

**Report to the
Calgary Public Library Board
Audit and Finance Committee
April 16, 2019**

Risk Register Update for Q12019

RELEVANCE:	Risk Factor	Current Value	Status	Next Update
The risk that community indifference negatively impacts ability to improve the quality of life in Calgary	No. of Members	55.9		Q2 2019
	Satisfaction Score	4.6		Q2 2019
	Pace of Innovation	-		Q2 2019
	Volunteer Support	97%		Q2 2019

FINANCE:	Risk Factor	Current Value	Status	Next Update
The risk that available funding is insufficient to address community needs or to allow the Library to adapt or grow as demand dictates	Operating Fund Forecast	0%		Q2 2019
	Fraud	\$0		Q2 2019
	Op. Cost per Use	\$1.38		Q1 2020
	Municipal Grant per Capita	\$40.54		Q3 2019
	Change in Capital Assets	-2.2%		Q4 2019

OPERATIONS:	Risk Factor	Current Value	Status	Next Update
The risk that ineffective processes negatively impact the Library's ability to manage complexity and change	Building Visits	10.5%		Q2 2019
	Virtual Visits	14.5%		Q2 2019
	Circulation	11.32		Q4 2019
	Staff Engagement	80%		Q3 2019

SECURITY:	Risk Factor	Current Value	Status	Next Update
The risk that real or perceived safety and security concerns negatively impact organizational capacity, reputation and community support	Community Libraries Incidents	0.84		Q2 2019
	Central Library Incidents	2.67		Q2 2019

No. of MEMBERS

- Active library memberships divided by the population of the legal service area. Reported quarterly
- The proportion of the population that is an active library user is a direct indicator of the degree of relevance to the community
- Relevance is a necessary condition to achieve the aims of the Strategic Plan

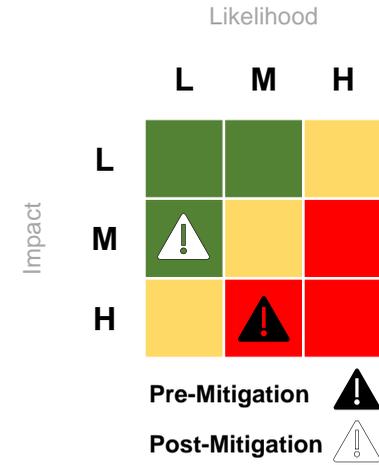
CURRENT READING



COMMENTARY

- Latest values
 - 708,660 active members
 - 2018 census population of 1,267,344
- Calgary Public Library Members as a proportion of overall population is well above the national median of 40.15 (MBNCanada, 2017)

MITIGATION STATUS AND ACTIONS



- Increase outreach to areas distant from a convenient library branch
- Co-locate library branches with complementary services and amenities
- Contact expiring members with easy renewal options
- Increase the availability and quality of online offerings
- Customer appreciation events and promotions
- Reduce financial and procedural barriers to membership
- Create gathering and meeting spaces to decrease social isolation

RECENT READINGS

Date	Reading	Status
2018 Q4	54.2	Green
2018 Q3	52.9	Green
2018 Q2	52.6	Green
2018 Q1	51.8	Green

SATISFACTION SCORE

- Average rating of satisfaction with overall library service in a random sample of library users. Reported semi-annually
- High levels of user satisfaction are a driver of discretionary decision-taking to use library services, and thereby increase relevance
- Relevance is a necessary condition to achieve the aims of the Strategic Plan

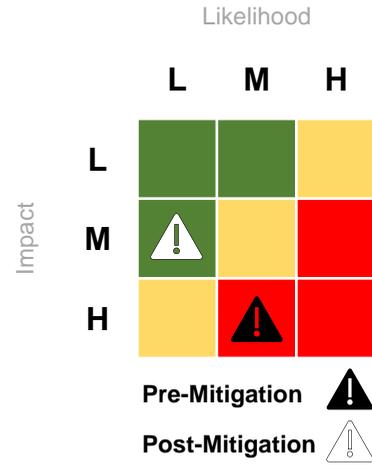
CURRENT READING



COMMENTARY

- Member satisfaction with the Library is generally quite high
- This result averages satisfaction in a number of areas. Erosion of this number represents a drop in satisfaction with an array of factors

