



DISCOVER THE ANSWERS AT THE CENTRE OF ENERGY

CALGARY CONVENTION CENTRE AUTHORITY

2013 OVERVIEW OF THE RISK MANAGEMENT PROCESS

| RISK MANAGEMENT | | CP-004 |
|------------------------|----------------|-------------------------------|
| STATUS | DATE | APPROVED BY |
| NEW POLICY | 2011 August 31 | Marcia Lyons, General Manager |
| REVISED | 2012 March 22 | Marcia Lyons, General Manager |
| REVISED | 2013 April 25 | Marcia Lyons, General Manager |

This policy applies to the Calgary TELUS Convention Centre (CTCC). The Director of Support and Security Services is responsible for the interpretation and updating of this policy, and shall oversee policy compliance.

1. DEFINITIONS

In this Policy,

“Risk” means the probability or threat of damage, injury, liability, loss, or other negative occurrence, caused by external or internal vulnerabilities;

“Risk Management” means the identification, evaluation, analysis, mitigation, communication and monitoring of risks;

“Risk Management Team” means the interdepartmental team responsible for coordinating CTCC’s risk management strategies, which include hazard identification, risk assessment, mitigation and business continuity.

2. PURPOSE

This policy affirms CTCC’s commitment to maintaining a risk management plan that identifies, evaluates, mitigates, and monitors risks, including those associated with accidental, financial, strategic, and operational losses.

3. SCOPE

This policy applies to all CTCC personnel.

4. PRINCIPLES TO BE FOLLOWED

- Where applicable, CTCC will manage risks in compliance with municipal, provincial and federal legislation.
- Risks should be assigned to the person best able to manage the risk;
 - CTCC employees shall operate within approved risk tolerance levels.

5. **RISK MANAGEMENT TEAM**

The Risk Management Team is tasked with advancing a corporate philosophy and culture that encourages CTCC employees to manage risks proactively and to communicate openly about risks. Annually, the Risk Management Team will meet with the risk owners of the various CTCC business units to ensure that major risks continue to be identified, prioritized and appropriately managed.

6. **BUSINESS CONTINUITY**

The Risk Management Team will assist business units in business continuity planning processes to ensure that key CTCC services are maintained during major disruptions. These proactive processes will include identification of necessary resources to support business continuity, including, but not limited to, staffing, equipment, infrastructure protection, IT systems & data, event re-location, and financial allocations.

7. **RISK MANAGEMENT TEAM COMPOSITION**

Membership of the Risk Management Team shall consist of no fewer than three (3) CTCC employees, up to a maximum of seven(7). The CTCC General Manager and the Director of Support and Security Services shall appoint the members of the Risk Management Team.

8. **EMPLOYEE'S RESPONSIBILITY**

All CTCC employees are expected to comply with this policy. While the Risk Management Team will provide risk management assistance, CTCC employees are responsible for managing risks within their respective work areas. Concealing a risk to protect the CTCC or its employees is not acceptable.

9. **CTCC LEADERSHIP RESPONSIBILITY**

It is the responsibility of the CTCC General Manager, directors, managers, and coordinators to promote risk management awareness throughout the organization. They are to ensure that risk management controls and processes are included in planning processes and projects and shall identify new risks to the Risk Management Team.

INTERVIEW GUIDE FOR RISK MANAGEMENT TEAM MEMBERS

1. Before conducting risk assessment interviews contact the riskholder (the interviewee) and determine if he/she has talked with his/her employees about CTCC’s risk management processes in general. These employee consultations and collaborative approaches may assist business units in identifying new risks. Because of timelines (refer to chart below), this process should not become too time-consuming, so please provide the riskholder with a deadline.
2. Schedule a date for you and your team member to meet with the riskholder. (We would like to have all Health Checks completed and placed into the “G” drive by October 25, 2013.)
3. Bring an extra copy of the respective business unit’s completed 2011-12 Health Check form to the interview (located in the **RISK MANAGEMENT TEAM** “G” drive folder). This helps the riskholder in reviewing the risks that have been identified to date.
4. Before commencing the interview, briefly explain the process to the riskholder and refer to the process flow chart and the Risk Management Matrix (located on the “G” drive also). Remind the riskholder that the process is ‘user-friendly’ and explain that the Risk Management team is tasked with advancing a corporate philosophy and culture that encourages CTCC employees to manage risks proactively and to communicate openly about risks. It is also a good idea to refer the riskholder to Corporate Policy CP-004 (“G” drive), which applies to risk management. Finally, advise the riskholder that the Health Check interview will take approximately 20 to 60 minutes.
5. We do not use a standard checklist of questions but we have provided a series of questions as examples only (refer to below).
6. Open-ended types of questions are more preferable than closed-ended questions because they assist the interviewer in finding out more about a potential risk situation. Instead of asking, “Does your business unit provide a safe work environment?” the interviewer should ask, “In what ways do you think your business unit provides a safe work environment?” In other words, asking the right risk questions during the Health Check interviews creates opportunities for further reducing risks.
7. When the interview has ended, the completed Health Check form is to be placed in a folder named, **01 – 2013-14 Health Checks**, which is located in the main **RISK MANAGEMENT TEAM** folder on the “G” drive. At a later time, the completed Health Check forms will be reviewed by the entire Risk Management team. At that time, risk mitigation decisions and recommendations will be made.

