



2021 CPS ANNUAL RISK REPORT (RISK PROFILE)

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Introduction

The Calgary Police Service (CPS) is currently implementing Integrated Risk Management (IRM) in the organization. This is the first time the CPS has created a corporate risk profile using risks identified at the Section level. Eight top organizational risks were identified during Phase 1 of the IRM project. Phase 2 will see further assessment, development and gap analysis of the risk strategies and treatments for the top risks identified, a full rollout of IRM methodology, as well as alignment and integration of IRM into operations and major management processes.

Background

“The Executive and Senior Leadership Team at the Calgary Police Service is committed to a robust risk management system as a key part of our governance and daily operations. We acknowledge that policing is inherently risky, and our members make split-second decisions every day to address countless risks. At an organizational level, having an integrated risk management system in place will formalize and provide consistency to how we identify and manage risk across the Service, informing our decision making and helping us to achieve our goals.”

Every day, CPS members face situations that are inherently risky, and they respond to these risks with great care and proficiency. However, modern policing continues to increase in complexity and brings new and evolving risks to the organization, risks that require planning and long-term solutions. IRM is a different endeavour than the daily policing situational assessment and response as it treats risk with a systematic and comprehensive approach.

The CPS has utilized risk management in many ways in the organization – at the project level to assess risks to project completion; within management processes to help make better decisions, such as in the Body Worn Camera and Unified CAD projects; and in many core processes, like the four-year business planning and audit processes. However, there has been a lack of a coordinated, common approach to risk management. Different work areas apply different risk tools and assessment criteria. While risk is always a consideration in organizational decisions, there have also been gaps in where and how risk management has been applied.

This year, the CPS has been developing an IRM system to identify, assess and manage risks at all levels of the organization. The CPS created a risk profile using both a bottom-up and a top-down approach, with information that will serve as a baseline for future risk profiles. The CPS has developed a set of common tools with a set of risk assessment criteria established in consultation with all Bureaus and approved by the Executive and Senior Leadership Team. The CPS will also be aligning the IRM process with strategic

planning, budgeting, and major project management, and other core processes so that risk information will be truly integrated into decision-making.

IRM provides real benefits to the CPS as it improves decision-making and resource allocation; it enables the CPS to discuss, assess, and escalate risks using common language and tools; and it helps us to better articulate our key risks, causes and consequences to our stakeholders. Lastly, IRM allows us to track, monitor and be accountable for managing risks from the Section level through to the organizational level.

CPS IRM Methodology and Risk Prioritization

A rigorous and objective IRM methodology and risk tools were developed in-house. The CPS Risk Profile was then developed by assessing CPS risks and the environmental risk context using this methodology and tools.

Risks were first identified and assessed at the Section level by involving the leaders and Bureau resource teams. The IRM Project Team then reviewed and analyzed the Section level risks, applying a set of prioritization criteria and methodology developed for determining risks with organizational impact. Division-level risks were identified through this analysis. This process was then repeated to determine Bureau-level and then Service-level risks.

