

# Risk Governance Strategy & Risk Management at the City of Burlington

Presentation to CSSRA -December 10, 2020

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Corporate Strategy Team



# What we are looking for:

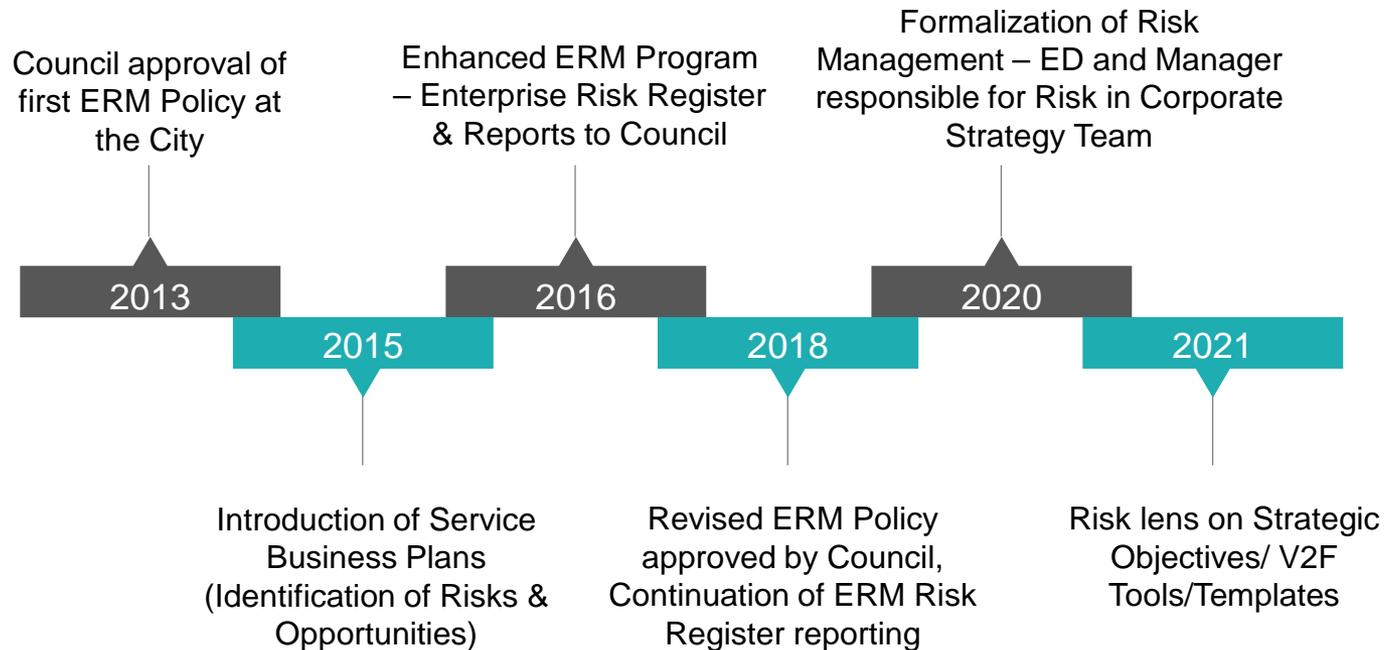
Approve the Risk Governance Strategy as provided in Appendix A of City Manager's report CM-34-20 AND;

Approve the City of Burlington's Enterprise Risk Governance and Management Policy as provided in Appendix B of City Manager's report CM-34-20.



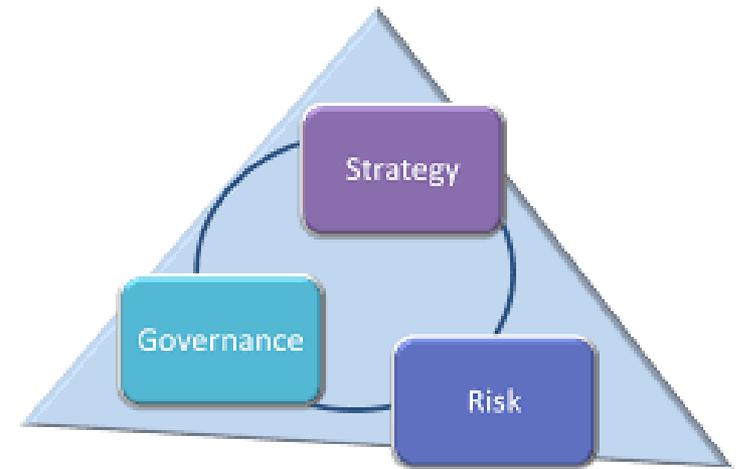
# Risk Management at the City of Burlington

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# Why are we focusing on strategy & risk?