| |
|--|
| 2013 – 14 RISK MANAGEMENT DEADLINES |
|--|

| | |
|-------------------------------------|--|
| August 9 to October 24, 2013 | Interviews with riskholders |
| October 25, 2013 | Completion of Health Check forms |
| October - December 2013. | Team meeting(s) to review completed Health Check forms |
| January 2014 – February 2014 | Final 2013-14 Risk Management Report Submitted |

HEALTH CHECK INTERVIEW SAMPLE QUESTIONS

1. What are some of the most important assets in your business unit?
2. What do you think are some of the biggest threats to those assets?
3. What risks have increased or decreased over the past year? Why?
4. What is the potential impact on the organization if your business unit's information is disclosed to the public or unauthorized persons?
5. How much system downtime can your business unit tolerate? How does this downtime compare with the mean repair/recovery time? What other options are available?
6. How does your business unit obtain feedback from its clients?
7. How are risks monitored and managed in the day-to-day operation of your department?
8. How does your business unit manage its external compliance regime (provincial or federal acts, etc.)?
9. What role does recordkeeping play in managing risks and external compliance within your business unit?
10. In a general sense, are the recordkeeping systems operating in business unit adequate to meet the requirements of the CTCC? Could you provide more details?
11. What are your business unit's current priorities and objectives?
12. What is the proportion of your record keeping is hard copy vs. electronic records?
13. Can you always find information when you require it? If not, what are the problems that affect information access?
14. In what manner do you keep employee files in a safe and secure place?
15. How are job description amended and do you have a job description for each position?
16. What background and reference checks are conducted on prospective new hires?
17. How are performance issues documented?
18. What is the purpose of your business unit and what are its principal objectives?
19. For each principal objective identify events or circumstances that may interfere with or prevent its achievement. Consider: Have the terms of contracts or agreements changed? Are contracts up for renewal?
20. Are procedures and processes documented, i.e. procedure manuals?
21. Does your business unit have a contingency plan if there is a major disruption of services?
22. Does your business unit have an accurate and comprehensive understanding of its current risks? What are they?
23. How much system downtime can your business unit tolerate? How does this downtime compare with the mean repair/recovery time? What other processing or communications options can you (the user) access?
24. Do controls exist for approving decisions regarding financing alternatives and accounting principles, practices, and methods?
25. What mechanisms are in place to counter the risk of price cutting or other competitive practices by our industry competitors?
26. What health and safety practices currently exist in your business unit that mitigates occupational injury?
27. What processes and practices exist to reduce the risks associated with contracts?
28. Has your business unit established a shared understanding of the contract and the responsibilities of each party?
29. Does your unit provide ongoing training about our policies and procedures?
30. In embarking upon a major project how do you know if your unit can manage a risk if it arises?
31. Are you indemnified against expenses and liabilities unwittingly incurred by you while travel on behalf of the organization?
32. What proactive risk management approaches do you use to stay ahead of the technical and system vulnerabilities that prevail in your environment?



2014 RISK MANAGEMENT REPORT

2014 RISK MANAGEMENT TEAM

- ROB BABIN
- LAWRENCE CHANG
- WILL HENDERSON
- JON NETELENBOS
- CHRISTINA ROLLE
- RENE ROY
- MARIA TOBIAS-ANTAL

PREFACE

The Calgary TELUS Convention Centre continues the practice of safeguarding its assets by identifying the risks to which they are exposed. The CTCC encourages its employees to manage risks proactively and openly, corporate-wide. In other words, the success behind CTCC's risk management system is principally attributable to keen participation and ownership by employees at all levels of the organization.

