CITY OF
Burlington

SUBJECT: Risk governance strategy

TO: **Corporate Services, Strategy, Risk & Accountability Cttee.**

FROM: **City Manager's Office**

Report Number: CM-34-20

Wards Affected: N/A

File Numbers: 430-01

Date to Committee: December 10, 2020

Date to Council: December 14, 2020

Recommendation:

Approve the risk governance strategy as provided in Appendix A of City Manager's office 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 office report CM-34-20.

PURPOSE:

Vision to Focus Alignment:

- Increase economic prosperity and community responsive city growth
- Improve integrated city mobility
- Support sustainable infrastructure and a resilient environment
- Building more citizen engagement, community health and culture
- Deliver customer centric services with a focus on efficiency and technology transformation

Background and Discussion:

City of Burlington staff has historically implemented a fulsome program focused on Operational risk. This program is ongoing and focuses on our operational risks, things such as our cash handling processes and winter control maintenance to name just a few. This program identifies and deals with our operational risk and we have developed

policies, templates and risk management practices. This program involves our internal audit function and reports to Audit Committee based on best practices and management plans to reduce or mitigate our operational risks.

In 2013, the Council approved the first Enterprise Risk Management Policy (CM-10-13) and has subsequently updated the policy in 2015 (CM-05-15) and again in 2018 (CM-4-18). This policy provided direction to management and staff regarding the expectations of identifying, documenting and reporting risks within projects, programs and initiatives. While the policy was in place, the implementation of programs to monitor compliance was minimal resulting in inconsistent risk management practices particularly across projects, programs and initiatives outside of regular service delivery.

In 2015, the introduction of service business plans provided the opportunity for Staff to identify both risks and opportunities in the service areas; furthering the development of risk awareness and how risks, once identified, can be monitored and mitigated. Our project management practices have included regularly reporting on risks in relation to their projects to the relevant Steering Committees. In June 2020, corporate project managers implemented regular reporting of project status, including risks, to Committee.

In 2016, the City enhanced its Enterprise Risk Management (ERM) program to elevate our view and discussion on risk to those risks which are more corporate in nature (CM-16-16). This review produced a top ten risk register for those risks that effect or have the potential to affect the corporation and many of our businesses and services. This register was also regularly reported to Audit committee and is used as a lens on our city budgets. In current ERM practices, the use of the top 10 risks is becoming obsolete. In its place, a more rigorous process of embedding risk assessment into strategic planning is becoming the norm.

Strategy/process

2020 brought a renewed focus on risk and strategy through the introduction of the risk and strategy team and the Executive Director of Strategy, Risk and Accountability position. To enhance risk management at the City of Burlington, we first focused on developing a Risk Governance Strategy and new Risk Management Policy. This Risk Governance Strategy can be found in Appendix A, and the Enterprise Risk Governance and Management Policy can be found in Appendix B.

The next evolution for us as a corporation and staff is to have a risk lens on our strategies, strategic plan and Vision to Focus (V2F). This allows for a full understanding of risk and opportunity. It will inform key decisions, option evaluation, resource allocation and assist with priority setting. It will make very clear to council and staff what we need in order to deliver on our plans, what potentially may cause us difficulties and therefore what we need to focus on

With the importance of delivering the actions contained in V2F to both council and the community, applying a risk lens will help staff to anticipate and fully understand what could get in our way of delivering the plans so that we can be prepared, be resilient and more agile.

The Risk Governance Strategy and updated Enterprise Risk Governance and Management Policy lay the foundation for raising awareness and understanding of risk management. This sets the stage for implementation where there is opportunity to refine and enhance existing tools, templates and processes to identify, assess, monitor and report risk in operations, projects, processes, initiatives and strategic objectives.

Financial Matters:

Not applicable

Climate Implications

Not applicable

Engagement Matters:

A workshop was held November 24, 2020 to engage Council, the Burlington Leadership Team and the citizen members of the Audit Committee and seek their input into the strategy and policy before bringing it forward for approval. Input was also provided by the members of the Strategy and Risk Team, the Burlington Leadership Team and the Corporate Projects Group at various points throughout the development of the strategy and policy. Staff led several exercises that enabled participation and input into the Strategy and Policy that are attached today for approval.

Conclusion:

In order to move our organization forward in the area of Risk Management, we are seeking the approval of the Governance Risk Strategy and the Enterprise Risk Governance and Management Policy as attached to report CM-34-20.

Respectfully submitted,

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Manager of Strategy and Policy

Corporate Strategy Team

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Appendices:

A. Risk Governance Strategy

B. Enterprise Risk Governance and Management Policy

Notifications:

Audit Committee – Resident Representatives

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.