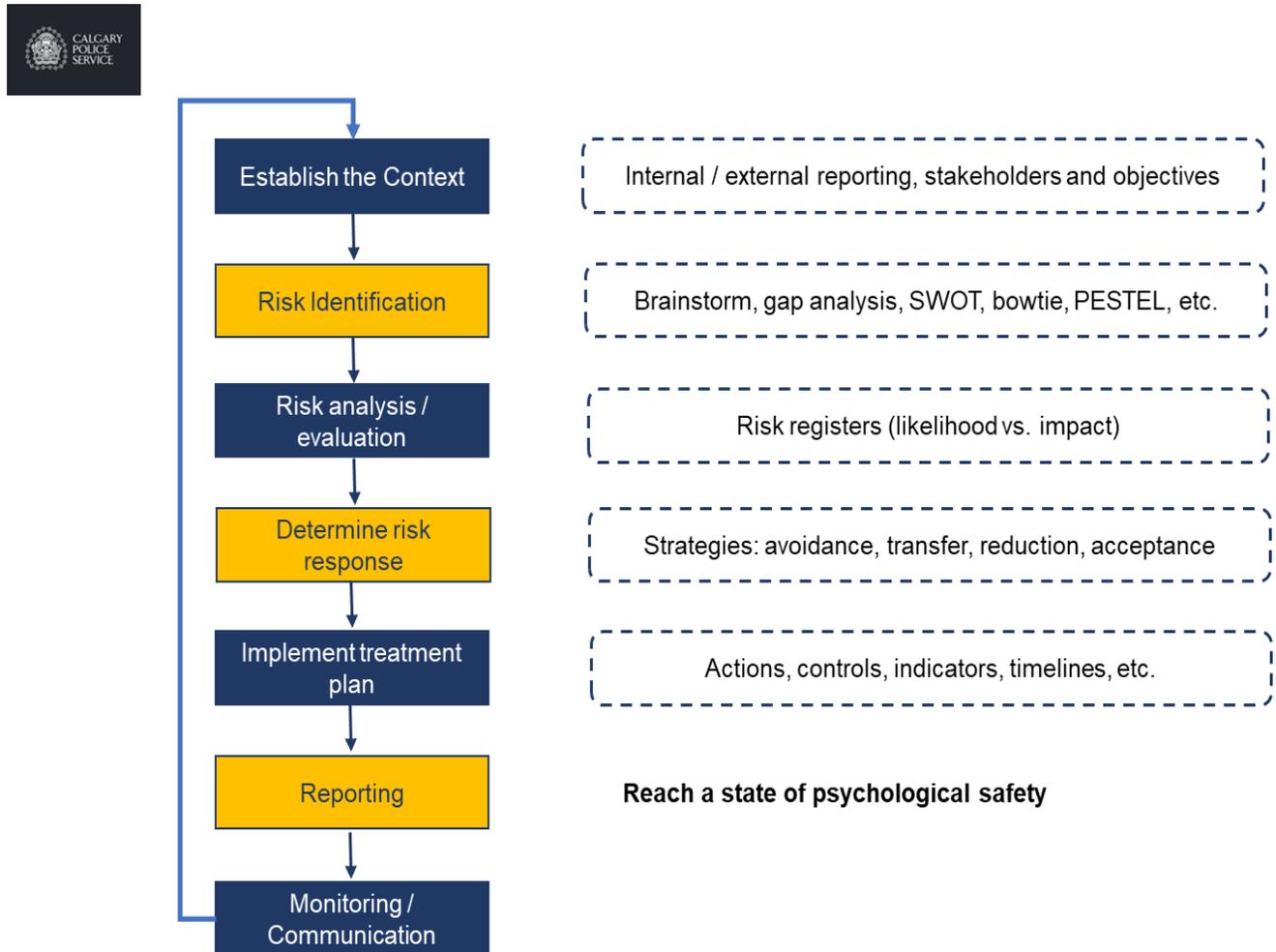
As risks were elevated, the risk statements were adjusted to reflect their impacts across the organization. After the Service-level risks were identified, the IRM Team applied prioritization criteria to rank the risks.

Criteria for Prioritization

1. Risk Score (impact and likelihood) + Risk Escalation Table
2. Themes (frequency of risks identified across Sections, Divisions, Bureaus)
3. Impact – number of areas impacted by the risk, across the CPS, and the degree of impact
4. Environmental considerations/factors, such as anti-racism, COVID-19, etc.

Lastly, through our collective experience in Operations Audit and Strategic Planning, the IRM Team attempted to ensure that any gaps were considered and addressed. The top risks were then reviewed and approved by the Executive and Senior Leadership Team for presentation to the Calgary Police Commission.

CPS Integrated Risk Management Process



Objectives of Integrated Risk Management at the CPS

To assist members and the Executive and Senior Leadership Team in making risk-informed decisions.

