

Calgary Municipal Land Corporation: Enterprise Risk Register

2019



Risk Identification					Risk Assessment			
RISK No.	RISK EVENT	RISK CAUSE	IMPACT / CONSEQUENCE	CURRENT MITIGATIONS	RESIDUAL RISK			
					LIKELIHOOD (1-3)	IMPACT (1-3)	SCORE (1-9)	RISK RATING
1	Strategic Risk: The risk of not meeting the City of Calgary's objectives for urban densification and community renewal, infrastructure investment and placemaking.							
1a	Mandate Risk: City of Calgary objectives for urban densification and community renewal, infrastructure investment and placemaking is not met.	Projects do not align with shareholder vision while balancing financial measures. Loss of confidence or credibility to build or grow new communities by failing to meet both qualitative and quantitative measures. Projects are becoming more complex and risky.	Loss of CMLC autonomy from the City of Calgary resulting from an inability to meet the mandate for community renewal.	Ongoing communications with the shareholder and community. Annual business planning and clear communication of goals.	1	3	3	Medium
1b	Innovation and Social Benefit Risk: Risk of not demonstrating project innovation or social benefits aligned with CMLC guiding principles.	Lack of investment in project innovation or social benefits by focusing on financial return versus other strategic success metrics. Social benefit metrics not well defined or communicated.	Inability to meet all financial and social success criteria defined for CMLC. Not maintaining reputation as a leader, loss of credibility as a placemaker. Inability to meet social benefit success criteria that are not well defined.	Taking on innovative projects using best practices to mitigate risks. Utilizing skilled and experienced resources who invest in staying up to date on best practices. Hire talented resources for the specific challenge.	2	2	4	Medium
1c	Strategic Focus Risk: Loss of strategic focus.	Lack of focus or consideration on what really matters (i.e. social engagement, return on investment, break-even or profits, potential connection to future projects). Lack of prioritization based on top needs i.e. densification, community renewal, placemaking. Constantly changing stakeholder needs and a	Confusion of mandate/vision and inability to deliver mandate/vision. Inefficient use of resources. Inability to meet all strategic objectives, being forced to choose between highest return and social benefits.	Annual business planning and review of strategic, enterprise risks to identify and mitigate strategic risks. Clear communication of goals. Portfolio approach to projects.	2	2	4	Medium
1d	Stakeholder Interest Risk: Loss of stakeholder confidence.	Conflicting stakeholder interests that may not align with the shareholder vision. Inability to meet all stakeholder requests.	Inability to maintain strong relationships with stakeholders.	Direct advocacy and proactive engagement with stakeholders and partners early on to achieve alignment on goals and objectives. Constant education and communication to reinforce vision.	3	1	3	Medium
1e	Poor Investment or Infrastructure Decisions: Risk of not managing the investment in land and infrastructure to make an optimal financial return	Lack of control to vet projects against optimal return. Ability to borrow.	Opportunity cost to invest in projects aligned to the City of Calgary mandate and CMLC guiding principles.	Seek Board input into investment decisions.	2	2	4	Medium
2	Environment, Health and Safety Risk: Events arising from inadequate safeguards to maintain public safety, the natural environment and / or CMLC's human capital well-being.							
2a	Public Safety Incident: Events that would deter investment in CMLC communities (developer investment, government investment, public use and / or home sales).	Increasing population within East Village during a period of significant construction activities. Diverse demographics within the community.	Inability to attract desired developers to CMLC projects and inability to attract potential homebuyers and retail investment.	Environmental, Health & Safety Committee meets to assess and improve our standards. Independent third party site audit on all our developer sites to ensure they are complying with the Health and Safety standards. Constant monitoring of sites by our Development team.	1	3	3	MEDIUM