As risk management facilitators, the CTCC risk management team is responsible for overseeing the Centre's risk management plan and ensuring ongoing review of risks and submitting updates as needed. It also assists business units in business continuity planning to ensure that key CTCC services are maintained during major interruptions. Although the team is tasked with advancing a corporate culture that encourages CTCC employees to manage risks proactively and to communicate openly about risks, responsibility and accountability for risk management continues to reside at all levels, from the Authority down through the organization to each business unit. *Corporate Policy CP-004* is the guiding document that affirms CTCC's commitment to risk management.

The 2014 Risk Management Team affirms its commitment to ensuring that:

- major risks faced by the CTCC are identified, prioritized, understood, and appropriately managed;
- risk management is integrated into CTCC's strategic business plan and consistently applied to the development and implementation of new systems, policies and future plans of the CTCC;
- the process includes CTCC-wide awareness of areas where risk management is needed;
- an environment exists where all CTCC staff assumes responsibility for identifying and managing risk within their area with requisite management oversight and control;
- risk management awareness is included in orientation briefings for new staff;
- management of risks are built into contracts, where applicable.

These objectives remain ongoing and are integral to a successful risk management program within the organization. All CTCC employees and its contractors are expected to contribute to minimizing risk, and it is the responsibility of directors and managers to promote risk awareness among their staff. They are to ensure that risk management controls and processes are included in the day-to-day operations and projects and shall, where applicable, identify any new risks.

THE PROCESS

In late 2013 and early 2014, the Risk Management Team met with CTCC risk holders of fifteen business units to identify and prioritize risks (*Fig. 1*).

Fig. 1 Business Units Interviewed

| | BUSINESS UNIT | RISKHOLDER(S) | RISK MANAGEMENT INTERVIEW TEAM |
|----|------------------------------|---|--------------------------------|
| 1 | Accounting | Controller | TEAM 2 |
| 2 | Administration | Executive Assistant/Corporate Secretary | TEAM 2 |
| 3 | Business Services | Coordinator | TEAM 3 |
| 4 | Engineering | Director of Engineering | TEAM 3 |
| 5 | Event Management | Director | TEAM 2 |
| 6 | Client Services | Director / Client Services | TEAM 1 |
| 7 | Event Services | Manager | TEAM 1 |
| 8 | Housekeeping | Manager | TEAM 1 |
| 9 | Facilities Management | Office Manager | TEAM 2 |
| 10 | Human Resources | Director & HR/OH&S Specialist | TEAM 3 |
| 11 | Information Systems | Director | TEAM 1 |
| 12 | Maintenance Services | Coordinator | TEAM 2 |
| 13 | Sales & Business Development | Executive Director | TEAM 1 |
| 14 | Marketing + Communications | Director | TEAM 3 |
| 15 | Support & Security Services | Director & Security Services Manager | TEAM 3 |

Risks examined included not only accidental losses (work process risks), but also strategic, operational, technological, insurance, reputation, and financial risks. The responses originating from these consultative meetings were entered into the requisite fields on the *Risk Management Health Check* form (Fig.2 on page 4).

Fig. 2 2013-2014 Risk Management Health Check form

PART A - GENERAL INFORMATION

IMPORTANT: The CTCC is committed to pursuing best practices in risk management and all employees are expected to contribute to minimizing risk. Annually, with the assistance of the Risk Management Team, CTCC's business units are required to complete this form to ensure that major risks are identified and prioritized. Although some of the responses may be the same as the previous year, it is important that the process be repeated to ensure that new risks are not overlooked. A Risk Management Team member(s) will meet with the supervisor/ manager/ or director of the business unit (referred to as the "riskholder") to assist in completing the Risk Management Health Check form. (It is recommended that business units consult with their employees before meeting with the RM team. Input from them may assist in identifying new risks.) Once completed, the Health Check form will be reviewed by the entire RM team to not only determine that risks have been properly **identified** and **prioritized**, but that they are also being **appropriately managed**. In some cases, a second consultative meeting between the riskholder and the RM team may be required. It is up to the CTCC leadership team to ensure that risk management processes are built into the strategic and operational planning of the organization.