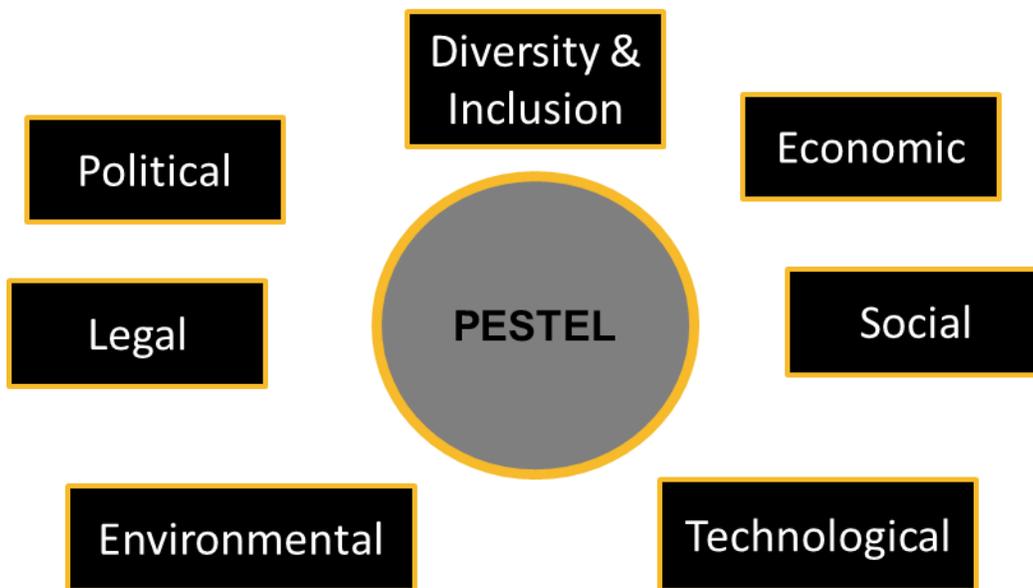
To provide a systematic approach that will assist in dealing with potential event(s) or circumstances that may affect the ability of the organization to achieve its objectives.

Note: To reach a state of psychological safety refers to employees feeling that they are physically and psychologically safe from the potential risks and that the organization is aware and working to address the risks.

Environmental Context

PESTEL Analysis

The Calgary Police Service adopted PESTEL (Political, Economic, Social, Technological, Environmental and Legal) Analysis to perform the external risk scan. Going forward, the external risk scanning will be merged with the environmental scanning analysis that is incorporated into the Executive Leadership Team's decision-making to determine the Service's strategic direction. The CPS recognizes that Equity, Diversity, and Inclusion factors are extremely important in policing and for that reason have been included in this methodology.



Using this methodology, the IRM team identified the following environmental factors:

Local Economy

Alberta's economy is heavily influenced by world oil prices and the state of the oil and gas industry, which underwent a significant downturn in recent years. Job losses and companies moving out of Calgary have resulted in high unemployment and a ripple effect on local businesses. Before the economy was able to recover, the COVID-19 pandemic was declared, which led to the shut down of businesses, greater job losses, and restricted ability to purchase goods. Many businesses, unable to sustain operations, have closed. The local economy is currently not expected to recover until 2023. Impacts on the local economy affects the CPS' ability to provide services to the community.

COVID-19 Pandemic

In March 2020, a local state of emergency was enacted in Calgary when the World Health Organization (WHO) declared the COVID-19 pandemic. This has necessarily altered priorities, expectations, and service delivery for law enforcement. In response to COVID-19, the CPS made major operational changes, including new or altered service delivery models, new working practices (teleworking, in-service training, enforcement of health orders), intensive efforts to secure personal protective equipment (PPE)—a cost that the CPS has had to absorb, and reduced staffing throughout the organization as a result of positive COVID-19 cases from workplace and external exposures and self-isolation requirements for potential close contacts. The sustained impact of the pandemic will continue to challenge the CPS with respect to member health and well-being, training, workplace adaptations, service delivery, and public interactions.

Social Injustice – Anti-racism, Equity, Diversity and Inclusion

2020 saw heightened community tensions and widespread public protests relating to racial inequity. The global demonstrations against police brutality and police misconduct (bias, excessive use of force) have had a profound impact on law enforcement and to the CPS' reputation. In addition to this, there were widespread public demands to defund the police around North America and here in Calgary.

City Council held public meetings, providing a forum where people could speak about their experience with discrimination and racism. The CPS responded by acknowledging that systemic racism existed in the organization and committed to working with the community to address issues of racism, equity, diversity and inclusion. The work is both external and internal and will require a sustained effort.

Legal Changes

Changes within the Canadian legal framework can come from a variety of sources, often with limited notice, and may have a significant impact on police practices, which can create additional challenges for CPS operations. Federal and provincial legislative changes as well as significant court rulings may all require changes to how the CPS operates.

