



Principal Corporate Risk Mid-Year Update including Information Technology

July 19, 2023

Recommendations

That the Audit Committee recommends that Council:

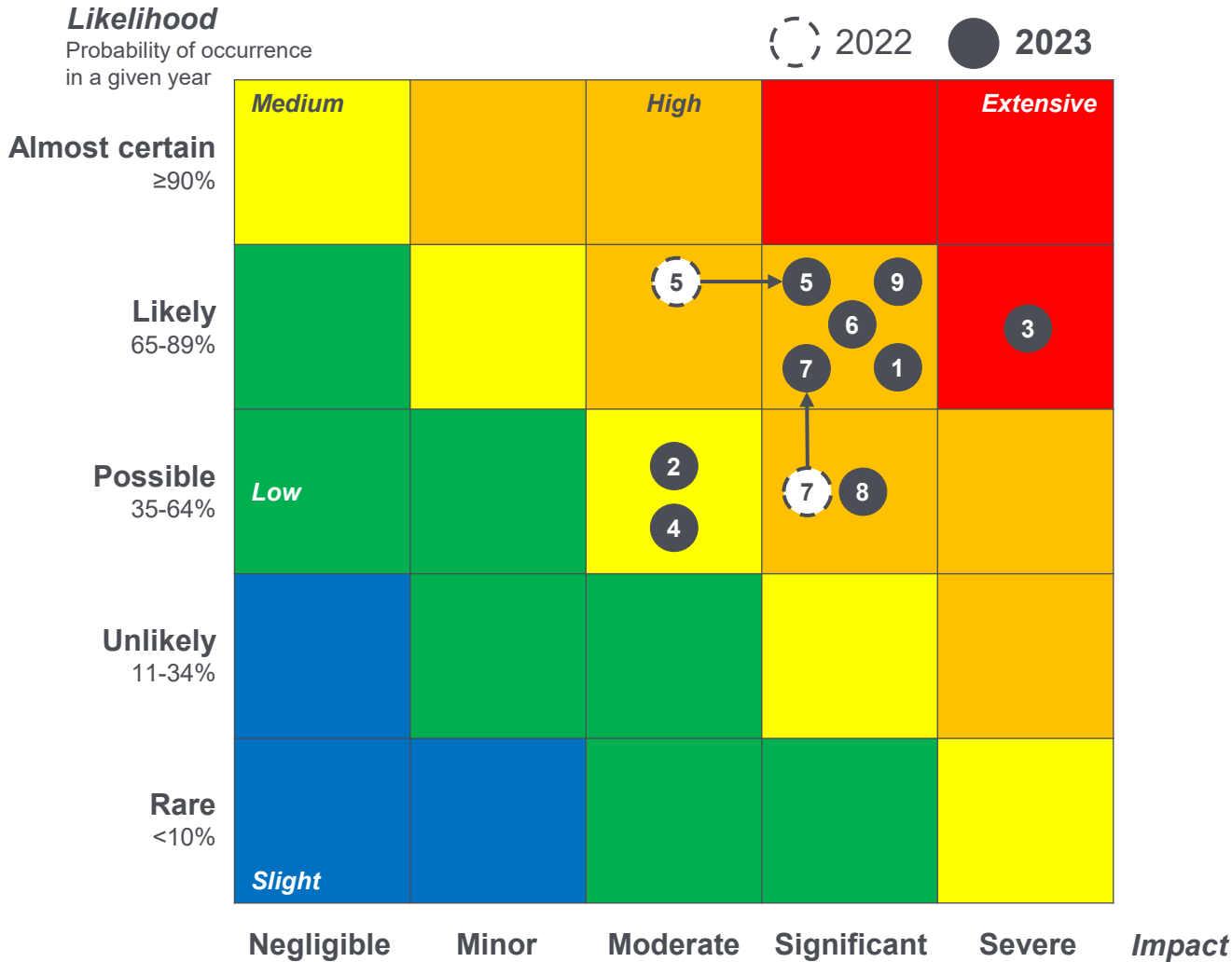
- 1 Receive this presentation for information and the Corporate Record pursuant to Audit Committee Bylaw 33M2020, Section 5(c)(ii);
- 2 Keep Attachment 3 confidential pursuant to Sections 24(1)(a) and (b) of the Freedom of Information and Protection of Privacy Act; to be reviewed by 2028 July.

Highlights

- 1 The City's risk environment has experienced a slight increase in the first half of 2023
- 2 The City is responding by taking actions required to address the pressures and manage related risks
- 3 Understanding, assessing and managing risk is critical to achieving Council's vision for Calgary – a great place to make a living, a great place to make a life
- 4 Technological disruption is rated extensive and continues to be the highest rated Principal Corporate Risk
- 5 Information Technology is seeing a significant increase in more sophisticated cyber activity directed towards The City of Calgary network
- 6 To advance the organization to the desired risk maturity level of Tier 4, the Enterprise Risk Management team has moved forward on several initiatives including risk governance, risk reporting and risk integration



Principal Corporate Risk heatmap & key changes



Principal Corporate Risk

2023 Residual Risk Rating

- 1 Capital infrastructure High
- 2 Employee experience Medium
- 3 Technological disruption Extensive
- 4 Financial sustainability Medium
- 5 Legal High
- 6 Reputation High
- 7 Social wellbeing High
- 8 Service delivery High
- 9 Sustainable City High



The City's Principal Corporate Risks

Principal Corporate Risk	Fall 2022		Spring 2023 (Current)			
	Residual risk rating	Risk trend	Residual risk rating	Risk response	Risk trend	Risk tolerance / appetite
Capital Infrastructure	■ High	→	■ High	On Track	→	Monitor
Employee Experience	■ Medium	↑	■ Medium	On Track	↑	Monitor
Technological Disruption	■ Extensive	↑	■ Extensive	On Track	↑	Monitor
Financial Sustainability	■ Medium	→	■ Medium	On Track	↑	Maintain
Legal	■ High	→	■ High	On Track	↑	Monitor
Reputation	■ High	→	■ High	On Track	→	Maintain
Social Wellbeing	■ High	↑	■ High	On Track	↑	Monitor
Service Delivery	■ High	↑	■ High	In Progress	→	Monitor
Sustainable City	■ High	↑	■ High	In Progress	→	Monitor



Information technology risk trends

Risk	2022		2023	
	Risk Rating	Trend	Risk Rating	Trend
Technology Security	■ Extensive	↑	■ Extensive	↑
Staff Resources	■ High	↑	■ High	↑
Capacity	■ High	↑	■ High	↑
Loss of Data	■ High	↑	■ Extensive	↑
Extended Lifecycles	■ High	↑	■ High	↑
Dependency on External Vendors	■ High	↑	■ High	↑
System Failure	■ High	↔	■ High	↑
Information Management	■ High	↔	■ High	↔
Technology Procurement	■ High	↑	■ High	↑
Service Interruption	■ High	↔	■ High	↔

More sophisticated
cyber activity
towards The City

*Additional information on
identified risks can be
found in Attachment 3*

Update

Advancing risk maturity



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