NOTE: Interviewers are not required to complete Part C (Risk Mitigation Action Plan). This will be done by the entire RM Team.

| | | | |
|--------------------------------|----------------------|--------------------------------|----------------------|
| CTCC BUSINESS UNIT NAME: | <input type="text"/> | NAME OF RISKHOLDER 1: | <input type="text"/> |
| NAME OF RISKHOLDER 2: | <input type="text"/> | NAME OF RISKHOLDER 3: | <input type="text"/> |
| NAME OF RM TEAM INTERVIEWER 1: | <input type="text"/> | NAME OF RM TEAM INTERVIEWER 2: | <input type="text"/> |
| DATE OF INTERVIEW: | <input type="text"/> | START TIME: | <input type="text"/> |
| | | END TIME: | <input type="text"/> |

IN ONE SENTENCE, DESCRIBE WHAT YOUR BUSINESS UNIT DOES

PART B - RISK IDENTIFICATION

IMPORTANT: In completing Part B, take the time to carefully consider the potential risks & liabilities faced by the business unit. Concentrate only on risks that are more likely to occur and that could potentially result in the greatest loss. Some work areas pose fewer potential risks, so spend time and resources on the areas of greatest concern that could have the most significant cost and negative impact.

| | ACTIVITY | POTENTIAL RISK | LIKELIHOOD OF RISK OCCURRING? | ITS IMPACT? | GENERAL NOTES |
|----------|----------|----------------|---|---|---------------|
| 1 | | | <input type="checkbox"/> Almost certain <input type="checkbox"/> Likely <input type="checkbox"/> Possible <input type="checkbox"/> Unlikely <input type="checkbox"/> Rare | <input type="checkbox"/> Severe <input type="checkbox"/> Major <input type="checkbox"/> Medium <input type="checkbox"/> Minor <input type="checkbox"/> Negligible | |
| 2 | | | <input type="checkbox"/> Almost certain <input type="checkbox"/> Likely <input type="checkbox"/> Possible <input type="checkbox"/> Unlikely <input type="checkbox"/> Rare | <input type="checkbox"/> Severe <input type="checkbox"/> Major <input type="checkbox"/> Medium <input type="checkbox"/> Minor <input type="checkbox"/> Negligible | |

Cross-referencing the Health Check responses with the risk matrix and risk mitigation categories charts of the *Risk Identification Summary* (Fig. 3) allowed the team to identify risks requiring mitigation.

IDENTIFIED RISKS & RECOMMENDATIONS (Fig.3)

Greater attention was given to risks deemed more likely to occur and potentially resulting in the greatest loss. In total, 120 potential risks were identified, 55 of which were evaluated on a case-by-case basis and 2 whose existing controls were re-assessed. (Note: no risks were identified in the EXTREME RISK categories.) Following a thorough review and re-evaluation of the five risk mitigation categories, the Risk Management Team identified one (1) potential risk requiring enhanced risk controls, that being the threat of another major flood.

Fig. 3 2013-2014 Risk Identification Summary

2013-14 RISK IDENTIFICATION SUMMARY

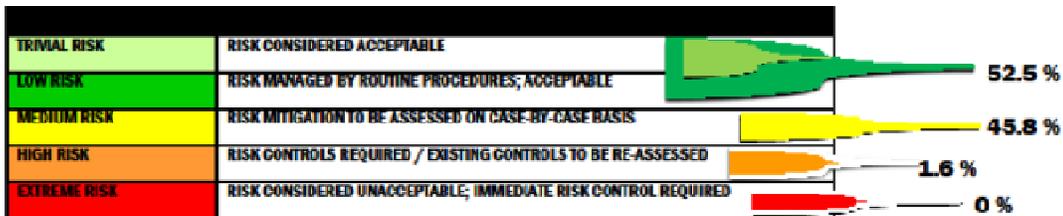
RISK MANAGEMENT MATRIX

| LIKELIHOOD (probability) | CONSEQUENCES (Impact) | | | | |
|--------------------------|-----------------------|-------|--------|-------|-------------|
| | SEVERE | MAJOR | MEDIUM | MINOR | NEGLECTIBLE |
| ALMOST CERTAIN | | | | | |
| LIKELY | | | 1 | | |
| POSSIBLE | 2 | 11 | 24 | 2 | |
| UNLIKELY | 7 | 11 | 42 | 4 | |
| RARE | 1 | 3 | 11 | 1 | |