## Review from January 2020



- Enhancing risk governance
  - Expands lens of existing risk management practices to strategic objectives
  - Promotes clarity of objectives to support identification of risks
  - Supports greater understanding of certainty of achieving objectives in Vision to Focus
  - Establishes ownership and sponsorship of strategic objectives within Burlington Leadership Team
  - Focuses on monitoring environment (not risks) for changes and affect on impact on achieving strategic objectives



# Enterprise Risk Management Maturity – Results from our Partner Gartner

Here is where we are:

Here is where we want to be in 2-3 years:

**Priority**

First 12-18 months

**Priority**

Subsequent 18-36 months

|                 | Align Risk, Strategy, and Performance<br>1+      | Ensure Risk Governance<br>1+            | Manage ERM Process<br>2 | Enhance Risk Culture<br>1+                        |
|-----------------|--|---|-------------------------|---|
| <b>Priority</b> | Incorporate Risk Management in Strategy<br>1+    | Design Frameworks and Policies<br>1     | Identify Risks<br>3     | Foster Risk Awareness<br>2                        |
|                 | Operationalize Risk Appetite<br>1                | Ensure Risk Committee Oversight<br>2    | Assess Risks<br>3-      | Assign Accountability and Ownership<br>1          |
| <b>Priority</b> | Embed Risk Management in Business Processes<br>2 | Manage Risk Management Technology<br>1+ | Respond to Risks<br>1+  | Build Enterprise-wide Risk Management Skills<br>1 |
|                 |  | Manage ERM Staff<br>2-                  | Monitor Risks<br>1+     |   |
|                 |  | Manage Liaison Network<br>1             | Report on Risks<br>2-   |   |
|                 |  |   |                         |   |

|  | Align Risk, Strategy and Performance | Ensure Risk Governance | Manage ERM Process | Enhance Risk Culture |
|--|--------------------------------------|------------------------|--------------------|----------------------|
|  | 3                                    | 3                      | 3                  | 3                    |
|  | 3                                    | 3                      | 3                  | 3                    |
|  | 3                                    | 1+                     | 3                  | 3                    |
|  |                                      | 2                      | 3                  |                      |
|  |                                      | 2                      | 3                  |                      |

**Legend**  
 High Maturity
  Medium Maturity
  Low Maturity
  Not Assessed
 n = 17

Maturity: Measured on a scale ranging from 1 (Low) to 5 (High), maturity measures how advanced an organization's development is in a functional activity relative to Gartner's best practice research. Maturity scores are refined with a (+) or (-) to indicate intermediate levels of maturity.



# Overall Maturity Rating – Now & In Future

Overall functional maturity is the average maturity of all activities assessed.

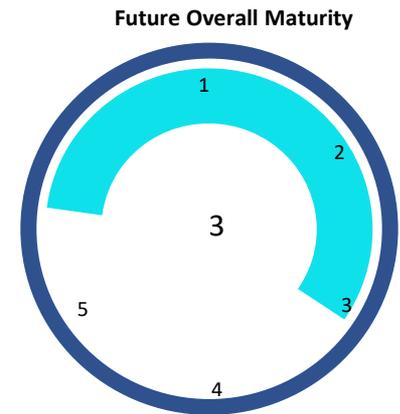
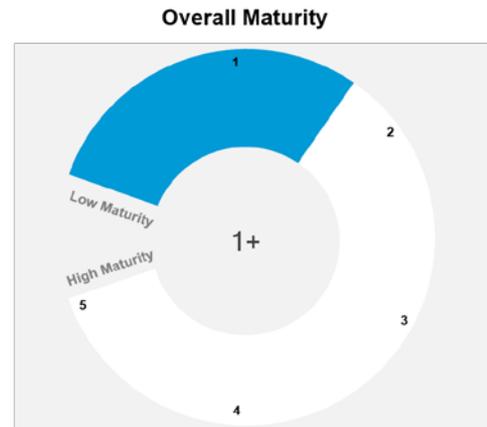
- Measured on a scale ranging from 1 (low) to 5 (high), maturity is an organization's performance relative to Gartner's best practice research. Maturity scores are refined with a (+) or (-) to indicate intermediate levels of maturity.