MITIGATION STATUS AND ACTIONS



- Update appearance and amenities in all community libraries
- Focus programs and services on areas of biggest impact and need
- Improve merchandising and presentation of collections
- Increase training in service excellence
- Seek input from service professionals

RECENT READINGS

Date	Reading	Status
2018	4.6/5	Green
2017	4.5/5	Green
2016	4.8/5	Green
2015	4.4/5	Yellow

PACE OF INNOVATION

- The number of new programs/events and materially refreshed programs/events put into service. Reported semi-annually
- Timely topics and delivery techniques that reflect current best practices are necessary for customer interest, which is a driver of relevance
- Relevance is a necessary condition to achieve the aims of the Strategic Plan

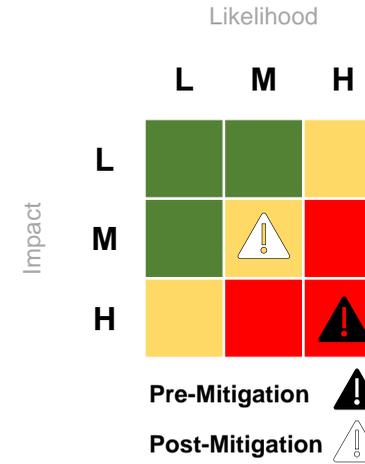
CURRENT READING



COMMENTARY

- Decreasing rates of innovation may indicate complacency about the need to maintain a state of wow in member’s minds
- This measure is reported semi-annually to account for projects that are at various stages of development

MITIGATION STATUS AND ACTIONS



- Project management practices and iterative design process create a manageable pipeline
- Collaborative process between Service Design and Service Delivery
- Regular piloting and trialing of new concepts

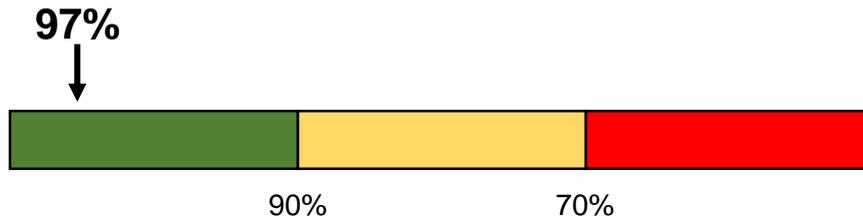
RECENT READINGS

Date	Reading	Status

VOLUNTEER SUPPORT

- The percentage of volunteer placements filled in all libraries in the system. Reported quarterly
- The ability to attract and retain volunteers is an indicator of community support for the Library, a driver of relevance
- Relevance is a necessary condition to achieve the aims of the Strategic Plan

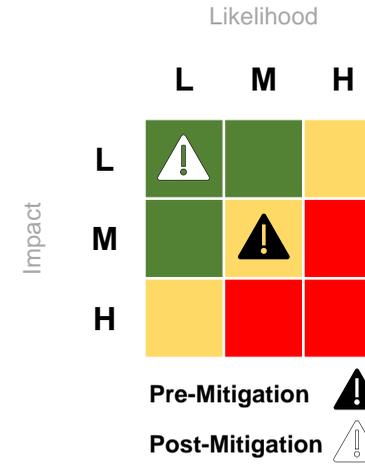
CURRENT READING



COMMENTARY

- Lower levels of volunteerism may indicate decreasing perceptions of relevance and excitement around the Library
- Volunteers contribute a significant number of hours to Calgary Public Library – 91,227 hours over 11,544 placements in 2018
- If volunteer opportunities cannot be filled, programs may offer a lesser experience to members or be cancelled altogether