In 2019 and the first quarter of 2020, CPS continued to see the residual effects of previous Supreme Court of Canada decisions, such as *R. v. Jordan*. The legalization of cannabis in the fall of 2018 and then the enactment of Bill C-75 in Q4 2019 required new and/or revised procedures for CPS patrol operations and related administrative functions.

At the provincial level, proposed changes to the warrant application process at provincial courts will create additional risks to CPS information security, as well as operational and investigation processes. In 2019, the Alberta Court of Appeal ruled in *JH v. Alberta (Minister of Justice and Solicitor General)* (2019 ABCA 420) that parts of the *Mental*

Health Act were unconstitutional, and this led to a review of that Act. As with any legislative change, the current review is anticipated to require additional strategies and operating procedures to mitigate the risks of legislative non-compliance.

In addition, the pandemic necessitated the enactment of Provincial Health Orders and new municipal bylaws in an attempt to slow down the rate of transmission of COVID-19. This added additional enforcement duties for CPS.

One of the challenges is that police do not always have advanced notice of potential legislative changes and the level of consultation with law enforcement varies. The following are other examples of legislative changes that have also created additional work for the CPS:

- Clare's Law
- *Protecting Survivors of Human Trafficking Act*
- Bill 21 – the *Provincial Administrative Penalties Act* (the administrative penalties for impaired driving came into effect in December 2020, and broader changes to e-ticketing and traffic court procedures will come into effect December 2021).
- Potential *Police Act* Amendments

Local Crime Trends

Measures to restrict social movement during the pandemic led to an overall decrease in calls for service in Calgary. Meanwhile, online offences, such as scams related to online shopping and government stimulus packages, are speculated to surge. Domestic conflict calls increased; however, domestic violence decreased suggesting people called the police before family stressors escalated to the criminal threshold.

The long-term impact of economic and social aspects of COVID-19 is less certain. However, it is speculated that sustained unemployment may lead to increases in crime in the short or long term. The long-term impact of COVID-19 on mental health may also lead to increased substance abuse and crime.

With the rollout of vaccines, changing daily patterns of movement, social behaviours and interactions (for example, working from home vs. commuting to offices) will likely continue to affect crime for the foreseeable future. Some crimes may rebound with the reopening of the economy, while others may decrease.

Advances in Technology

Technological acceleration, such as advances in artificial intelligence and cyber-physical systems, presents both opportunities and challenges for law enforcement. On one hand, this technology could be used to transform policing, such as automation of processes, new forms of service delivery, and predictive crime analysis. It could also challenge law enforcement to keep pace with new and evolving types of crime and require innovation

of investigative techniques. Technological advances also need to be carefully evaluated in terms of their legal impact, for example with respect to potential Charter or privacy implications.

Keeping up with current technologies internally is also resource intensive, as technology companies continue to upgrade or replace products and services.

The widespread and pervasive nature of social media increases production, sharing and access to information quickly and broadly. There is an inherent risk of deliberate viral dissemination of misinformation to damage the reputation of the CPS and legitimacy of policing.

Mental Health

Mental health is a factor for both CPS members and the public we serve. Sworn and civilian members of the CPS have challenging tasks that expose them to the risk and trauma inherent to policing on a regular basis. Furthermore, there has been a significant increase in the number of interactions between police and people with mental health concerns.

CPS members are also dealing with complex public order situations and an increasing number of public demonstrations, which is further complicated by pandemic health orders and restrictions.

Increased public scrutiny, combined with the toll of the pandemic and the inherent nature of police work have resulted in increased policing stressors and an elevated risk of compromised physical and psychological wellness and resiliency of CPS members.

CPS Risk Profile + Heat Map

The CPS has identified the following areas of organizational risk for 2021 (presented in order of priority) and the current risk management strategies (major/priority projects and initiatives from the Annual Policing Plan) aligned to each risk:

I. HR – Workplace Risks

Risk of negative impacts on CPS members* and the organization due to heightening stressors – both within and external to the Service. Internal stressors may be caused by cumulative workplace pressures from increased workload, the mounting pace of change, insufficient training, and inadequate succession planning. External stressors result from the inherent nature of policing, involving repeated exposure to trauma, as well as shifting societal expectations of community policing. Taken together, these risks may have serious consequences for members' personal health and wellness, the Service's reputation, along with potential legal implications.

