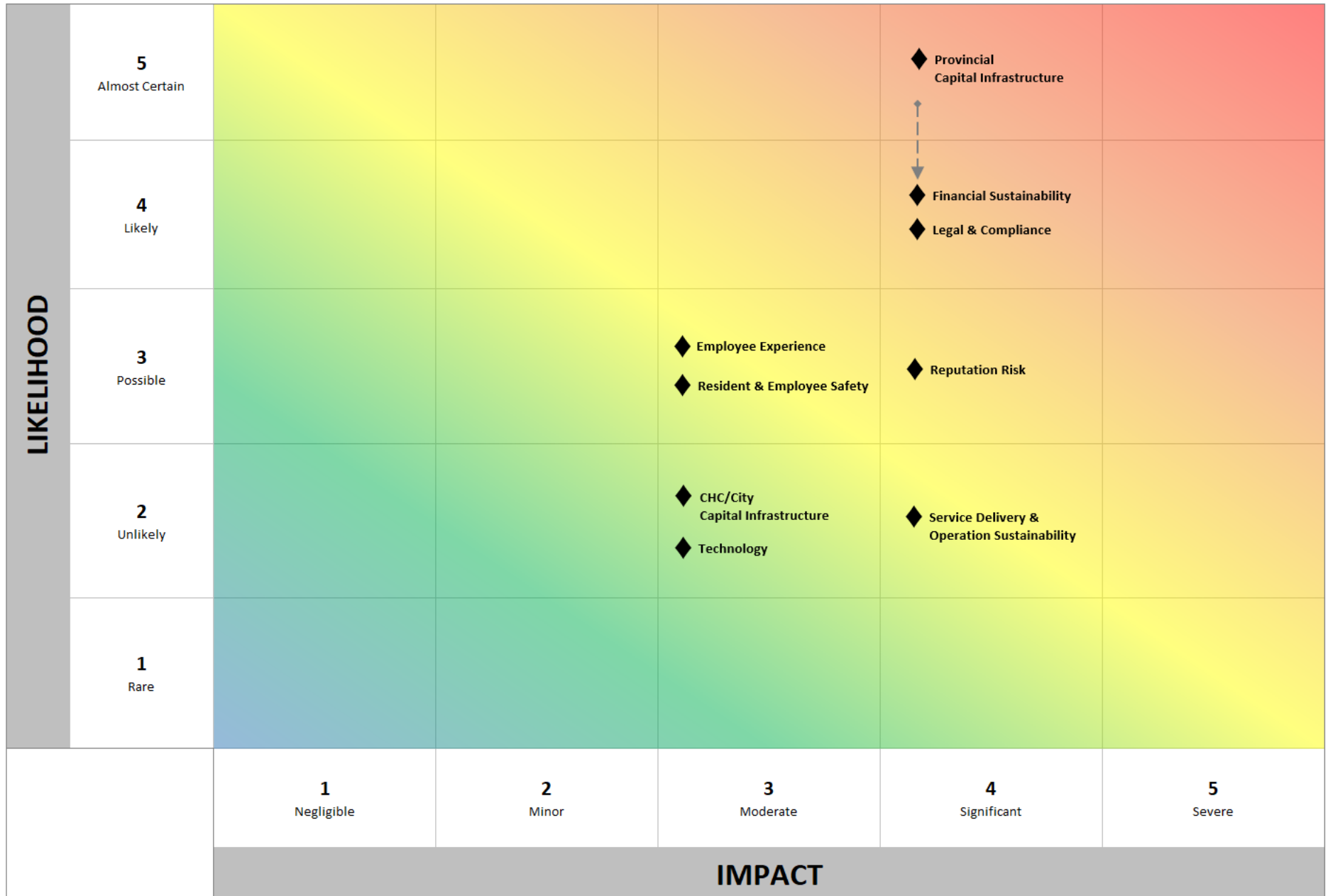


CALGARY HOUSING

INTEGRATED RISK MANAGEMENT ANALYSIS

CH 2023 Risk Heat Map



Risk #	Risk Category	2024 Risk Map	Risk Description, Trend, and Risk Mitigation
1	Financial Sustainability	<ul style="list-style-type: none"> • Likelihood: Likely • Impact: Significant 	<p><i>Risk Statement</i></p> <p>CH may lose its ability to financially sustain its operations, due to discontinuation of, or insufficient funding, economic impact on CH offerings, increased cost of services, internal/external fraud, or other internal/external factors. The state of the rental market could impact CH revenues and vacancy rates. This could result in discontinuation of operations, and inability to continue to house residents. This risk has been successfully mitigated in the short term due to an increase in operating funding for provincially funded portfolio in the recently released GoA budget release. This risk has dropped in likelihood as CH has been successful in receiving adequate operating budget increases in 2024 for the provincially funded portfolios and programs.</p> <p><i>Mitigation</i></p> <ul style="list-style-type: none"> • Creation and roll-out of the financial reserves' strategy, policy, and terms of reference. • Investment management of surplus funds and financial reserves. • Negotiation of adequate budget increases for the provincially funded portfolios • Negotiation of operating and funding agreements with the City of Calgary and the Government of Alberta. • Transition to a mixed income model. • Timely reporting of vacancies and revenue impact, as well as ready-to-go tactics in high and low markets. • Ongoing market analysis to ensure competitiveness of CH buildings within the rental market. • Ongoing comprehensive soft and hard internal controls to prevent and detect potential fraud. • Explore CH's borrowing capacity for future capital needs.
2	Provincial Capital Infrastructure	<ul style="list-style-type: none"> • Likelihood: Almost Certain • Impact: Significant 	<p><i>Risk Statement</i></p> <p>CH-owned and managed assets may fall below Minimum Health and Housing standards due to insufficient funding to maintain ageing properties. This could result in closure of assets that are no longer safe for residents to live in, decreasing the affordable housing supply. In addition, new affordable housing capital infrastructure may be delayed due to lack of funding or other competing government priorities, and government policy shifts. Climate resilience risks including severe weather events may damage assets and displace or cause negative health consequences for tenants.</p> <p><i>Mitigation</i></p> <ul style="list-style-type: none"> • Asset Management Program for identifying lifecycle funding needs and fund management of available capital maintenance budgets to reduce risk and improve asset condition (CH owned, and City-owned portfolios only). • Expansion of planned and preventative maintenance programs to shift from a reactive maintenance culture to a more proactive, cost-effective maintenance program. • The use of Urgent or Emergency request measures in managing provincially owned assets. • Opportunities for CH to participate and negotiate in the Affordable Housing Strategy for provincially owned assets. • Implementation of building and renovation standards geared to improving climate resilience. • Maintaining the Building Condition Assessment (BCA) program and including the Provincially Owned Community Housing portfolio.