MITIGATION STATUS AND ACTIONS



- Enhance training of volunteers
- Enhance recognition of volunteers
- Broaden scope of volunteer opportunities
- Integrate volunteers more closely into service delivery model

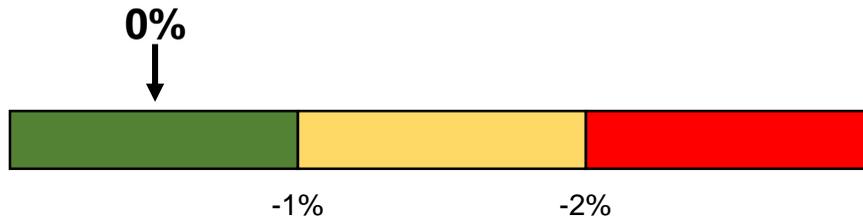
RECENT READINGS

Date	Reading	Status
2018 Q4	98%	Green
2018 Q3	97%	Green
2018 Q2	98%	Green
2018 Q1	97%	Green

OPERATING FUND FORECAST

- The forecast year-end operating fund balance. Reported quarterly commencing in Q2
- Good stewardship is a necessary condition for stakeholders to maintain confidence in the Library and provide sufficient funding to achieve the aims of the Strategic Plan

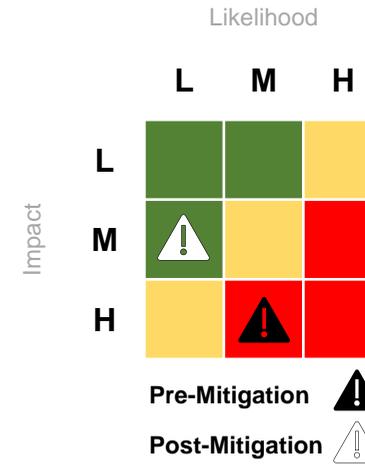
CURRENT READING



COMMENTARY

- With minimal reserve funds, the Library is unable to absorb even small negative variances in the operating fund

MITIGATION STATUS AND ACTIONS



- Daily oversight through purchasing and payment controls, including one up approvals
- Monthly oversight by the Library's Executive Leadership Team
- Quarterly oversight by the Library Board's Audit and Finance Committee

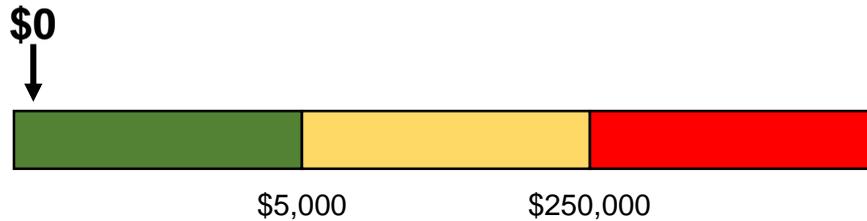
RECENT READINGS

Date	Reading	Status
2018 Q4	0%	Green
2018 Q3	1%	Green
2018 Q2	0%	Green
2018 Q1	0%	Green

FRAUD

- Cumulative value of fraudulent transactions identified. Reported quarterly
- Good stewardship is a necessary condition for stakeholders to maintain confidence in the Library and provide sufficient funding to achieve the aims of the Strategic Plan

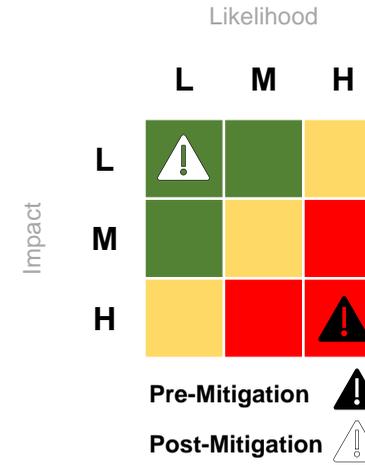
CURRENT READING



COMMENTARY

- Risks are increasingly electronic and sophisticated

MITIGATION STATUS AND ACTIONS



- Adherence to policies and procedures
- Documented procedures, including:
 - Segregation of duties
 - Purchasing controls
 - One up approvals
- External auditing