Risk Identification					Risk Assessment			
RISK No.	RISK EVENT	RISK CAUSE	IMPACT / CONSEQUENCE	CURRENT MITIGATIONS	RESIDUAL RISK			
					LIKELIHOOD (1-3)	IMPACT (1-3)	SCORE (1-9)	RISK RATING
3	Operational Risk: Risks pertaining to the delivery of services. These could include risks involving human resources, controls and processes.							
3a	Project Risk: Financial loss due to failure to implement strategic projects, within proposed time and budget estimates.	Project delays and costs increases; Complex and changing projects (unique projects). Commodity price risk (tariffs).	Loss of community and stakeholder confidence and credibility, cost overruns.	Project Risk Registers, Competent Staff and continuous monitoring of budgets. Variance analysis done regularly.	1	2	2	LOW
3b	Growth Risk: Loss of ability to react quickly, inability to maintain high level of quality, innovation and credibility.	Rapid growth resulting from new projects and expanding mandate; limited growth resulting from not having any new projects	Loss of competitive advantage resulting in increased competition. Loss of public confidence and credibility resulting in limited ability to grow.	Annual strategy sessions with senior management and board to help create balance between new projects and staff. Balance between internal staff and use of consultants.	2	1	2	LOW
3c	Event Risk: Loss of independence over event usage.	Third party usage of public spaces, new spaces and events with unknown outcomes (attendance), lack of safety / security infrastructure negatively impacting CMLC's credibility.	Loss of independence over public spaces, security and safety incidents.	Continue to maintain control of EV infrastructure assets. Event spaces managed by CMLC's marketing & development team. Internal approval process of all groups intending to use any of our space. Require insurance from anyone using EV space.	1	2	2	LOW
4	Reputation Risk: A situation, occurrence, business practice or event that has the potential to materially influence the public and / or external stakeholders perceived trust or confidence in CMLC.							
4a	Political Reputation Risk: Risk arising from lack of alignment between shareholder and stakeholders (CMLC Board, City of Calgary, other levels of government (Provincial), public) and negative public perception.	Differing opinions and expectations from various stakeholders and shareholder, inability to demonstrate success supported by specific success criteria.	Confusion of mandate and inability to deliver mandate, wasted resources	Proactively engage key stakeholders on our plans through Shareholder meetings, media and other marketing channels. Present to the shareholder annually on our Business plan & Annual report to show that our Business Model is viable in its current state. Continue to be innovative, produce tangible results and complete projects on budget and on time. Provide annual report to the Province.	3	1	3	MEDIUM
4b	Independence Perception Risk: Public perception that Board members and / or management is biased when making decisions.	Selected vendors who have perceived relationships with Board members and / or management.	Delayed decision making, decreased ability to be nimble, lack of public confidence and credibility.	All Board members and management are independent and qualified business leaders. Board members and management are mandated to declare conflict of interest. On an annual basis, staff are required to read and sign off on the employee handbook which contains the whistleblower policy.	1	3	3	MEDIUM
4c	Stakeholder Confidence Risk: Loss of stakeholder confidence.	Inability to achieve clearly stated goals (project related & delivery of services/events), high profile projects with increased public scrutiny and unique/complex objectives. Inconsistent messaging by various stakeholders.	Inability to maintain strong relationships with stakeholders resulting in impact to project delivery (both schedule and budget).	Ongoing communications and stakeholder involvement in project planning. Established guiding principles.	1	2	2	Low
4d	Procurement Process: Perception of unfair procurement process by CMLC or partners.	Lack of proper documentation to support fair decision making, few suppliers. Interference in procurement process by stakeholders.	Negative publicity and media attention resulting in negative public perception.	Properly documented procurement process with solid internal controls. Abide by the procurement standards under the NWPTA, through posting RFPs & RFQs on Alberta Purchasing Connection and Merx websites.	1	2	2	LOW

Risk Identification					Risk Assessment			
RISK No.	RISK EVENT	RISK CAUSE	IMPACT / CONSEQUENCE	CURRENT MITIGATIONS	RESIDUAL RISK			
					LIKELIHOOD (1-3)	IMPACT (1-3)	SCORE (1-9)	RISK RATING
4e	Brand Risk: Inability to meet increased expectations of the CMLC Brand.	Variety of projects with differing success criteria, increased scrutiny going forward. Lack of investment in project innovation and sustainable development.	Negative perception by stakeholders and the public.	Annual strategy process helps us to remain focused on projects that fall with CMLC's vision and we continue to deliver excellent quality projects. We monitor and access our progress bi-weekly through our senior management team meetings. We carefully evaluate our project plans to ensure that they align with our brand.	1	1	1	LOW
4f	Community Partner Risk: Risks resulting from community members perceived to be associated with CMLC via the association to EV (events within CMLC public spaces, existing residents e.g. Drop-In Center, new residents post build).	Diverse community within East Village and East Victoria Park with various communication strategies and priorities.	Negative perception by stakeholders and the public.	Engage with all EV and East Victoria Park stakeholders and community associations through events and other communication channels. Collaborate with stakeholders in making EV and EVP a safe place. Providing recreational spaces for the elderly population.	1	2	2	LOW
4g	Developer Partner Risk: Risks associated with losing existing developer partners or working with new developer partners which may delay development timelines.	Loss of development partners or entrance of new development partners.	Loss of CRL as development is delayed. This will increase brand risk.	Engage development partners to ensure that their goals align to that of CMLC (co-op marketing, lend bank, PSA).	1	2	2	LOW
4h	Flood Mitigation Perception Risk: Risks resulting from perception that EV and EV lack adequate flood control / mitigation infrastructure.	Lack of communications to change public perception that flood mitigation has been implemented.	Inability to attract desired developers to CMLC projects and inability to attract potential homebuyers and retail investment.	Infrastructure has been built to withstand a 1 in 100 year flood as evidenced in 2013. Continue to activate public places within the East Village and East Victoria Park for the public to attend and see the flood mitigation work around East Village and East Victoria Park. Continue to engage the public and communicate the minimal impact of the previous flood in East Village and East Victoria Park.	1	1	1	LOW
4i	Communications Risk: The risk that communication or lack of communication will result in inconsistent or ineffective messages.	Multiple stakeholders, partners and existing residents in East Village and East Victoria Park with various communications. Communications are not setting the right perception of CMLC. Inadequate engagement with organizations outside of the Rivers District and an inability to set CMLC's own narrative.	Negative perception by stakeholders and the public, lack of credibility. Project delays, impact to project delivery	Documented strategy on external communication by the organization. Continuous engagement of all stakeholders through building relationships, media, our website and quarterly issues of the EVE magazine. Continuous management of public messaging channels. Educate staff on social media policy and request that they follow the policy. Management focus on building strong relationships with stakeholders and creating "selfless" messaging.	3	1	3	Medium