**members are both sworn and civilian employees*

Risk Management Strategies: HR Modernization, Mental Health Strategy, Wittman, Annual Policing Plan (APP) 5.1, 5.2, 5.3, 5.4, 5.5, 5.7

II. Funding and Resource Prioritization

Risk of insufficient funding resulting in a negative impact on our capacity to maintain public safety for Calgarians. The economic downturn and resulting budget reductions may continue to challenge us to hire, train, equip and retain members in an ever-evolving environment, and to adequately ensure proper asset management, both of which can affect operations and result in unforeseen cost implications. These challenges may be further complicated by a lack of awareness and understanding of the Service's strategic direction on resource allocation, which has been in flux due to competing priorities, changing mandates and a lack of coordination.

Risk Management Strategies: Shaping our Future, PMO, Functional Review, Operational Improvements, APP 2.4, 4.2, 4.8, 4.11, 4.12

III. Public Trust – Social Inequities

Risk that the CPS may not be adequately adjusting to social justice issues caused by historical power imbalances and the need to increase understanding and acceptance of Equity, Diversity, and Inclusion issues within the organization. Having a robust anti-racism and EDI approach and strategy embedded in

organizational decisions, practices and policies will result in racialized and marginalized communities receiving equitable service delivery, a police service more representative of its community, and increased member well-being and morale.

Risk Management Strategies: EDI and Anti-Racism are both Major Projects, APP 3.1 through 3.6

IV. Management Systems and Controls

Risk of inadequate management systems in place to ensure proper oversight of organizational controls. Strong management control systems are crucial to ensure compliance with policies, SOPs, and processes, which in turn, assures the organization's compliance with legislation. Supervision and controls are particularly important for some high-risk activities, such as driving behaviours and members' use of force.

The risk of absence of operational budget controls and integrated financial information within reporting tools, along with a lack of well-established and consistent processes may reduce the overall efficiency and optimization of the organization. This, in turn, may impact the services we provide to Calgarians.

Risk Management Strategies: VFE & Code 700 Project & CCLC/Wittmann, APP 2.2, & 4.10.

V. Workforce Accountability

Risk that complaints and allegations of misconduct are not investigated well or within reasonable timelines to instill public and member confidence, challenging our aspiration of being a transparent and accountable organization. Accountability concerns can be caused by delays due to capacity and changing processes, the time required for investigations, and coordination between multiple work areas. The perception of a lack of accountability may result in diminishing public trust and member morale.

Risk Management Strategies: Professional Conduct Reform, EDI, APP 2.1, 3.1, 3.2, 3.3

VII. Security Breaches

Risk of either accidental or deliberate organizational information and physical security breaches that could result in the public dissemination of information or disrupt the Service's ability to operate. This could have a negative impact on our reputation and/or public and member safety.

Risk Management Strategies: CI Database, Information Security Classification

VIII. Social Media (Reputation)

Risk of accidental or deliberate misuse of Service member social media accounts that could be damaging to the Service's reputation or have potential legal implications. Furthermore, the ever-increasing use of social media applications and technology that allows images and videos to be easily altered enables potential viral and deliberate spread of misinformation.