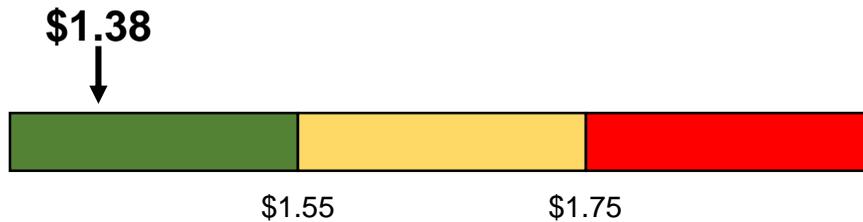
RECENT READINGS

Date	Reading	Status
2018 Q4	0	Green
2018 Q3	0	Green
2018 Q2	0	Green
2018 Q1	0	Green

OPERATING COST PER USE

- Total operating cost divided by the sum of common uses. Reported annually
- Lower cost per use indicates increasing efficiency or effectiveness
- Good stewardship is a necessary condition for stakeholders to provide the Library with sufficient funding to achieve the aims of the Strategic Plan

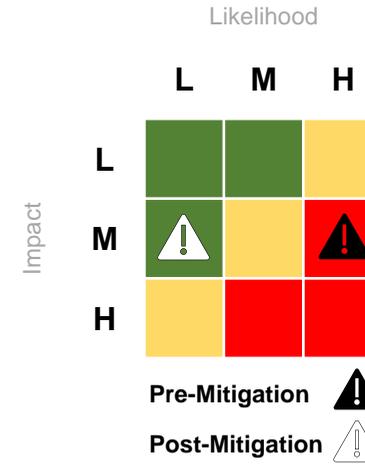
CURRENT READING



COMMENTARY

- Latest values
 - 2018 operating cost of \$55,746,898
 - 40,439,891 uses
- Calgary Public Library's cost per use is well below the national median of \$1.79 (MBNCanada, 2017)
- Examples of library use includes visits, circulation, program attendance, library technology use, and reference questions
- 2018 value is negatively impacted by receiving funding for new Central Library and Seton in advance of opening

MITIGATION STATUS AND ACTIONS



- Monthly oversight by the Library's leadership team
- Quarterly oversight by the Board's Audit and Finance Committee

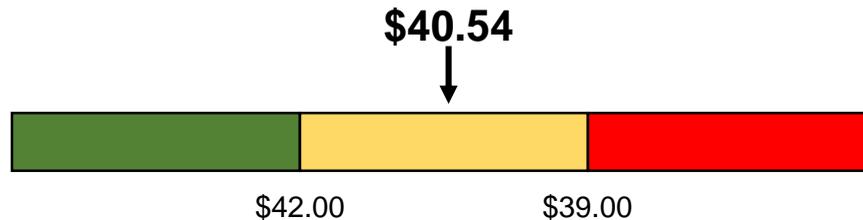
RECENT READINGS

Date	Reading	Status
2017	\$1.33	Green
2016	\$1.26	Green

MUNICIPAL GRANT PER CAPITA

- Municipal operating grant divided by population of the legal service area. Reported annually
- Consistent and adequate funding is a driver of success in achieving the aims of the Strategic Plan

