

Corporate Risk Appetite

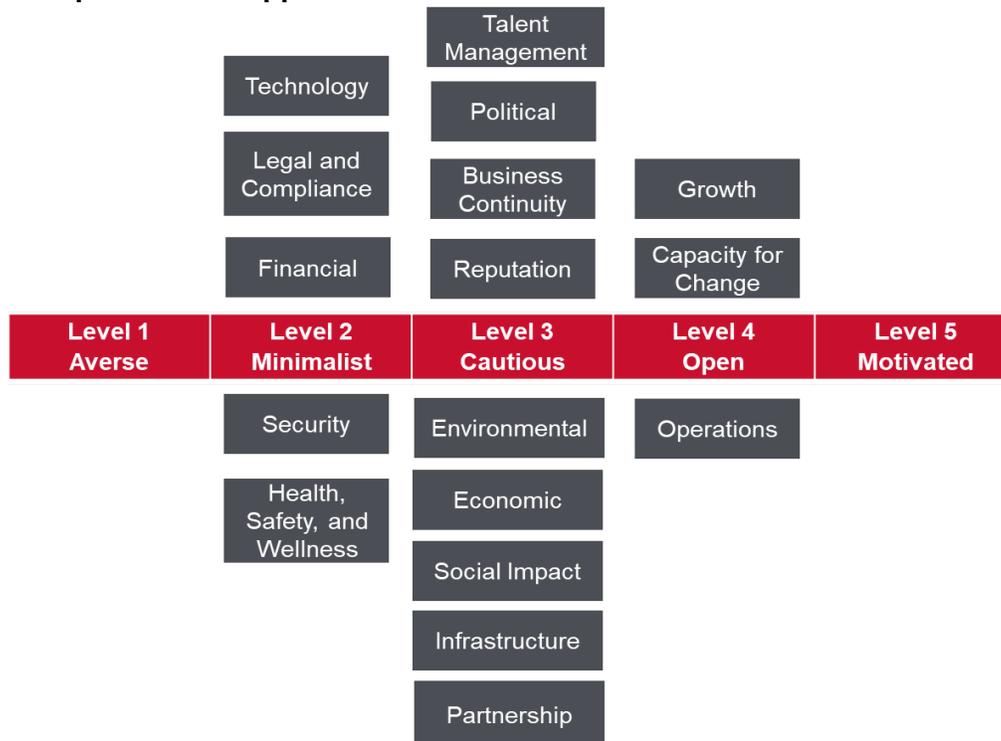
Establishing and developing The City’s approach to articulating and applying risk appetite supports our ability to achieve the Council Directive to “embrace appropriate levels of risk, innovation, experimentation, and embraces lessons learned as opportunities to improve.”

Risk appetite is the level of risk that the organization is willing to accept to achieve its results. The City is using a risk appetite scale to define risk levels:

- Level 1 Averse: The City is not willing to accept risk under any circumstances.
- Level 2 Minimalist: The City is not willing to accept risk in most circumstance.
- Level 3 Cautious: The City is willing to accept risk in certain circumstances.
- Level 4 Open: The City is willing to accept risks.
- Level 5 Motivated: The City accepts opportunities that are inherently high risk.

Risk appetite for the Principal Corporate Risks (PCRs) were discussed and confirmed by the Administrative Leadership Team (ALT) on 2020 June 25 as shown in Figure 1.

Figure 1: Corporate Risk Appetite



Risk appetite and tolerance work continues through communications, facilitated workshops and other engagements with services. One use of risk appetite is the current work with the Solutions for Achieving Value and Excellence (SAVE) program to apply a balance of risk taking to capitalize on opportunities while avoiding potential negative risks in our pursuit of cost savings as well as promoting an overall culture of effectiveness and efficiency.

Table 1 was also presented to the ALT on 2020 June 25, and it shows where the overall risk lies on the Risk Appetite Scale while also demonstrating how the specific, related work may differ.

	Level 1 Averse	Level 2 Minimalist	Level 3 Cautious	Level 4 Open	Level 5 Motivated
External	Partnership Risk				
	Shared service delivery with Partners				
	Quality of City drinking water	The City's GHG emissions	Environmental Risk		Innovation related to energy
	Economic Risk				
City invests to attract business					Working with Partners to advance opportunities for economic growth
Social Impact Risk					
Calgarians experiencing vulnerability		Support for Partners		Opportunities for positive social impact	
Financial	Financial Risk				
	Debt		Investment volatility		
	Infrastructure Risk				
Building related regulations		New building materials			
Growth Risk					
Service levels for different communities			Support economic growth		

Strategic	Legal and Compliance Risk	
	Non-compliance with regulations	
	Volatile funding from other orders of government	Political Risk Proactively working with others
	Reputation	
	Citizen satisfaction surveys	
Operational	Security Risk	
	Security risks to people	Security risks to assets
	Business Continuity Risk	
	Essential services	Non-essential services
	Operations, Process Risk	
	Interruptions to service	Increase effectiveness
Technology	Technology Risk	
	Reliability	New technological solutions
People	Health, Safety and Wellness Risk	
	Failure to report	Accommodate back to work
	Breach of regulation	WCB claims

	<p style="text-align: center;">Talent Management and Workforce Planning Vulnerability Risk</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="370 365 623 499" style="border: 1px solid black; padding: 5px;">Non-compliance with Labour Relations Code</div> <div data-bbox="630 403 813 499" style="border: 1px solid black; padding: 5px;">Collective bargaining</div> <div data-bbox="842 407 1026 499" style="border: 1px solid black; padding: 5px;">Employee satisfaction</div> <div data-bbox="1070 373 1292 499" style="border: 1px solid black; padding: 5px;">Opportunities to enhance talent</div> </div>
	<p style="text-align: center;">Capacity for Change</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="846 569 1013 659" style="border: 1px solid black; padding: 5px;">Pressure on staff</div> <div data-bbox="1308 569 1492 659" style="border: 1px solid black; padding: 5px;">Culture of innovation</div> </div>