	CH/City Capital Infrastructure	<ul style="list-style-type: none"> • Likelihood: Unlikely • Impact: Moderate 	

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3	Technology	<ul style="list-style-type: none"> • Likelihood: Unlikely • Impact: Moderate 	<p><i>Risk Statement</i></p> <p>CH may experience technology failure, resulting from an information security breach, cybercrime, or other unanticipated events. This could impact CH's data integrity and may result in inaccurate payments to external parties, staff confusion, wrong decisions being made on behalf of CH, and operations may be negatively affected. In addition, residents and applicants would be negatively impacted if they are unable to contact CH representatives due to technological failure. This would ultimately result in reputational damage to the company.</p> <p><i>Mitigation</i></p> <ul style="list-style-type: none"> • Whenever possible, transition from a traditional server to a more stable cloud solution and identify a temporary replacement when a specific technology and/or function is not available. • Ensure system infrastructure, architecture and application updates and releases are current and up to date. • Regularly schedule data backups and recovery protocols in line with the Business Continuity plan. • Continue to implement CH's Data Strategy to improve the use of CH data through a Data Management Program. • Continue to implement a document control system in compliance with FOIP and adopt the City of Calgary's Information Security Classification Standard, which limits the dissemination of information to a need only basis. • Implement Business Continuity Plan in event of a technology failure.
4	Legal & Compliance	<ul style="list-style-type: none"> • Likelihood: Likely • Impact: Significant 	<p><i>Risk Statement</i></p> <p>CH may fail to comply with laws, regulations, professional standards, or operating agreements, due to lack of understanding, employee error, or lack of clarity on CH's role in its operating agreements. The Provincially owned assets that CH manages are under an expired operating agreement, that makes it unclear who bears the responsibility for asset funding and maintenance. This could result in penalties, legal liability for CH, and asset deterioration, ultimately impacting CH residents.</p> <p><i>Mitigation</i></p> <ul style="list-style-type: none"> • Negotiation of operating and funding agreements with the City of Calgary and the Government of Alberta. • Continuous engagement with the Government of Alberta on asset funding and maintenance. • Continue to build a culture of compliance with up-to-date operating agreements. • Seek legal counsel on any unclear roles in the operating agreements.