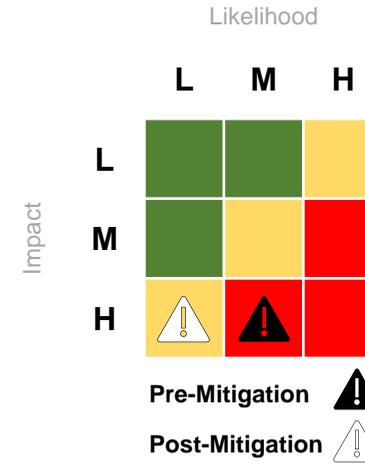
CURRENT READING



COMMENTARY

- Latest values are
 - 2018 municipal grant of \$51,375,000
 - 2018 census population of 1,267,344
- By comparison, the Provincial grant is **\$5.46** per capita
- The major source of funding, the per capita grant should grow at the rate of inflation plus population growth if the Library is to be consistently resourced
- A decrease in operating grant per capita indicates budget is not keeping pace with cost drivers

MITIGATION STATUS AND ACTIONS



- Transparency and openness with government and other funders
- Effective, efficient delivery of current services and programs

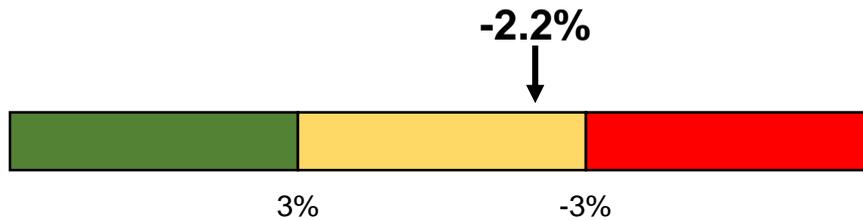
RECENT READINGS

Date	Reading	Status
2017	\$37.90	
2016	\$35.94	
2015	\$35.16	

CHANGE IN CAPITAL ASSETS

- The change in the reported value of tangible capital assets stewarded by the Library. Reported annually
- The Library’s asset base is a driver of the quality of user experience and of staff productivity. Changes in the value of assets underlying library service will ultimately be reflected in use and satisfaction measures

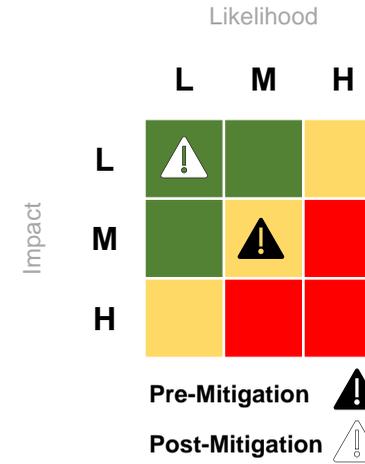
CURRENT READING



COMMENTARY

- Tangible capital assets include (some) books, vehicles, equipment and buildings
- Depreciation lowers the value of assets while improvements and additions increase the value of assets
- The degree of change in any given year will reflect some unique circumstances, but a continued lowering of the value of assets available will imply a diminution in the quality and availability of spaces and services, and pressure on operating budgets through increased maintenance and occupancy costs or licensing fees.

MITIGATION STATUS AND ACTIONS



- An Asset Management Plan is continuously updated. This plan:
 - details the investment needed to maintain capital assets in good condition
 - provides transparency and objectivity to The City of Calgary as the major asset funder
 - supports understanding of the Library’s capital funding requests

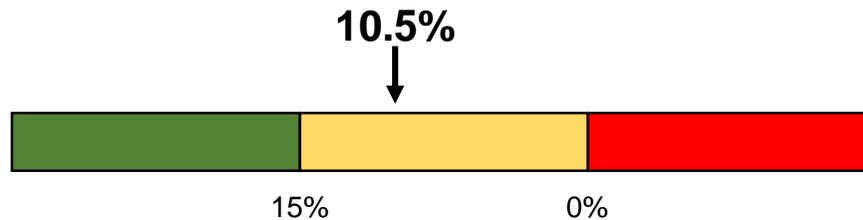
RECENT READINGS

Date	Reading	Status
2017	0.0%	Green
2016	2.1%	Green
2015	3.8%	Green

BUILDING VISITS

- The year-over-year change in the number of physical visits to all libraries. Reported quarterly
- Regular contact with members is important to maintaining full awareness of evolving services and products, which is a driver of success in achieving the aims of the Strategic Plan