Risk Identification					Risk Assessment			
					RESIDUAL RISK			
RISK No.	RISK EVENT	RISK CAUSE	IMPACT / CONSEQUENCE	CURRENT MITIGATIONS	LIKELIHOOD (1-3)	IMPACT (1-3)	SCORE (1-9)	RISK RATING
5	Human Resource Risk: <i>Inability to attract, retain or properly train qualified individuals.</i>							
5a	Human Resource Risk: Risk resulting from inability to retain skilled resources.	Small organization with limited career development opportunities, lack of performance development planning.	Higher operating costs and increased legal / regulatory, operational and reputation risk resulting from high employee turnover and inability to retain skilled and experienced resources.	Continue to seek exciting and transformational projects to attract and retain talent. Employee engagement by creating learning and growth opportunities as they become available. Maintain our culture of teamwork and trust. Continuous training and development of staff. Re-deploy staff.	1	3	3	MEDIUM
5b	Board Governance Risk: Ineffective Board.	Failure to follow recognized Board governance processes.	Delayed decision making, failure to implement strategic objectives.	The Board committee mandates are reviewed on an annual basis and updated appropriately. Monthly Board meetings and quarterly committee meetings in which other corporate policies are reviewed. The board is appointed by the Shareholder at the AGM. Updated board terms included the board and board chair would now serve in staggered term (2 years with maximum 3 times reappointment, and 3 years with maximum 3 times reappointment, respectively).	1	3	3	MEDIUM
6	Financial Risk: <i>Risks associated with operating and capital funds and budgets.</i>							
6a	Local Economy: Risk of lower than expected revenue resulting from delays in development, lower than expected CRL revenues.	Lack of access to capital by developers, developer contract breaches, delayed build activities and subsequent revenue. Decreased CRL revenue.	Reduced revenue from CRL. More scrutiny and controls from the City of Calgary regarding cash flow.	Revenue budgets based on conservative revenue estimates. Attracted partners that demonstrated integrity, and financial stability to build in EV and EVP after a thorough process of vetting. We engage Coriolis on an annual basis to provide annual estimates of CRL.	3	1	3	MEDIUM
6b	Operating Funds Risk: Inability to fully fund development plans due to the desire to assist all stakeholders.	Lack of focus or consideration on what really matters (i.e. social engagement, return on investment, break-even or profits, potential connection to future projects).	Confusion of mandate/vision and inability to deliver mandate/vision. Inefficient use of resources. Inability to meet all strategic objectives, being forced to choose between highest return and social benefits.	Prioritizing the projects that bring CMLC the highest return on CRL investment. We have an Investment Criteria grid that allows us to grade and prioritize projects.	2	2	4	MEDIUM

Risk Identification					Risk Assessment			
					RESIDUAL RISK			
RISK No.	RISK EVENT	RISK CAUSE	IMPACT / CONSEQUENCE	CURRENT MITIGATIONS	LIKELIHOOD (1-3)	IMPACT (1-3)	SCORE (1-9)	RISK RATING
7	Legal/Regulatory Risk: <i>The risk of non-compliance with criminal, civil and common law including liability, negligence, fraud, breach of contract and tort.</i>							
7a	Legal/Regulatory Risk: The risk of non-compliance with criminal, civil and common law including liability, negligence, fraud, breach of contract and tort.	Non compliance with existing policy and processes, lack of resources to adopt new policies and processes within reasonable timeframe. Historical obligations and commitments.	Legal expenses, negative impact to reputation.	Legal experts consulted for help. Adequate insurance coverage is in place and is reviewed annually. Appropriate internal controls exist and are reviewed by Audit Committee annually. All transactions and commitments are monitored and reviewed for any potential liabilities and loss to CMLC. Updated employee manual and policies maintained on Intranet. Each employee signs an acknowledgement form to show that they have read and understood the policies and guidelines.	1	1	1	LOW