

# Background

Mid-Year Principal Corporate Risk Update

## Context

In keeping with the Audit Committee's mandate for assisting Council in its oversight and stewardship responsibilities in relation to risk management, this report is the second of two scheduled 2021 reports providing the Audit Committee and Council with an update on the most strategic risks facing The City of Calgary.

## Previous Council Direction

On 2020 December 14, Council received for the Corporate Record the Audit Committee 2021 Work Plan which was approved by the Audit Committee on 2020 November 19 (AC2020-1306). As part of the Work Plan, the Audit Committee has directed the Chief Financial Officer to provide the Integrated Risk Management Update (including Information Technology) on 2021 July 22. As directed at the 2011 January 20 meeting of Audit Committee (AC2011-03), and in accordance with the Audit Committee Terms of Reference, Information Technology (IT) is to provide an annual update on information technology risk management and controls. This report is related to the City Manager's Principal Corporate Risk Update being presented on the same date.

### Annual Principal Corporate Risk Report Timeline

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
11/19/2020	AC2020-1306	<b>Audit Committee 2021 Work Plan</b> Directed that the Integrated Risk Management Update (including Information Technology) Report be presented at the 2021 July 22 Audit Committee meeting.

## Bylaws, Regulations, Council Policies

### Audit Committee Bylaw 33M2020

The mandate of the Audit Committee includes assisting Council in fulfilling its oversight and stewardship responsibilities by gaining and maintaining reasonable assurance in relation to risk management (Section 4(1)(ii)).

The Audit Committee is authorized to request reports from the City Manager on The City's Integrated Risk Management and corporate risks, at least twice a year (Section 5(c)(ii)).

The Audit Committee oversees The City's process of risk identification, analysis and management procedures to mitigate risk (Schedule A, 4(b)).

**Integrated Risk Management Council Policy (CC011)**

On 2020 February 3, the updated Integrated Risk Management Policy was approved by Council (AC2020-0022). Council adopted the Policy to provide a more systematic and consistent approach to risk management at The City of Calgary.

**Integrated Risk Management Audit (AC2021-0730).**

On 2021 May 20, the City Auditor presented the results of an operational audit assessing the effectiveness of the IRM framework. This audit concluded that the IRM team has made significant progress in advancing the maturity of the IRM Framework and raised five recommendations intended to help achieve clarity on the future strategic direction and maturity of the IRM framework and identify areas where the IRM Program can build and improve current processes that support continuous improvement. This report contains highlights of plans to address these recommendations.