

APPENDIX B: Risk Assessment Worksheet

Risk Assessment: Official Community Plan Implementation Strategy

Event: Failure to achieve the *Official Community Plan Implementation Strategy*

Scope of Risk Assessment:

- Risks that may hinder or impede the achievement of the *OCP Implementation Strategy*.

Determination of Risk and Risk Ratings:

The risk rating for each component was based on the methodology of a draft risk assessment developed for the City of Victoria. The risks and ratings were identified through one-on-one interviews and group meetings with staff in various City Departments.

Background:

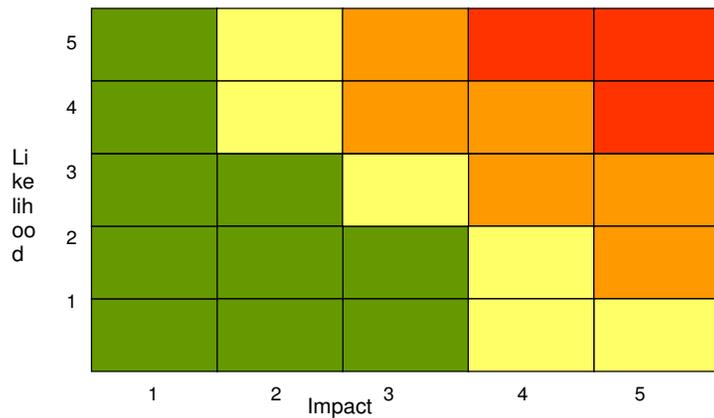
The table below is a simple risk assessment tool. The following is the definition of each of the risks:

1. **Strategic Risk:** Risk that the organization is unable to achieve its vision or strategic goals (the City's Strategic Plan is a good place to identify Strategic Risks).
2. **Financial Risk:** Risk that the organization is unable to fund its objectives OR unable to meet its financial obligations.
3. **Reputational Risk:** Risk that public or employees' trust in the organization is undermined.
4. **Compliance/Legal/Regulatory Risk:** Risk of non-compliance with legislation, legal obligations or being exposed to adverse legal judgment.
5. **Operational Risk:** Risk of loss resulting from inadequate or failed internal processes, systems or human factors.

Assumptions:

- Funding, time and staff resources are considered to be ongoing constraints within which all municipal governments function, and as such are not considered risks in and of themselves.
- Scores refer to the potential impact and likelihood of unmitigated risks.
- Risks have been determined for the *OCP Implementation Strategy* as a whole, rather than for individual actions within the *OCP Implementation Strategy*.
- The risk time horizon is 30 years, the timeline of the *OCP Implementation Strategy*.

RISK is assessed based on measures of IMPACT and LIKELIHOOD



Extreme Risk. Must be dealt with immediately

High Risk. Development and Implementation of Mitigation is a high Priority.

Medium Risk. Attention Required. Develop and implement mitigation within the short term

Low Risk. Schedule future date to develop and implement mitigation when resources allow

Impact: How badly can the event hurt us.

Consequence	Rating	Scope of Impact	Description
Catastrophic	5	Organization wide City wide	Threaten the existence of the organization or the overall viability of the city
Major	4	Organization; Strategic Goal; or Program (roughly equates to a Director's mandate)	Threaten the success, or ability to deliver, a major component (program) of mandate; or cause a noticeable reduction in overall success; or ability to deliver on the overall mandate
Medium	3	Program Department	Cause a noticeable reduction in the success, or ability to deliver, on a program
Minor	2	Program Department	Causes a reduction in the efficiency or effectiveness of a business area
Almost none	1		Unnoticeable impact

Likelihood : How likely is the event to occur

Likelihood	Rating	Frequency	Probability
Almost Certain	5	Likely to occur several times in a given year	> 75%
Likely	4	Likely to occur in a given year	Between 50-75%
Possible	3	Likely to occur in a 5 year period	Between 10-50%
Unlikely	2	Likely to occur in 10-25 year period	Between 1-10%
Rare	1	Likely to occur once in a lifetime	Less than 1%

Table 1. Risk Assessment Worksheet, City of Victoria Official Community Plan Implementation Strategy (August 2013)