- The next page has individual maturity scores for each activity, allowing you to quickly identify strengths and opportunities for improving maturity.

**Benchmark Description:**

**Industry:** Government

**Org Size:** Other



Benchmark = 3-

Number of respondents for this assessment = 17

Number of participating organizations in this benchmark = 7



# Risk Governance Strategy and Principles

## City of Burlington Risk Governance Vision

*The City of Burlington will be a Municipal leader in Risk Governance*

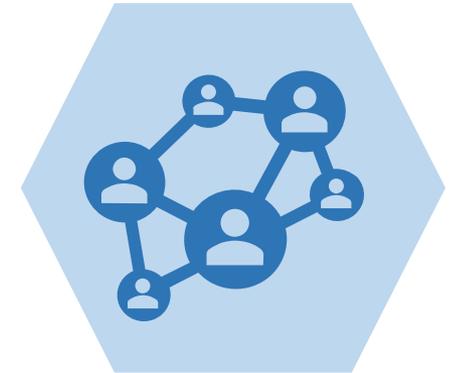
### Mission Statement:

The City of Burlington is committed to establishing enterprise risk management (ERM) systems and processes to ensure its strategic goals and corporate governance responsibilities are met. Risk management is integral to good management practice and effective corporate governance and is necessary to ensure decisions are made with sufficient information about risks and opportunities.



# Risk Governance Principles:

- Enable better decision making
- Take care of our community, our staff and our assets
- Champion and model risk leadership
- Enable and encourage an innovative culture
- Support and foster sustainable continuous improvement
- Encourage and evolve our employee's understanding of risk management
- Support the achievement of our strategies, business plans, projects and activities
- Provide policies, tools and processes related to risk to guide staff across the organization
- Use COSO's "*Enterprise Risk Management – Integrating with Strategy and Performance*" (2017) as our framework foundation



# Corporate Policy



**General**

**Enterprise Risk Governance and Management Policy**

Approved by Council on: December 14, 2020

Report Number: CM-34-20

Effective: December 14, 2020

Reviewed on: MMMM d, yyyy

Amended: MMMM d, yyyy

Next Review: December 14, 2022

Note: Replaces Enterprise Risk Management Policy, As amended Feb. 20, 2018

Mission Statement:

The City of Burlington is committed to establishing enterprise risk management (ERM) systems and processes to ensure its strategic goals and corporate governance responsibilities are met. This policy recognizes that risk management is integral to good management practice and effective corporate governance and is necessary to ensure decisions are made with sufficient information about risks and opportunities.

**Policy Statement:**

The purpose of this policy is to describe the City of Burlington's enterprise risk governance and management philosophy and the processes and practices that are in place to identify, communicate, and manage risks across the organization. The policy also ensures that responsibilities have been appropriately delegated for risk management.

The City of Burlington will manage risks giving consideration to:

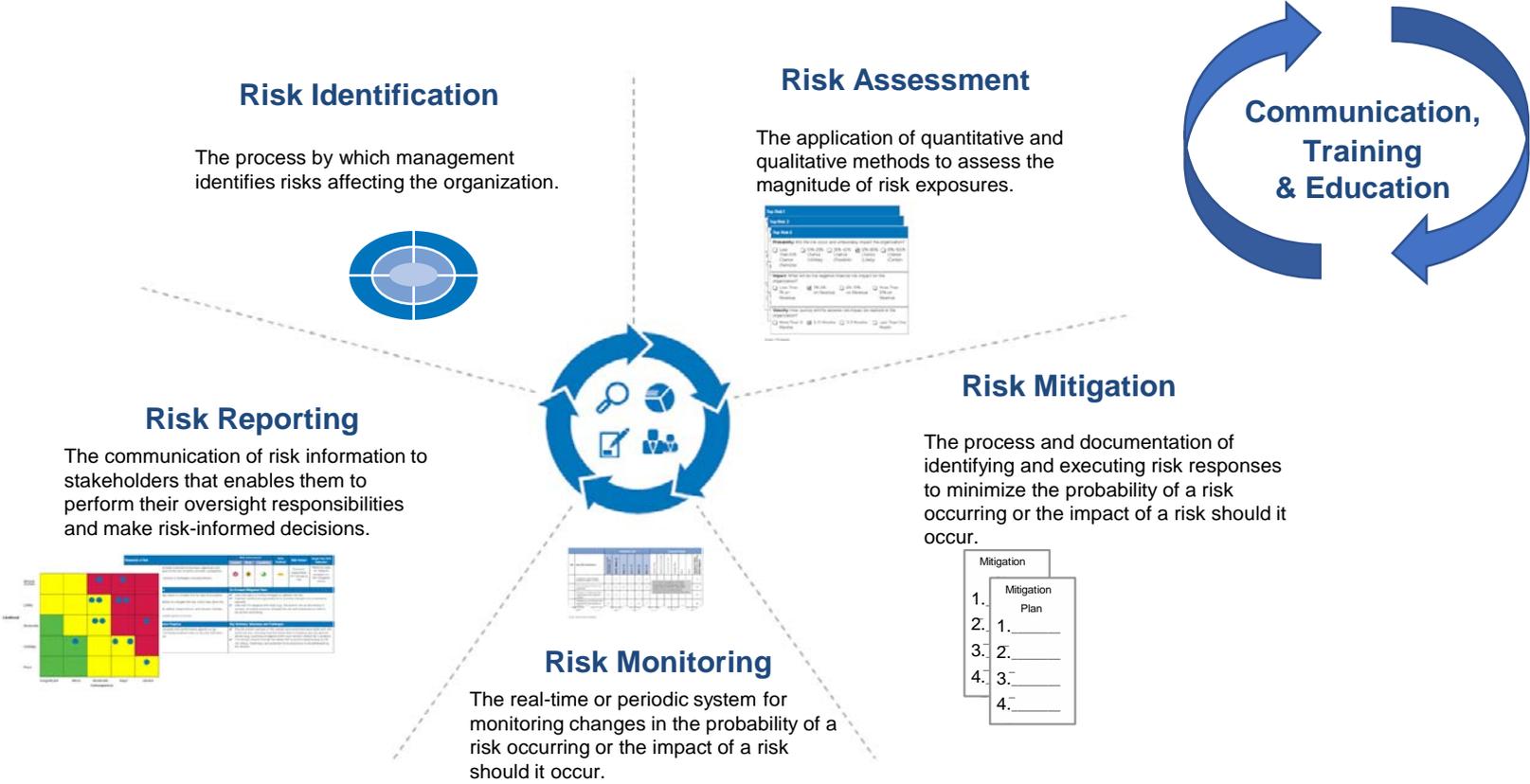
- Our employee values
- City of Burlington's Strategic Plan 2015-2040
- Philosophy and culture of innovation
- Legislative requirements
- And this policy.



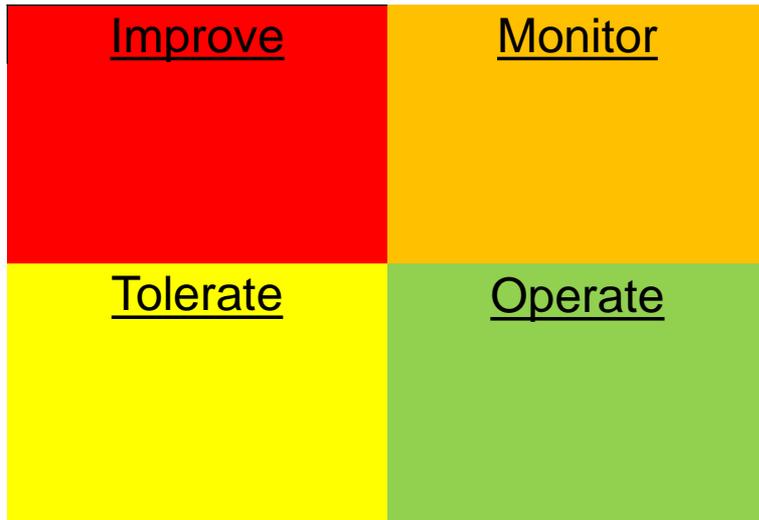
# What's Next:



# Risk Management Process Overview



# Potential Tools and Processes



Excerpt from Gartner Action-Oriented 2x2 Matrix



Excerpt from Risk Oversight Solutions Certainty Statusline



Excerpt from Hydro One Ensure Risk-Resilient Corporate Strategies



# Risk Management is all of this and more...



# Questions and Comments

