



Finance, Audit & Risk Management Committee – November 30, 2017
Item 7a) – Update on Enhanced Risk Framework
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Agenda Item	Item 7a) Finance, Audit & Risk Management (FARM) Committee, November 30, 2017
Purpose	To provide an information update on the Corporation’s enhanced risk framework from both an enterprise-wide and capital project risk perspective.
Key Message	<ul style="list-style-type: none"> • Management is recommending the appointment of an Enterprise Risk Advisor and Internal Auditor in the next agenda item to strengthen risk oversight activities at the enterprise-wide level. • Management has developed an enhanced project governance framework at the capital project risk level, which is currently being peer reviewed by several third parties and will be presented to the FARM Committee at its next meeting for approval.
Areas of note/ Key issues	<p><i>Enterprise Risk</i></p> <ul style="list-style-type: none"> • Waterfront Toronto’s Enterprise Risk Management (ERM) Taskforce maintains a corporate risk register designed to identify, measure, and mitigate key risks impacting the Corporation. • The Risk Register is reviewed at least annually by the FARM Committee (last review was June 1, 2017) • Management will present the updated enterprise risk register to the FARM Committee at its next meeting. • This will allow the Corporation’s outsourced Enterprise Risk Advisor and Internal Auditor the opportunity to complete a peer review of our enterprise risk assessment as well as to develop a two year internal audit plan (FY 2018/19 to 2019/20). <p><i>Capital Project Risk</i></p> <ul style="list-style-type: none"> • As a result of the scope and scale of the Port Lands Flood Protection project, management has developed an enhanced governance framework at the capital project risk level. • The new key components inherent in this framework include: <ul style="list-style-type: none"> ○ Establishing a Program Management Office (PMO) to streamline project lifecycle workflows and manage risk; and ○ Creating a Peer Review Advisory Panel of experts with specific industry knowledge. • To ensure that the proposed enhanced project governance framework is appropriate and meets or exceeds standards for comparable projects/organizations, we are drawing on some of the world’s top experts in specific industry areas to peer review the framework. These include: <ul style="list-style-type: none"> • Dutch Ministry of Infrastructure—the Rijkswaterstaat; • Projectus infrastructure services; and • BDO Canada, our external auditor (infrastructure advisory team). • This peer review process will be completed in December, 2017.
Expected Outcome	No Committee action is required.
Key Takeaways/ Next Steps	<ul style="list-style-type: none"> • To present the ERM Risk Register and proposed Internal Audit Plan at the next FARM Committee meeting, the latter for approval. • To present the enhanced project governance framework for capital project risk at the next FARM Committee meeting for approval.