



DRAFT - FOR DISCUSSION PURPOSES ONLY

ENTERPRISE RISK MANAGEMENT PROCEDURE - FORMS - CONTEXT PAPER AND EVALUATION

Note: This attachment is still under development

ENTERPRISE RISK MANAGEMENT OPERATING RISK REGISTER CONTEXT PAPER

UNIT:

1. SUBJECT
2. GOALS AND OBJECTIVES
3. VALUE CRITERIA
4. STAKEHOLDER ANALYSIS
Internal Stakeholders
External Stakeholders
5. ASSUMPTIONS AND CONSTRAINTS
6. DELIVERABLE FOR THE SESSION



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City Risk Ratings Guide

Impact: If an event occurred, given your current controls, what would be the impact?

#	Impact	Description
1	Minor	Noticeable disruption to results; manageable.
2	Moderate	Material deterioration in results; a concern; may not be acceptable; management response would be considered.
3	Major	Significant deterioration in results; not acceptable; management response required.
4	Severe	Fundamental threat to operating results; immediate senior management attention.
5	Worst Case	Results threaten survival of program area in current form, potentially full-time senior management response until resolved.

Likelihood: How likely is an event to occur given current controls?

#	Likelihood	Description
1	Rare	May only occur in exceptional circumstances; simple process; no previous incidence of non-compliance.
2	Unlikely	Could occur at some time; less than 25% chance of occurring; non-complex process and/or existence of checks and balances.
3	Possible	Might occur at some time; 25–50% chance of occurring; previous audits/reports indicate non-compliance; complex process with extensive checks & balances; impacting factors outside control of organization.
4	Likely	Will probably occur in most circumstances; 50-75% chance of occurring; complex process with some checks and balances; impacting factors outside control of organization.
5	Almost Certain	Can be expected to occur in most circumstances; more than 75% chance of occurring; complex process with minimal checks and balances; impacting factors outside control of organization



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City ERM Risk Category Guide

Risks	Example(s)
1. Commercial (decline in profit, commercial contract, business partners)	<ul style="list-style-type: none"> Drop in revenue at City facility Business partners fail to deliver
2. Competition (increased competition, decrease market share, new competitor)	<ul style="list-style-type: none"> Competition from other municipalities for major events
3. Corporate Governance Environment (tone at the top, low integrity, lack of motivation, internal control)	<ul style="list-style-type: none"> Disconnect between leadership and staff
4. Customers/Citizens (key customer leaves, increasing pressure, demand for services)	<ul style="list-style-type: none"> Resource increases do not match service demand increases
5. Economic (currency fluctuations, interest rates, recession)	<ul style="list-style-type: none"> Rising interest rates increase financing costs
6. Employees (lack of motivation, knowledge gap, succession planning, staffing)	<ul style="list-style-type: none"> Staff retirements result in knowledge gap
7. Environmental (noise, contamination, pollution)	<ul style="list-style-type: none"> Toxic leak threatens river
8. Financial (contractual risks, availability of grants, funding, ability to take on debt)	<ul style="list-style-type: none"> Inconsistent funding from other levels of government
9. Fraud (weak controls, frequent fraud, misappropriation of funds (theft))	<ul style="list-style-type: none"> Poor financial controls result in theft / financial loss
10. Human (riots, strikes, sabotage, errors)	<ul style="list-style-type: none"> Act of terrorism
11. Information (unreliable, irrelevant, untimely, insecure)	<ul style="list-style-type: none"> Theft of classified information
12. Legal/Regulatory (new unfavourable regulation, litigation action, non-compliance)	<ul style="list-style-type: none"> Legal judgment results in project delays / financial loss
13. Natural Disasters (climatic conditions, floods, drought, diseases, fires, tornados)	<ul style="list-style-type: none"> Tornado results in property damage and loss of life
14. Occupational Health and Safety (inadequate safety measures, poor safety management)	<ul style="list-style-type: none"> Poor safety procedures result in serious injury or death
15. Political Influences (intervention by politician, new government policy/direction)	<ul style="list-style-type: none"> Policy change results in delays in achieving strategic objectives
16. Service / Professional Liability (design error, substandard quality, inadequate testing)	<ul style="list-style-type: none"> Project design errors cause City to be liable for financial loss
17. Project Management (estimates, controls, plans, communications, scope, implementation)	<ul style="list-style-type: none"> Project goes over budget / has poor quality / is delayed
18. Property Damage (fire, water, contamination, human error)	<ul style="list-style-type: none"> Water main break damages City facilities
19. Public Liability (public access, egress, safety)	<ul style="list-style-type: none"> Safety issues at City facilities
20. Public perception (poor public image, bad reputation, brand name erosion)	<ul style="list-style-type: none"> Perception of poor service at City facilities reduces usage
21. Security (cash handling, vandalism, theft, misappropriation of information, illegal entry)	<ul style="list-style-type: none"> Theft from City facilities Vandalism to City facilities
22. Suppliers including contractors, services (out of business, poor quality services, high prices)	<ul style="list-style-type: none"> Sole-source contractor fails Pricing risk
23. Technology /Equipment (obsolescence, innovation, dependability)	<ul style="list-style-type: none"> Equipment becomes obsolete or unreliable

Source – ISO 31000 – based Checklist