

GREEN LINE BOARD

2024 February 29

Confidential Administration Presentation

RECOMMENDATION:

That the Green Line Board:

1. Receive the presentation for the corporate record;
2. Direct that the presentation and closed meeting discussions be held confidential pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials), and 25 (Disclosure harmful to economic and other interests of a public body) of the Freedom of Information and Protection of Privacy Act.]

DISCUSSION

The presentation is an in-depth assessment of the evolving risk landscape confronting The City that was presented to the Audit Committee of The City of Calgary on 2024 January 18, with a particular focus on its implications for our Principal Corporate Risks (PCR). The report is a catalyst for comprehensive, interconnected discussions, enabling us to effectively navigate the strategic impacts of these risks. It is an essential tool for monitoring, initiating strategic dialogues, and responding to the myriad of internal and external pressures that could potentially derail The City's strategic objectives. Our aim is twofold: to proactively shield the organization from potential negative impacts, and to strategically position ourselves to leverage any emerging opportunities.

An analysis of The City's Risk Profile reveals a relative stability compared to its state earlier in 2023. Despite the presence of external pressures that are translating into local challenges, and internal pressures that are exerting an impact on The City, the current risk management strategies appear to be effectively stabilizing the risk ratings of the Principal Corporate Risks (PCRs). A review of the organization's risk profile provides senior leadership with an opportunity to examine the interdependencies among the PCRs, which represent the most strategic risks to the organization. These PCRs have the potential to affect the organization as a whole and can influence its ability to meet strategic objectives.

IMPLICATIONS

Social

The intricate and extensive social needs of Calgarians are subject to the influence of shifting social and economic factors. These changes can cast a negative shadow on social wellbeing and challenge the capacity and efficacy of The City and our partners in their response efforts. The City remains vigilant, consistently monitoring and analyzing issues related to wellbeing and safety. We are committed to the development, implementation, and investment in strategies that prioritize prevention and the enhancement of social conditions. These strategies directly impact the quality of life, access to opportunities, and societal inclusion. Furthermore, The City provides services and front-line responses that bolster social wellbeing, with a particular focus on supporting Calgarians who are experiencing vulnerabilities.

Environmental

Climate and environmental concerns continue to be a top pressure facing The City. Progress has been made on implementing the Climate Strategy – Pathways to 2050; however, greenhouse gas emissions are not being reduced at the necessary rate, which poses increased risk to our economy, environment, people, and reputation. However, this challenge also presents opportunities. The development and implementation of green technologies in Calgary could serve as a beacon of environmental responsibility. Moreover, by applying an equity lens, we can ensure that all residents have access to environmental and climate services, thereby promoting a more sustainable and inclusive city.

Economic

The City faces pressure from economic volatility due to current macroeconomic conditions, including exposure to pressures related to inflation, cost fluctuations, and the ability to procure materials in a timely fashion due to supply chain disruptions. The City is confronted with specific financial uncertainties, largely due to its dependence on provincial and federal government funding, especially for capital projects. In response to these economic pressures, The City is exploring alternative funding and financing avenues as a risk mitigation strategy.

RISKS

The 2023 Year-End Principal Corporate Risk report provides the Green Line Board with an overview of the top-down/bottom-up analysis and assessment of The City's current risk environment and of the strategies and work being done to manage it. The Principal Corporate Risks represent the most strategic risks facing the organization. The information provided in this report provides a window into the efforts being made to ensure that The City manages risks well so that we can embrace opportunities when presented and minimize negative uncertainties that may impede the achievement of desired results.

ATTACHMENTS

Attachment 1 – Confidential Administration Presentation - Chief Administrative Officer's Principal Corporate Risk Update

Attachment 2 – Confidential Administration Presentation - The City's Risk Profile at Year-End 2023

Author: ERM team at The City of Calgary
Approval: Carla Male, CFO & GM, CPFS

