

Report to the
Audit & Finance Committee
Calgary Public Library Board
April 20, 2017
Quarterly Risk Update

I. ISSUE

The purpose of this report is to provide a quarterly monitoring and reporting of CPL's Major Risks as identified by the Strategic Level Risk Register. This update is for the quarter ended March 31, 2017.

II. BACKGROUND

In early 2014 KPMG was engaged to assess the Integrated Risk Management process developed by the Calgary Public Library and to provide recommendations. In March of 2014 they presented a report to the Calgary Public Library Audit Committee comparing CPL's processes to best practices and providing recommendations to assist the Library in improving its Integrated Risk Management process.

One of the recommendations was to simplify the process by concentrating at the Strategic Level on the risk categories that present the greatest risk to the Library, and identifying the highest risk factors within each of those categories. The larger list from the initial work done by Library administration was reviewed and the highest risk categories were identified, but reporting continued to be time consuming and did not focus only on items with significant risk.

Following additional consultation with KPMG in November 2015, the Audit and Finance Committee previewed risk documents presented in the current format that addressed the deficiencies of earlier reports and highlighted issues for the Board's attention. An annual report will present analysis dedicated to pre- and post-mitigation for these and possible emerging risk areas identified by the Library. Quarterly reports will provide an update on actual risk impact for these measures at the time of reporting. This report falls into the latter category. With each report, the Board will be able to consider if the mitigation measures in place for each of the higher risk items are adequate, or need to be increased.

The following categories continue to present the highest risk to the Library achieving its strategic objectives at the current time.

- Strategy
- Finance
- People
- Operations
- New Central Library
- Security

At the annual review in March 2017 some modifications were brought forward and discussed by the committee. A separate report will present these amendments after incorporating the changes proposed by the committee at the meeting in March 2017. If approved the second quarter risk report will reflect these changes.

III. INVESTIGATION: ALTERNATIVES AND ANALYSIS

Using qualitative and quantitative analysis the significant risks in the risk categories of the Strategic Level risk register have been analyzed to ensure that the level of risk remains acceptable for the purposes of achieving Strategic outcomes. The analysis is drawn from many sources including Board reports and motions, the incident reporting system, analysis of health and safety data through human resources and the health and safety committee, financial monitoring, and other sources. Each member of the Executive Leadership Team has contributed to ensuring the success of this process.

IV. ASSESSMENT

Verbal reports will be given at the meeting.

V. RISK ASSESSMENT

The Library builds risk assessment into new initiatives and ongoing services. Some risks are easily identifiable and thus easily mitigated. However, the assessment of some risks can be very subjective. Unlike other disciplines there are few rules or measures to guide either the Library's administration or board. Ongoing monitoring and analysis of new developments will always be required.

VI. RECOMMENDATIONS

That the Audit & Finance Committee of the Calgary Public Library Board receive the March 2017 Quarterly Risk Update for discussion and information.

Elrose J Klause, CMA
Controller and Director, Financial Services

Attachments

1. Quarter 1 Risk Matrix Impact Scales