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5	<p>Service Delivery & Operational Sustainability</p>	<ul style="list-style-type: none"> • Likelihood: Unlikely • Impact: Significant 	<p><i>Risk Statement</i></p> <p>CH's ability to continue to operate and provide service to residents may be negatively impacted due to unanticipated business disruptions, emergency events, security threats, growing complexity of our clients, or the inability to attract and retain the right talent. This could result in interruptions in operations, disruptions for staff and residents, and negative media impacts.</p> <p><i>Mitigation</i></p> <ul style="list-style-type: none"> • Continue to implement the Business Continuity Plan (BCP) that is reviewed annually, to ensure it is relevant and up to date. • CH has emergency response plans for its properties. • Work with Human Resources to develop nimble strategies to address current and emerging workforce challenges (e.g., attract, retain, and develop), and foster a safe and healthy culture to maintain service delivery. • Clearly identify and communicate service levels and ensure appropriate resources are available to meet those service levels.
6	<p>Employee Experience</p>	<ul style="list-style-type: none"> • Likelihood: Possible • Impact: Moderate 	<p><i>Risk Statement</i></p> <p>Employee experience and satisfaction may be at risk due to various internal/external factors, such as employee physical and mental health, sense of inclusion and equity, role clarity, team and leadership culture and growth opportunities. All these factors may result in CH not being able to attract and retain the right talent to support CH's objectives leading to operational inefficiencies and inability for CH to meet its objectives.</p> <p><i>Mitigation</i></p> <ul style="list-style-type: none"> • Focus on health and wellness programs to improve the employee experience. • Continued recruitment and retention of qualified employees, through staff development and recognition, workforce planning, and new methods of recruitment. • Increased focus on diversity and anti-racism, with the recent hiring of an Anti-Racism Leader. • Creation of Racial equity committee and work beginning on anti-racism strategy. • Complete negotiations for funding and operating model for HAM.

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7	Resident & Employee Safety	<ul style="list-style-type: none"> • Likelihood: Possible • Impact: Moderate 	<p><i>Risk Statement</i></p> <p>CH residents and employees' physical and psychological safety may be at risk due to unanticipated business disruptions, emergency events, occupational exposure to hazards, increasing social disturbance, or security threats. This could result in loss in trust in CH, loss of funding, legal liability, or inability to continue operations.</p> <p><i>Mitigation</i></p> <ul style="list-style-type: none"> • Ensuring that building safety systems are up to date and compliant. • Regular site inspections to identify any safety/hazard issues and ensure corrective is performed. • Implementing the Calgary Housing Healthy Workplace Plan and CH's existing Occupational Health and Safety Management System (OHSMS). • Continuous improvement of health, safety, and wellness. • Secure all buildings and units by re-keying and creating a new key system. • Implement Business Continuity Plan. • Maintain Peer Support group to support workplace mental health. • Regular testing of Duress Alarm and associated procedures.
8	Reputation	<ul style="list-style-type: none"> • Likelihood: Possible • Impact: Significant 	<p><i>Risk Statement</i></p> <p>Confidence and trust in CH's ability to pursue and achieve its organizational mission and vision could be negatively impacted by failure to effectively manage the organization, general misunderstanding or a lack of awareness related to housing programs, financials, human resources, or incident response. Negative media, public and government relations could result in a decline in public respect and support, loss of political capital, and potential impact on operational and funding. and inability for CH to meet its objectives.</p> <p><i>Mitigation</i></p> <ul style="list-style-type: none"> • Ongoing issue management and engagement of communications and government relations through the Executive Leadership Team to ensure that evolving issues are proactively addressed in all relevant circumstances (particularly for the rebrand). • Continuous engagement with the public to maintain awareness and positive reputation. • Active Strategic Communications Plan, Government Relations Strategy, and Board Advocacy Guidelines.