
Update on Key Strategic Risks

Recommendation

That the information be received.

Topic and Purpose

The purpose of this report is to provide an update on how the Administration is managing the City of Saskatoon's (City) key strategic risks.

Report Highlights

1. Risk Registers have been developed for each high and medium strategic risk and have been reviewed by the Corporate Risk Committee.

Strategic Goal

This report supports the long-term strategy of creating and encouraging a workplace culture of continuous improvement that encourages innovation and forward-thinking under the strategic goal of Continuous Improvement.

The City's Risk Based Management program sets a positive and proactive risk management culture for the Administration through the adoption of a systematic, practical and ongoing process for understanding and managing risk.

Background

At its meeting on June 22, 2015, when considering the report of the CFO/General Manager, Asset and Financial Management Department, regarding key risks and the risk based management program, City Council resolved that the Corporate Risk Committee report further on key corporate risks, and that there be an overall ongoing review and report back to the Standing Policy Committee on Finance.

Report

In 2015, the City's internal auditors, PricewaterhouseCoopers (PwC), assisted the Administration in conducting a strategic risk assessment in order to identify and prioritize the key strategic risks being faced by the City. The Corporate Risk Committee (comprised of the City Manager, General Managers, City Solicitor, Director of Government Relations, Fire Chief, Police Chief and Director of Corporate Risk), with input from City Council, evaluated each strategic risk that was identified and prioritized them based on the likelihood of the risk event occurring on a scale of 1 (rare) to 4 (very likely), and the impact if the risk event were to occur on a scale of 1 (negligible) to 4 (critical).

A total of 5 strategic risks were ranked as "high risk," 20 were ranked as "medium risk" and 7 were ranked as "low risk" (Attachment 1). In order to understand each strategic risk, a template for the development of a Risk Register for each strategic risk was developed (Attachment 2).

Update on Key Strategic Risks

Risk Registers record the details related to each risk in one centralized document regarding the following:

- overall ranking and scoring of the risk
- root causes of the risk
- significant impacts that could result if the risk were to occur
- what is currently being done to manage the risk, and
- additional activities that are planned in the short and medium term that will further manage the risk.

For each strategic risk, a short summary risk statement was developed, a unique identification number was assigned, and for those that had more than one component (e.g. roads and sidewalks), each component was further identified and recorded in the Strategic Risk Master Register (Attachment 3).

Through literature research, examination of corporate documents and feedback from the Administration, a Risk Register for each high and medium ranked strategic risk has been developed (Attachment 4). At its meeting on May 11, 2016, the Corporate Risk Committee reviewed the strategic risk registers, confirmed the content of each, and ensured the reasonableness of the target dates provided for planned mitigation strategies.

Communication Plan

A detailed communications plan has been developed to ensure that internal and external stakeholders, along with the public, are provided with the most accurate and appropriate information on the City's identified Key Strategic Risks and in the City's commitment to a Risk Based Management (RBM) Program for the corporation.

A variety of tools will be used to effectively communicate the City's RBM Program, key strategic risks, actions being taken to manage those risks and internal audit plan. Communication tools will include, but may not be limited to, the following:

- News release to provide an update on the Key Strategic Risks and on the mitigation highlights of the RBM Policy and Program.
- An online presence on the City's website will be created for Corporate Risk. The webpages will include information related to updates on the City's progress, Frequently Asked Questions about the RBM Policy, Program and Audit Plan. The webpages will continue to be updated as new programs are developed.
- Future reports to Council and Committees of Council will identify and report on risk management efforts particularly related to those on the prioritized list of risks.

Financial Implications

The financial implications of planned mitigation strategies will be incorporated into future Business Plan and Budget submissions of the responsible Department as required.

Due Date for Follow-up and/or Project Completion

The Corporate Risk Committee will meet in the summer of 2016 to confirm the inherent risk score assigned to each strategic risk, determine the residual risk score and develop a target risk ranking. In order to ensure consistency in the risk scoring process, the likelihood and impact assessment criteria that were used to determine inherent risk scores will also be used by the Corporate Risk Committee at these meetings to determine residual risk scores. Opportunities will also be identified to consolidate risks that have similar impacts, causes and/or mitigation strategies in order to focus and refine risk management efforts.

The updated Risk Registers will be submitted for confirmation and approval to the Standing Policy Committee on Finance in late 2016, and will also be shared with PwC in advance of the development of the 2017 internal audit plan.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. Strategic Risk Ranking (Approved by City Council September 28, 2015)
2. Strategic Risk Register Template
3. Strategic Risk Master Register (Effective May 11, 2016)
4. Individual Strategic Risk Registers – High and Medium Only

Report Approval

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