# Risk to Strategy: Vision 2040

Audit Committee

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Manager Corporate Strategy & Risk

# City of Burlington 5 Lines of Accountability

**5th Line**

**City Council & Audit Committee:** Establishes overarching strategic goals and approves our city budgets. They have oversight of and approve our organization-wide risk governance framework and our strategic vision. Audit Committee provides oversight of our risk management program on behalf of council. They are responsible for our internal control system. Together they have responsibility for leadership, integrity and stewardship.

**4th Line**

**Strategy & Risk Team and BLT:** Share responsibilities endorsing our risk governance framework and policies, set Enterprise Risk Management expectations, strategies and accountability. They promote the importance of risk management within the city, assist with establishing clear expectations of Service Leads/Managers/Employees. Together, they have responsibility for direction and organizational oversight.

**3rd Line**

**City Auditor:** Performs annual Inherent Risk Assessment to inform the risk-based Annual Audit Plan. The City Auditor assesses the residual risk in each service area under review, as well as provides recommendations to improve the effectiveness of internal controls and risk management practices. Provides timely, independent and objective reports to COB City Council and Audit Committee.

**2nd Line**

**Enterprise Risk Management:** Manager Corporate Strategy & Risk reports regularly to management and Council on strategic risks, facilitates risk practices across the organization, develops and implements policies and processes, provides tools, templates, information and materials, coaching and guidance with the goal of providing accurate and timely information.

**1st Line**

**Service Leads/Managers/Employees:** Understand and adhere to policies and use the processes, tools, templates and materials to identify, assess, monitor and report on risk in their business plans, projects and activities and to consider risk in their decision making.

Adapted from TMX "Five Lines of Accountability" and "The Three Lines of Defense in Effective Risk Management and Control", IIA, 2013

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**Why?**

| | Modernize Risk Management | Protect the City | Increase our Success |
|---|---|---|---|
| **Purpose** | • Build on what staff are already doing<br>• Implement new processes, tools and templates<br>• Evolve Risk Management | • Protect our community, our staff and our assets<br>• Make better decisions | • Build a risk aware culture<br>• Support innovation<br>• Embed at all levels of the organization |

**Who?**

11 Distinct Groups made up of 44 staff

44 staff hours of meetings (4, I-hour meetings per grouping)