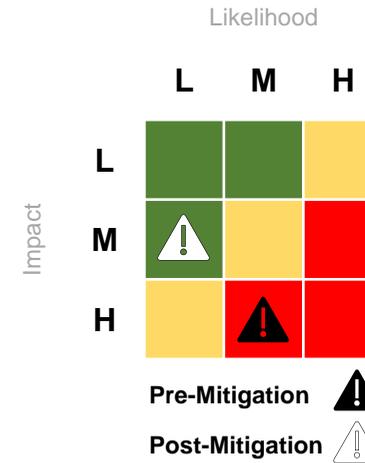
CURRENT READING



COMMENTARY

- Latest values
 - 1,731,723 visits in 2018 Q1
 - 1,913,221 visits in 2019 Q1
- Targets reflect a full year of New Central Library and Seton visits

MITIGATION STATUS AND ACTIONS



- Enhance look and feel of all libraries
- Increase hours of service
- Increase in-branch programming
- Fee - free room rentals
- Add locations in maturing communities

RECENT READINGS

Date	Reading	Status
2018 Q4	4.1%	Yellow
2018 Q3	1.0%	Yellow
2018 Q2	0.5%	Yellow
2018 Q1	-2.4%	Red

VIRTUAL VISITS

- The year-over-year change in the number of visits to the Library catalogue and websites. Reported quarterly
- Regular contact with members is important to maintaining full awareness of evolving services and products, which is a driver of success in achieving the aims of the Strategic Plan

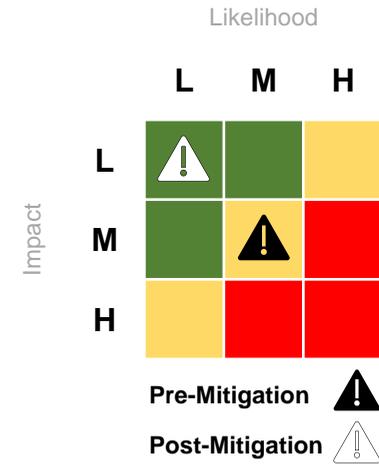
CURRENT READING



COMMENTARY

- Latest values
 - 1,740,178 website sessions in 2018 Q1
 - 1,886,952 website sessions in 2019 Q1
 - 1,340,587 catalogue sessions in 2018 Q1
 - 1,639,624 catalogue sessions in 2019 Q1
- Increased library visits should also drive increased visits to our website and catalogue
- A planned Library website redesign will have an impact on virtual visits

MITIGATION STATUS AND ACTIONS



- Implemented new, more attractive and useable catalogue and website
- Content is kept current, updated and relevant
- New services and collections are prominently featured on the website
- E-resources made easier to access, especially for students

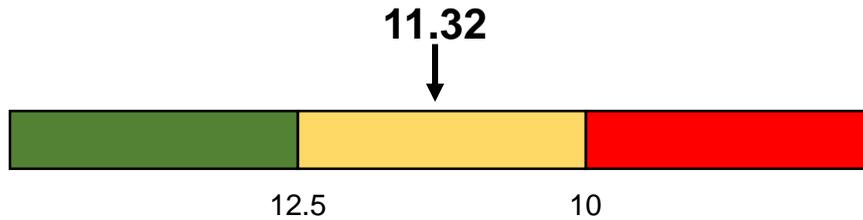
RECENT READINGS

Date	Reading	Status
2018 Q4	13.0%	Green
2018 Q3	-4.0%	Yellow
2018 Q2	-3.0%	Yellow
2018 Q1	-3.3%	Yellow

