Audit Committee Presentation

May 31, 2017
Enterprise Risk Management:
Enterprise Risk Registry – Risks 2-4

Continuing Implementation

• Begin a second round of risk assessment with a focus on how the first mitigation efforts are impacting risk priorities
• Amend position descriptions and professional development for all service owners to embed risk management responsibilities
• As we develop the 2018 budget process, begin for the first time to identify a way to bring a risk lens to budget-setting
Continuing Implementation

- Bring to Council and Committee any necessary amendments to ERM policies
- Adopt some of the ERM tools and processes developed in Burlington Hydro
- As operating agreements with city-funded agencies and boards are reviewed, ensure they are developing and implementing appropriate ERM policies and practices

Enterprise Risk Registry

- City Manager’s Office Dec. 19, 2016 report presented the top ten risks to the organization
- The following is from Appendix B - CM-16-16
- Presentation made Feb 1 to Audit on Risk 1 – Labour Market

<table>
<thead>
<tr>
<th>Enterprise Risk</th>
<th>Category</th>
<th>Description</th>
<th>Internal/External</th>
<th>Probability</th>
<th>Impact</th>
<th>Present or Future Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Sustainability</td>
<td>Financial, Operational, Customer Service, Reputational</td>
<td>Sustainability, Budget, Strategic Plan</td>
<td>Internal</td>
<td>Likely</td>
<td>H</td>
<td>Asset Management Plan, Finance Plan for Strategic Plan</td>
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<tr>
<td>Climate Change</td>
<td>Environmental, Customer Service</td>
<td>Severe Weather Events</td>
<td>External</td>
<td>Likely</td>
<td>H</td>
<td>Advocacy through AMO, Grant Coordination</td>
</tr>
<tr>
<td>Technology</td>
<td>Operational, Customer Service, Financial, Reputational</td>
<td>IT Systems, Staff Expertise &amp; Competency, Speed of Change</td>
<td>Internal</td>
<td>High/Certain</td>
<td>H</td>
<td>Emergency Plan, Continuity of Operations, Storm Water Plan, Resilient City Community Work</td>
</tr>
</tbody>
</table>

Burlington
Risk 2 – Financial Sustainability

- **Long term financial plan:** Plan identifies key objectives and measures to track performance and report annually on progress towards overall improved and strengthened financial health.

- **Asset management financing plan:** Provides a sustainable funding strategy to address the city’s long term infrastructure needs.

- **Phase 1 strategic plan financing plan:** Phase 1 of a multi-phased approach to implementing the strategic plan that allows for foundational and time-sensitive work to begin earlier, laying the groundwork for future implementation.

- **BMA Financial Health Report:** Analysis of the city’s current financial position, outlook and performance.

- **Financial Policies (various):** Extensive policy framework that provide guidance and oversight to financial operations/activities.

- **Advocacy for More Revenue Options:** Through Association of Ontario Municipalities continue to advocate for a broader range of municipal revenue instruments.
Risk 3 – Climate Change

Emergency Management, Continuity of Operations:

- The municipal Hazard Identification and Risk assessment completed in 2015 determined that the top natural risks to the City of Burlington are; flooding, winter storms, high winds, and extreme heat events.
- While we cannot prevent these occurrences, we are able to mitigate their effects on the community, ensure the consistent provision of critical government services and harden our critical infrastructure.
- The municipal emergency management program uses an all-hazards emergency management approach to prepare the community. The program includes public education, risk mapping, incident management training, continuity of operations planning and community based emergency preparedness initiatives. The ultimate goal of these strategies is to create a culture of emergency preparedness in the community and the corporation.
- The City hired AMEC-Foster Wheeler to conduct a City-Wide Flood Vulnerability, Prioritization and Mitigation Study after the August 2014 storm, and a number of the priority projects that were identified are being planned for implementation or are already underway.

- The City will be updating the Storm water Management Design Standards and Guidelines manual, taking into consideration climate change scenarios and Low Impact Development techniques.
- When redevelopment applications are received for areas that were originally developed without sufficient storm water management infrastructure, current storm water management designs are required. The use of Low Impact Development measures are promoted.
- The City is coordinating with the Halton Region on various homeowner-focused programs such as the Basement Flooding Prevention Subsidy Program for downspout disconnections, sump pump and backwater valve installations.
- The City is also initiating a Low Impact Development project with a local elementary school to construct a “Rain Garden”. Involving the students in construction and educational presentations will familiarize them with the concepts of climate change adaptation.
- The City is also involved in the ICLR (Institute for Catastrophic Loss Reduction) Municipal Advisory Committee, which involves climate change experts from various universities, engineering consultants, insurance industry representatives and staff from municipalities across Canada. A wide variety of climate change issues, adaptation initiatives and home insurance are discussed with respect to impacts on residents and municipalities.
Risk 4 - Technology

The risks related to Technology are:
• Size and complexity of our environment
• Volume of applications and data
• Keeping pace with change
• Growth of Cloud
• Loss of knowledge (staff retirements)
• Cyber security threats
• Infrastructure renewal

Strategies for mitigation are:
• Implement Corporate IT Strategy
• Observe and apply IT Governance Practices
• Implement Succession Management Plan
• Increase Job Shadowing and Cross-training
• Complete Staff development plans
• Development of IT Security Framework
• Development of Cloud Policy and Framework
• Implement Business Intelligence Tool
• Implement Application Integration Platform
• Leverage Asset Management Plan

ITS staff have provided more information in their presentation to Audit earlier today.