176 people hours

**When?**

March-April-May

**What?**

Plan → Identify → Assess and Analyze → Respond → Monitor → Report

**Outcome?**

Responses/plans to increase success of achieving Vision 2040

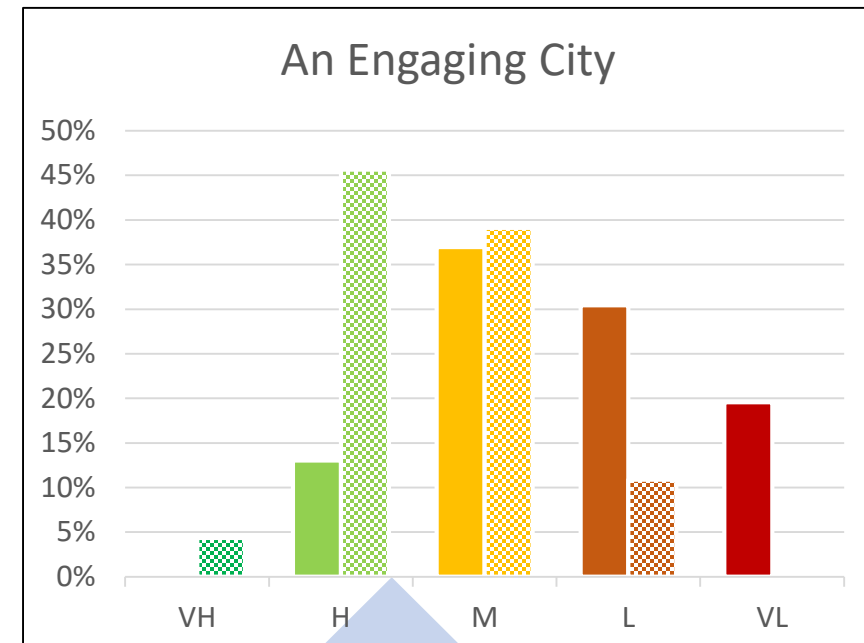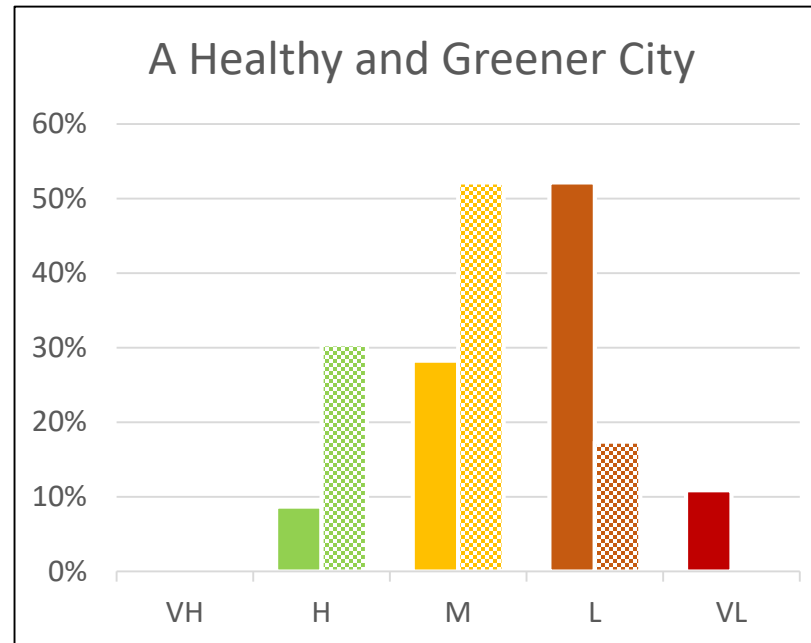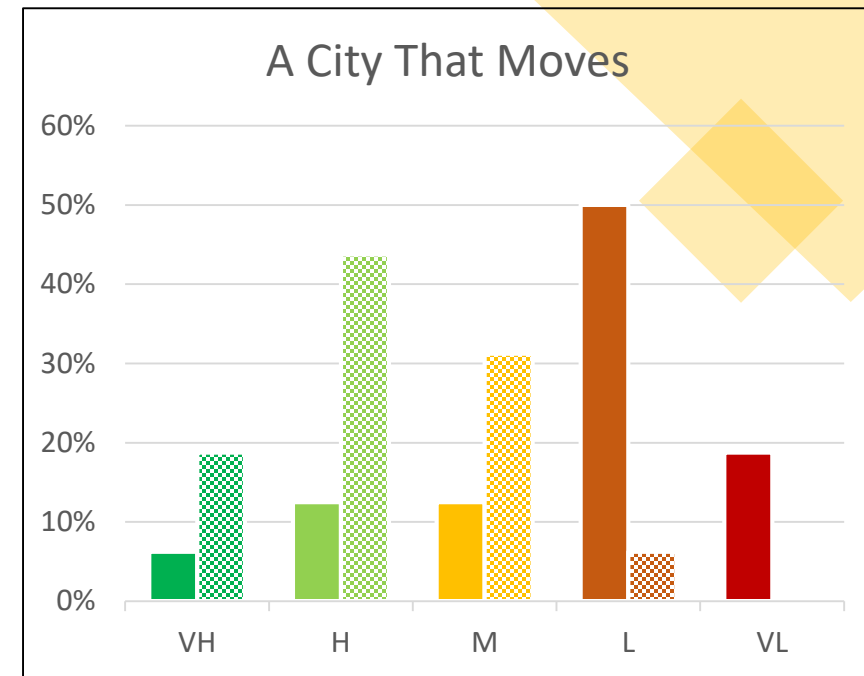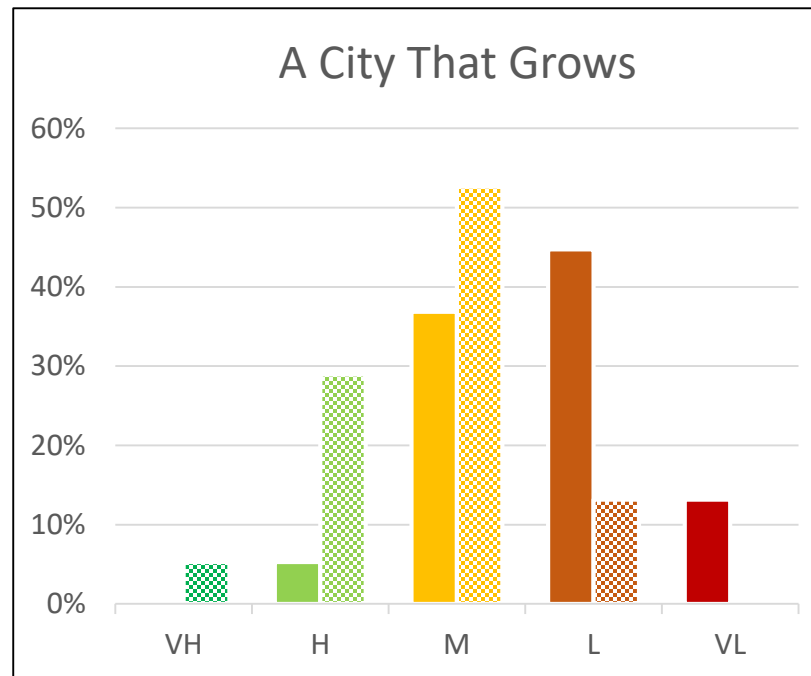CITY OF **Burlington**