CIRCULATION PER CAPITA

- Total circulation divided by population of the legal service area. Reported annually
- Circulation is the primary driver of Library membership and use. The depth of lending is an indicator of the degree of user engagement with the Library
- Member engagement is a necessary condition for achieving the aims of the Strategic Plan

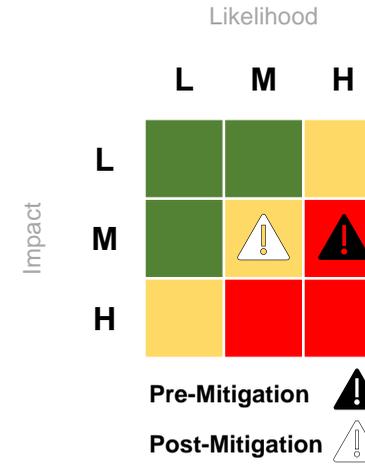
CURRENT READING



COMMENTARY

- Latest values
 - 2018 circulation of 14,352,328
 - 2018 census population of 1,267,344
- Circulation per capita shifts with both circulation and population
- Calgary Public Library's circulation per capita is higher than the national median of 9.09 (MBNCanada, 2017)

MITIGATION STATUS AND ACTIONS



- Collection purchases are made in response to:
 - member preferences
 - monitoring use of existing collection, and
 - in response to market place trends

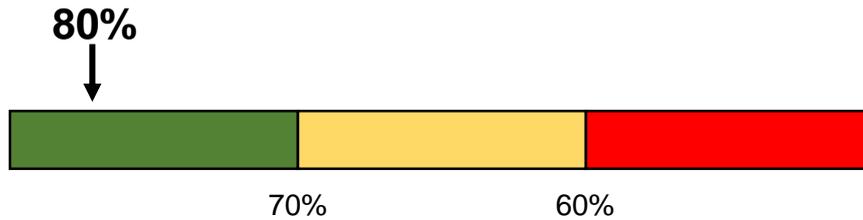
RECENT READINGS

Date	Reading	Status
2017	11.72	Yellow
2016	12.79	Green

STAFF ENGAGEMENT

- Average reported engagement score on anonymous surveys. Reported every 18 months
- A highly engaged staff is correlated with better customer service and better organizational outcomes, and is a driver of success in achieving the aims of the Strategic Plan

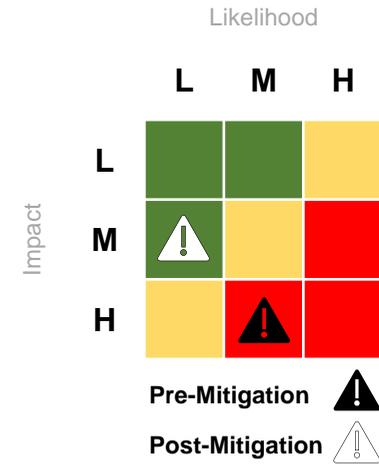
CURRENT READING



COMMENTARY

- Engagement is the result of the interplay of 13 drivers
- The five most influential drivers at the Library are:
 - Professional Growth
 - Organizational Vision
 - Diversity and Inclusion
 - Senior Leadership, and
 - Innovation

MITIGATION STATUS AND ACTIONS



- Communication with staff is multi-channel; written, on-line, and face-to-face
- Regular on-line townhalls are supported by all members of the leadership team
- Staff recognition program features immediate appreciation and on-line, peer-to-peer recognition
- Annual recognition awards are peer-nominated and presented during an all-staff event

RECENT READINGS

Date	Reading	Status
2017	78%	Green
2016	75%	Green

COMMUNITY LIBRARY INCIDENTS

- The number of security incidents occurring at community libraries normalized for visitor traffic. Reported quarterly
- Ensuring that library facilities are perceived as safe and welcoming spaces is a necessary condition to support achievement of the aims of the Strategic Plan

