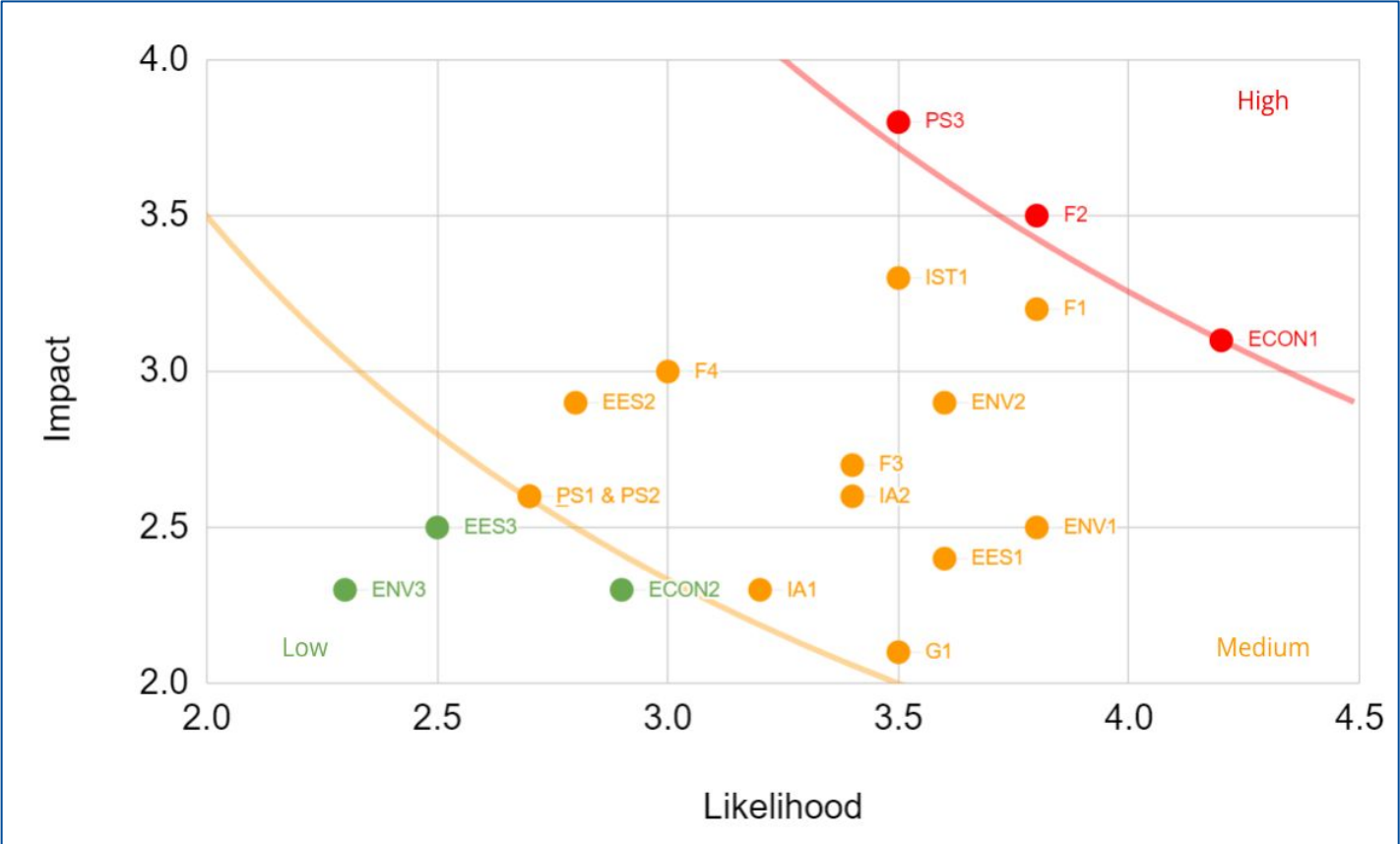
Environment

Increased need for extended responses, support and shelter for extreme weather events locally and in support of the western region in assisting displaced and vulnerable evacuees. (Score - 5.3)

Change
-
NEW
NEW



Strategic Risk Heat Map





Questions