Numerals indicated in this matrix denote the number of risks identified in each of these categories

| | |
|--|------------|
| TOTAL NUMBER OF POTENTIAL RISKS IDENTIFIED AND REVIEWED WITHIN THE ENTIRE ORGANIZATION | 120 |
| TOTAL NUMBER OF RISKS REVIEWED FOR POSSIBLE MITIGATION: | 2 |
| TOTAL RISKS MITIGATED: | 1 |

RISK MITIGATION CATEGORIES



FLOOD MITIGATION

The June 2013 flood was an enormous concern for the Centre not only because the 433-stall Calgary Parking Authority parking facility is a major parking destination for CTCC's clients and visitors, but also because it houses the Centre's main electrical vault, access shutter doors and the sump pump.

Preservation of the CTCC facility and parkade during a flood is a necessity in preventing catastrophic structural and environmental damage. Without a flood mitigation and resilience system, CTCC's business continuity will be compromised and will result in long-term critical infrastructure damage, revenue losses, and staff layoffs.

Establishing a flood mitigation and resilience system will allow the Centre to focus on other structural integrity matters that affect the health and safety of CTCC's clients, employees, tenants, and public. Accordingly, the Risk Management Team approved the Risk Mitigation Action Plan below (fig. 4). An explanation of the Risk Response Code is contained in fig.5 on page 7.

Fig. 4 Risk Mitigation Action Plan

| ACTIVITY NUMBER | ACTIVITY & RISK (briefly describe) | RISK RESPONSE CODE (refer to Part "D") | RISK MITIGATION ACTION PLAN (please also indicate if risk mitigation recommendations have been shared with the risk holder.) |
|-----------------|--|--|---|
| 13 | Flood waters flowing into the parkade are a major concern to the CTCC, not only because it potentially eliminates 433 parking stalls for CTCC clients and guests, but also because the main electrical vault, access shutter doors and the sump pump are located here. The implementation of a stand-alone flood mitigation and resilience system is absolutely necessary to optimize flood protection and business continuity capability. Without a flood mitigation and resilience system, business continuity is severely compromised and will result in long-term critical infrastructure damage, revenue losses, and staff layoffs. | D | <p>CTCC has prepared and submitted a business case for funding of a stand-alone flood mitigation and resilience system to <i>Infrastructure Investment Plans for Culture, Parks, and Recreation (CPRIP)</i> and <i>Emergency Response (ERIP)</i>, the latter of which addresses upgrades or installations of fire-safety emergency response systems.</p> <p>Preservation of the CTCC facility and parkade during a flood, demonstrates key risk management stewardship in preventing catastrophic structural and environmental damage.</p> <p>The CTCC's Emergency Management Committee is updating flood emergency response procedures and will continue to meet with the Calgary Parking Authority to ensure both the CTCC and CPA have a mutual understanding of the parkade's upcoming mechanical and electrical projects that relate directly to flood mitigation.</p> |

Support and

PART C – RISK MITIGATION ACTION PLAN

NAME OF BUSINESS UNIT:

Fig. 5 Risk Response Code Legend

PART D – RISK RESPONSE CODE LEGEND *(For Risk Management Team Reference Only)*

| RISK RESPONSE CODE | CODE EXPLANATION |
|--------------------|--|
| A | ACCEPTANCE – No action taken to affect risk likelihood or impact. |
| B | SHARING – Risk likelihood or impact reduced by transferring or otherwise sharing a portion of the risk. |
| C | TRANSFER – Risk passed to an independent third party at reasonable economic cost under a legally enforceable arrangement. |
| D | REDUCTION OR MITIGATION – Action taken to reduce likelihood or impact or both. |
| E | AVOIDANCE – Exiting the activities that give rise to risk. |

CONCLUSION

As an organization, we are very proud of our risk management strategies. However, we recognize that successful risk management programs rely on ongoing reviews and continuous application of industry best practices. Even with a best practices model it is impossible to eliminate every conceivable risk. No CTCC activity is entirely risk free and, every task—whether signing a client agreement or operating a forklift—involves some calculated risk. Accordingly, not only members of the Risk Management Team, but all CTCC employees who deal with risk, should be taught to understand the risks that face the organization and identify the means to prevent or minimize these losses in the most cost-effective manner. It is an ongoing strategic objective, requiring the support of the entire organization.