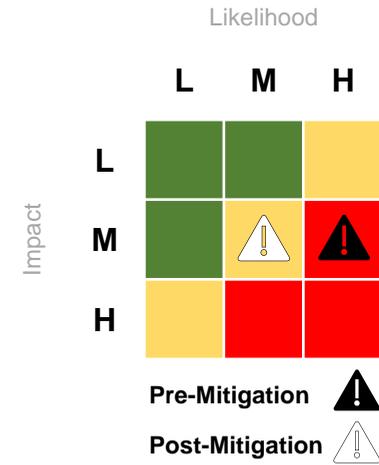
CURRENT READING



COMMENTARY

- This risk is expressed as the number of incidents reported per 10,000 visits
- Increased security staff coverage at Memorial Park Library because of increase in incidents
- Participating in collaborative programming and information sharing with partner organizations focused on Memorial Park including CPS, AHS, Parks, etc.

MITIGATION STATUS AND ACTIONS



- Ongoing staff training on safety and security
- Updated Problem Situation Guide and Emergency Response Plan with critical incident procedures
- Improved incident reporting software and sharing of security-related information system-wide
- Security Advisor from City of Calgary seconded to CPL and enhanced relationship with CPS and community partners
- Enhanced training and experience of the staff and procedures provided through the security contractor and increased security staffing where needed
- Improved security cameras deployed system-wide
- Programming and environmental design used to deter inappropriate behaviour

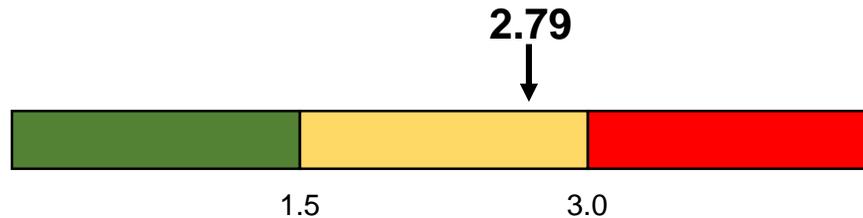
RECENT READINGS

Date	Reading	Status
2018 Q4	0.82	Green
2018 Q3	0.65	Green
2018 Q2	0.79	Green
2018 Q1	0.77	Green

CENTRAL LIBRARY INCIDENTS

- The number of security incidents occurring at the Central Library normalized for visitor traffic. Reported quarterly
- Ensuring that library facilities are perceived as safe and welcoming spaces is a necessary condition to support achievement of the aims of the Strategic Plan

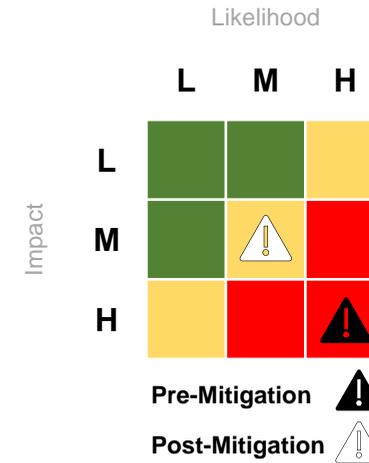
CURRENT READING



COMMENTARY

- This risk is expressed as the number of incidents reported per 10,000 visits
- Increase in incidents of theft in the last two quarters at Central, mostly because of unattended items

MITIGATION STATUS AND ACTIONS



- Ongoing staff training on safety and security
- Updated Problem Situation Guide and Emergency Response Plan with critical incident procedures
- Improved incident reporting software and sharing of security-related information system-wide
- Security Advisor from City of Calgary seconded to CPL and enhanced relationship with CPS and community partners
- Enhanced training and experience of the staff and procedures provided through the security contractor and increased security staffing where needed
- Improved security cameras deployed system-wide
- Programming and environmental design used to deter inappropriate behaviour

RECENT READINGS

Date	Reading	Status
2018 Q4	1.79	Yellow
2018 Q3	2.35	Yellow
2018 Q2	2.30	Yellow
2018 Q1	3.14	Yellow