Risk Management Strategies: APP 2.5, 5.7

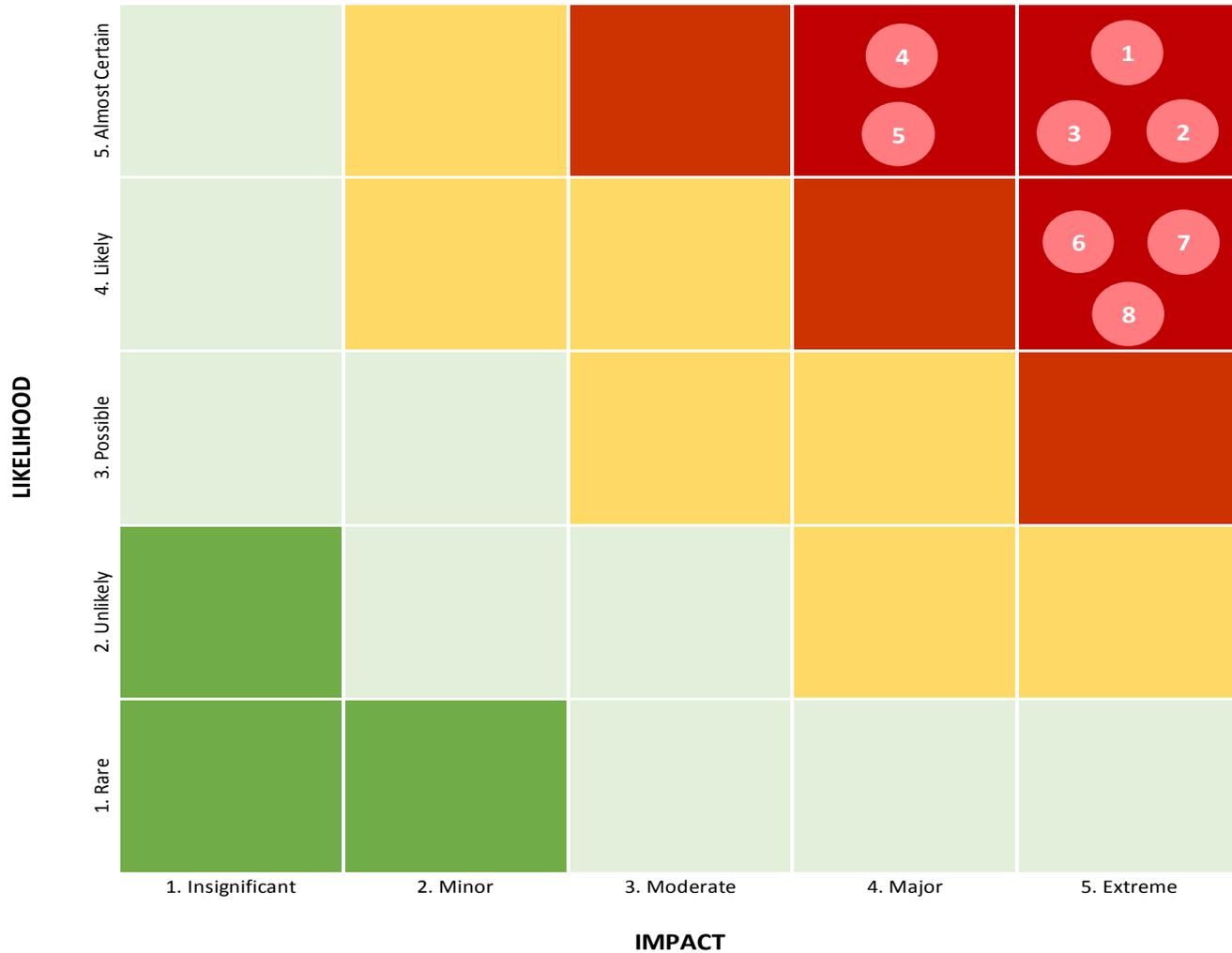
IX. Business Continuity

Risk of a lack of centralized coordination and management of Service-wide, long-term business continuity, which may be heightened by the COVID-19 pandemic. This may result in possibly inadequate response to disruptions in operations, damage or loss of assets, and potential safety impacts to members and the public.

Risk Management Strategies: COVID Incident Management Team

CPS Top Risks 2021: Illustrative Heat Map

ISC: Protected B



Risk Areas/Themes:

1. HR - Workplace Risk
2. Funding and Resource Prioritization
3. Public Trust - Social Inequities
4. Management Systems and Controls
5. Workforce Accountability
6. Security Breaches
7. Reputation - Social Media
8. Business Continuity

Dots represent risk #1 - risk #8

Risk Management Strategies

There are four potential strategies to treat or manage risks identified through the IRM process.

1. Avoidance
2. Transfer
3. Reduction
4. Acceptance

The best solution is often made by considering the *cost vs. benefit relationship*. The cost means the resources required for the risk response and the benefit refers to the impact on achieving management objectives.