Risk Universe	Specific Risk Detail	Possible Consequences	Severity of Risk	Prob. of Risk	Mitigation Strategy
Strategic					
	Seismic event with large-scale damage	Could result in catastrophic loss of life, asset loss and financial loss. Could cause widespread impacts to tourism, employment, housing and infrastructure and threaten overall viability of the City.	5	3	Significant unmitigated risk. OCP and Implementation Strategy identifies policies/ actions for mitigation, preparedness, response and recovery, however actions are largely unresourced. Depending on magnitude of hazard event, risk is significant.
	New or competing organizational priorities	Actions may not be implemented due to new or changed Council priorities; may lead to re-allocation of resources, uncoordinated pattern of development and lost strategic opportunities for planning and investment.	3	5	5-Year OCP implementation actions have been determined with reference to Key Corporate Initiatives, 20-Year Capital Plan and Departmental Work Plans to ensure alignment of corporate, political and funding priorities. The OCP Implementation Strategy will be a future reference for priority-setting exercises such as Corporate Strategic Plan, Council Priorities and 20-Year Capital Plan.
	Failure to commit to OCP policies, growth management model and phasing	Failure to follow the phasing or pattern of growth directed by OCP could lead to uncoordinated development, lost opportunities for investment, and lack of amenity contributions.	3	4	Consistency with OCP will be highlighted in Council reports and all corporate plans. Annual report will highlight emerging issues.
	Competition with other municipalities	Competition for businesses, infrastructure, development and infrastructure could affect Victoria's position as the economic, employment, social and cultural heart of the region. Could result in financial loss.	3	4	Staff will monitor economic and other indicators through Annual OCP Report. "Major change" may trigger an OCP review or amendment, and associated changes to OCP Implementation Strategy.
	Sustained downturn in local housing market	Downturn may affect growth and development in Victoria and impede ability to achieve OCP targets. Could result in financial loss.	3	3	Staff will monitor development and growth rates through Annual OCP Report. "Major change" may trigger an OCP review or amendment, and associated changes to OCP Implementation Strategy.
	Effect of global economy on BC economy	Slowdown may affect development and other economic investment in Victoria and impede ability to implement OCP vision. Could result in financial loss.	3	3	Staff will monitor economic indicators through Annual OCP Report. "Major change" may trigger an OCP review or amendment, and associated changes to OCP Implementation Strategy.
	Reliance on external agencies to implement OCP actions	External partner priorities for implementation may not match those of the City.	1	3	Implementation actions that rely on external partners have been reduced to as few as possible. Project Charters for each OCP implementation action will identify external partnerships needed to complete work. Communication of Annual OCP Reports will continue momentum from OCP community engagement processes, and build support for OCP implementation.

Financial				
New or competing organizational priorities	Lack of sufficient funds may reduce project scope, or defer or cancel initiative.	3	5	5-Year OCP implementation actions have been determined with reference to Key Corporate Initiatives, 20-Year Capital Plan and Departmental Work Plans to ensure availability of funds. The OCP Implementation Plan will be a future reference for priority-setting exercises such as Corporate Strategic Plan, Council Priorities and 20-Year Capital Plan.
Lack of senior government funding	Initiatives such as infrastructure, housing, emergency management and climate change and energy rely on senior levels of government for funding and strategic direction. Lack of sufficient funds may reduce project scope, or defer or cancel initiative.	3	5	Project Charters for OCP Implementation actions will explore alternate options for external funding, where necessary. Project scope may be reduced, or project timeline changed.
Reduction in core business funding and resources	Lack of sufficient funds and resources for core business and services may impede the ability to meet OCP vision and implementation actions. Funding shortfalls for core business could divert funds from OCP implementation actions.	3	4	Future budget and priority-setting exercises should consider impacts of service reduction on achievement of OCP vision. The OCP Implementation Plan will be a future reference for priority-setting exercises such as Corporate Strategic Plan, Council Priorities and 20-Year Capital Plan.
Reputational				
Public opposition	Public opposition to actions or associated initiatives may change, defer or cancel initiative. May cause an uncoordinated approach to planning, investment or program delivery.	3	4	Project Charters for OCP Implementation actions will include public engagement and communications strategies.
Raised public expectations	High level of community engagement through OCP development has created high expectations for OCP implementation. Pace and/or scope of OCP Implementation Plan may not meet expectations and put pressure on City to change corporate priorities.	2	4	Annual OCP Reports will include communications strategy to report on progress, provide a rationale and manage expectations.
Compliance				
Unable to meet Local Government Act requirement for all bylaws enacted and works undertaken to be consistent with the OCP	May put City at risk of legal challenge.	3	2	5-Year OCP implementation actions have been determined with reference to Key Corporate Initiatives, 20-Year Capital Plan and Departmental Work Plans to ensure alignment of corporate, political and funding priorities. Staff will monitor through OCP Annual Report and make appropriate recommendations.
New senior government legislation	May create new legislative, regulatory or compliance requirements.	2	3	Staff will monitor new requirements. Changes may trigger changes to OCP Implementation Strategy.
Operational				
Increased operational costs may divert funding from OCP implementation actions (e.g. costs	Lack of sufficient funds may reduce project scope, or defer or cancel initiative.	3	4	Staff will monitor and make adjustments through annual budget cycle. OCP Implementation Strategy will be updated accordingly.

due to more frequent severe weather events, maintenance of aging infrastructure)				
Infrastructure may fail before associated Implementation Plan actions can be implemented.	Some aging infrastructure may fail before planning can be undertaken, which may force immediate action and preclude future options. Could cause asset loss and financial loss.	3	4	Staff will monitor and adjust Implementation Plan and associated actions accordingly. Asset Management Plan, and pre-planning for Crystal Pool and Recreation Centre and Fire Hall No. 1 are underway, and will identify specific needs, priorities and options.
Failure to implement OCP action on time/budget	May cause uncoordinated approach to development, missed opportunity and reputational risks.	2	3	OCP Implementation Plan will be reviewed annually to adjust timelines. Project Initiation Document and Project Charters will be completed for each action to set achievable timelines, budget and courses of action.