# Assess & Analyze: Confidence of Achievement Scale

| Rating | Confidence of Achievement |
|--------|---------------------------|
| **VH** | We will achieve our strategic objectives within our planned timing horizon and will complete our planned outcomes |
| **H** | Minor impact to timing OR outcome which effects our ability to achieve our strategic objectives |
| **M** | Moderate impact to timing OR outcome or minor impact to timing AND outcome which effects our ability to achieve our strategic objectives |
| **L** | Significant impact to timing AND outcome which substantially effects our ability to achieve our strategic objectives |
| **VL** | We will NOT achieve our strategic objectives within our planned timing horizon and will not complete our planned outcomes |

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# Overarching Risks and Dashboard

# Initial versus Residual Confidence Ratings

**Confidence Scale Legend:**

- VH = Very High – Initial
- VH = Very High – Residual

- H = High – Initial
- H = High – Residual

- M= Moderate – Initial
- M= Moderate – Residual

- L= Low – Initial
- L= Low – Residual

- VL = Very Low – Initial
- VL = Very Low – Residual



A City That Grows
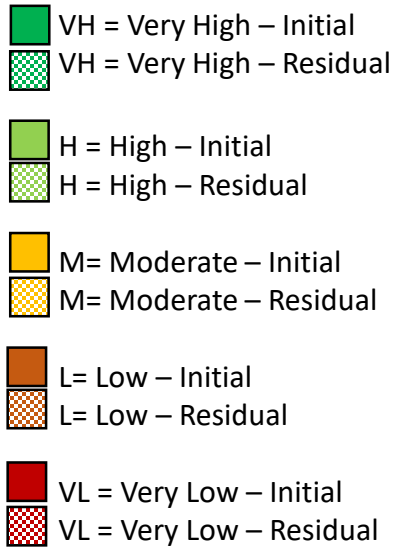
A City That Moves

A Healthy and Greener City

An Engaging City

| Common Identified Risks | A City That Grows | A City That Moves | A Healthy and Greener City | An Engaging City |
|---|---|---|---|---|
| Insufficient funding and resources identified in the City's Budget (Operating & Capital) for implementation | L  VL  VL | L  VL | L  VL  L  VL | VL  M  VL  L |
| Budget presented by leadership reflecting a reasonable tax increase not approved by Council | L  VL  VL | L  VL | L  VL  L  VL | VL  VL  VL |
| Lack of prioritization/alignment of projects/initiatives/plans | L  L  L | L | L  L  M  L | L  L  M |
| Lack of horizontal alignment/communication | L  L | M | M  L  L | L |
| Change to Provincial/Federal Legislation | M  M  M | L  L | L  L  M | H  M  M |
| Increasing Impact of Climate Change | L  H | | M  L  L | M |
| Change to Strategic Directions/priorities | L  L | VL | L  L  L  L | L  M  M |

Recommendations to focus on the following risks and responses to increase our success:

1.  Prioritization/Alignment of projects/initiatives and plans – ED of SRA lead prioritization exercise for organization

2.  Insufficient funding and resources identified in the City's Budget (Operating and Capital) – BMT to identify resource requirements and ultimately SRT, CFO and City Manager for City Budgets

3.  Change to Strategic Directions/Priorities – BMT in reports/Service Presentations for influence

4.  Change to Provincial/Federal Legislation – BMT/Service Leads to monitor, Manager Government Relations and Council for advocacy and influence

5.  Horizontal alignment and communication – BMT, ED of SRA

These risks and responses are interdependent. As an example, by dealing with #1, number 2 and 5 see and realize benefits as they are co-dependent.

**Effective risk management is essential to assisting the city in achieving our strategic objectives.**

**Today's Purpose and Outcomes:**

**Purpose:**

- Review process of work for Vision 2040 risks
- Highlight Overarching Risks and Dashboard
- Discussion and Questions

**Outcomes:**

- Have Audit Committee Receive and File report *CS-6-22 Risk in Strategy - Vision 2040 Final*

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**Next Steps:** Future work will involve risk analysis of V2F – working "Top of house down"

**Thank you**

**Questions?**