Risk arises from uncertainty. If uncertainty is eliminated, risks are avoided. The organization decides not to execute (to begin or to continue) the activity that gives rise to the risks. For example, the CPS will not launch a project, or will not conclude a contract. This way, the CPS will fully avoid the risk by eliminating the event.

Eliminating uncertainty can be achieved by:

Removing the cause:

- If the cause is a lack of information, obtain the information.
- If the cause is a lack of funding, secure the funding.
- If the cause is a lack of expertise, engage an expert.

Taking a different approach:

- If the cause is the current scope, expand or narrow the scope.
- If the cause is current technology limitations, encourage new approaches or innovation.



The organization offloads the risk, or a big portion of the risk to a third-party. The most frequent use of risk transference is insurance. Insurance is the financial transfer of risk; however, not all risks can be covered by insurance. The organization also needs additional mitigation solutions. For example, most employers transfer the risk of absence due to sickness to insurance.

In addition to considering cost-effectiveness (premium and any deductibles, limits, etc.), even when a risk has been transferred, there may still be consequences if something unexpected happens or something goes wrong. For example, even if using a fixed-price construction contract to transfer the risk of input cost increases to the contractor, there may still be reputational damage if the project falls significantly behind schedule.

3 Reduction

The purpose of risk mitigation is to reduce the severity of the risk to an acceptable level. This strategy limits the Service's exposure by taking some actions. The intention of these actions is to reduce the likelihood and/or impact of certain events. The strategy can also include other response types, such as avoidance or acceptance. Given limited resources, management may choose to action on reducing part of the risk and to accept the remaining part of the risk.

When developing risk mitigation activities, consider the following:

- What can be done to **prevent** the risk from happening in the first place?
- What can be done to **prepare** for the risk in case it happens anyway?
- What can be done to **effectively respond** when the risk does in fact happen?
- How can the ability to **recover** be improved after the risk is over?

4 Acceptance

Risk acceptance is employed when the organization is willing to accept the identified risk without any action. The decision to accept the risk should be determined by a **cost-benefit analysis**. The CPS may accept/retain the risk if the risk has low likelihood and low impact, or an informed risk decision indicates that it is worth it to take the risk in order to pursue an opportunity.

Phase 2 of IRM Project

In Phase 1 of the IRM Project, the CPS identified and assessed risks across the organization, applying a methodology to prioritize the top eight organizational risks. Initial alignment with current priorities was completed.

In Phase 2, the next steps are:

1. *Managing the top risks* – the CPS has the following major initiatives/projects underway to manage the risks identified in this report:
 - *HR Modernization*
 - *Mental Health Strategy*
 - *Independent Use of Force Review (Wittmann Recommendations)*
 - *Functional Review*
 - *Anti-Racism Engagement & Strategy*
 - *EDI Project*
 - *Shaping Our Future*
 - *Annual Policing Plan*
 - *Professional Conduct Reform*
 - *Vehicle Flight Events & Code 700 Project*
2. *Gap assessment* – Even with these initiatives/projects in place, there still may be gaps. One of the next steps will be to examine where these gaps are and to refine our risk management strategies and treatments to address them, and to develop indicators to monitor progress.
3. *Full implementation of IRM* – The CPS will continue to educate and train all members on the use and benefits of IRM, and fully implement IRM into management processes. There will be better alignment and integration into the strategic and annual planning, budgeting, audit, and project management processes.

Conclusion

1. The CPS is in the process of implementing IRM, which is a more rigorous and consistent approach to identifying and assessing top organizational risks than was used in previous years. IRM becomes part of daily management processes, with annual cyclical reporting and accountability.
2. IRM differs from the day-to-day situational risks that officers face when responding to calls.
3. This comprehensive, integrated approach aligns risk management processes and information with strategic planning and resource prioritization, resulting in improved evidence-based decision making and better utilization of resources, and may have implications for existing organizational priorities (major projects and Annual Policing Plan).
4. The identification of risks through this integrated approach allows the CPS to develop appropriate risk management strategies and indicators and encourages risk ownership and accountability. The CPS can also better identify gaps in existing risk management strategies where the CPS can do more or do better.
5. Phase 2 for the CPS will be to: conduct gap assessments of the risk management strategies for each organizational risk, enhancing strategies where needed and developing indicators; rollout and implement IRM in the organization; and align and integrate IRM into major management processes.