

Section III – Items for the Information of the Board

TO: Chair and Members of the Executive Committee
Friday, September 10, 2021 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **2021 RISK PROGRAM UPDATE**

KEY ISSUE

Update on Toronto and Region Conservation Authority's (TRCA) Risk Management Program.

RECOMMENDATION

IT IS RECOMMENDED THAT this report on TRCA's Risk Management Program be received.

BACKGROUND

At Board of Directors Meeting #6/19, held on June 21, 2019, Resolution #A124/19 was approved as follows:

THAT TRCA's Risk Management Policy (the Policy) be approved and take effect upon approval by the Board of Directors;

The Policy provides the following guidance on the issue of risk:

- The mandate to manage the issue of risk;
- A common language around the issue of risk;
- Roles and responsibilities on the management of risk;
- A process for the management of risk;
- Principles on how the organization should address risk;
- Guidance on what level of risk is acceptable to the organization and how it should be managed; and
- A requirement to report annually on the status of TRCA's Risk Program

RATIONALE

TRCA's Risk Program ("Program") includes traditional aspects of loss, incident and insurance management activities, health and safety assessments, contract management activities, business planning components and flood and erosion risk service programs. TRCA's adoption of the Policy introduced additional enterprise risk management concepts into TRCA's risk management practice and is being guided broadly by ISO 31000:2009 Risk Management Principles and Guidelines.

More specific risk management guidance is offered by TRCA's Risk Committee ("Committee") which consists of:

- Chief Financial and Operating Officer (Chair);
- Associate Director, Property and Risk Management;
- Legal Counsel;
- Advisor, Risk Management;
- Controller; and
- Other subject matter experts as necessary to support the work of the Committee.

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The Committee's work is focused primarily on providing direction to the Risk Management Program, prioritizing action to manage risk and acts as a formal risk assessment group for the organization. The day-to-day management of various risk issues is, however an enterprise-wide effort supported by the diligent contribution of staff across the entire organization. This work is facilitated by a variety of systems including TRCA's incident reporting, procurement and claims management databases. The Centralized Planning and Reporting Database, safety checks, hazard assessments, incident plans, claims processes, incident response teams and many other operations are also important parts of the enterprise-wide risk management system.

Some highlights of corporate efforts to strengthen TRCA's risk resilience in 2020 included:

COVID-19 Response

COVID-19 has presented one of the most ongoing and challenging operational working environments in decades. Despite these challenges, under the continued guidance of the Senior Leadership Team Pandemic Response Committee TRCA maintained healthy business continuity in permitted areas of business, through a suite of previously reported expenditure reductions and ongoing efforts of staff to adapt ongoing programming to meet provincial and public health directives.

Incident and Contingency Planning

In an ongoing effort to improve TRCA's incident management practice, staff streamlined incident reporting and emergency management information by centralizing all incident reporting through a centralized incident reporting portal accessible to all staff. To further guide the use of all incident planning, reporting activities, TRCA developed the Incident and Contingency Planning Guideline. The Guideline was developed in support of all existing corporate incident response tools and to provide additional information to support a recently launched corporate wide incident and emergency response training for all staff. Working within the existing framework, corporate facility managers and select program managers also undertook the significant effort of updating contingency plans for over 16 core services across the organization as well as Emergency Action Plans for each of TRCA's 22 facilities. Future efforts are aimed at further centralizing emergency and incident planning efforts as well as life-safety planning efforts under the direction of the corporate Asset Management Program.

Claims Management

2020 saw a drastic reduction in the number of incidents reported by staff. Year over year TRCA's incident experience saw a 58% reduction in the number of incidents reported to 66 from Jan 2020 to Jan 2021. To date, TRCA is tracking 28 total claims attributable to the same time period. Proportionally, this represents 42% of all reported incidents and an increase of 17% year to year. The decrease in reported incidents is largely explained by the reduction in many of TRCA's operations, including programs in the Tourism and Recreation and Education Outreach service areas as a result of COVID-19. Together these service areas contribute to the majority of TRCA's incident reports. The proportional increase in claims is largely attributable to an increase in Auto and Equipment incidents in 2020, and in particular at-fault incidents. Other areas of risk remained largely proportional year over year. Areas for improvement in incident and claims response are currently being evaluated in support of TRCA's Certificate of Recognition certification efforts.

RISK OUTLOOK AND PRIORITIES

TRCA continually reviews risk exposures including vulnerabilities that face the organization. Reviews are undertaken through the Committee and are based on best available information including incident reports, loss data, staff interviews, industry data and global risk reports. These

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activities regularly identify areas for action as well as other opportunities to improve preparedness to certain exposures. Some of the ongoing priorities include:

Incident and Claims Management

While the centralization of TRCA's incident reporting systems into a single incident reporting portal represents a significant improvement in managing incidents and claims throughout the organization, the system continues to rely on dated technology. The development of a single comprehensive incident reporting and claims management system remains an ongoing unmet need and risk management program priority.

Fleet and Equipment Risk

Preliminary areas for improvement in the area of fleet risk include streamlining of policy, annual training of staff authorized to operate fleet, remedial training for staff involved in at-fault accidents, the implementation of annual abstract reviews and development of corporate claims and incident performance targets. These efforts are ongoing areas for improvement and are being led by Fleet Services.

Land Classifications and Service Standards

TRCA's recent corporate realignment has led to many opportunities for operational efficiencies. While staff continue to diligently manage corporate assets, the realignment offers an opportunity to streamline and standardize these ongoing land management activities with an aim to reduce service time, and improve communications both internally and externally on TRCA's corporate land management status.

Risk Education Program

An ongoing goal of the Risk Program is to increase the corporate knowledge base on issues of risk and risk management. While numerous guides on traditional risk issues have been developed and posted on corporate intranet services. The recent successes of the Learning and Development Team's in implementing a corporate Learning Management System offers an opportunity to leverage corporate knowledge tools to boost staff familiarity on risk management concepts, contract administration, construction, insurance, surety management and other related topics.

Cost of Risk

TRCA's primary means of financing risk is via insurance. Global premium rates continue to escalate at a concerning rate. An ongoing goal of the risk program is to monitor and maintain renewal rates within market rates. TRCA continues to work with the Conservation Ontario Insurance Benefits Committee as well as its brokers to monitor market conditions and to review how it structures coverage to ensure TRCA maximizes the value it receives on premium dollars spent.

In addition to these priority areas, TRCA is actively addressing exposures to other risks by regularly reviewing its business practices and making improvements to the way TRCA does its business.

Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategy set forth in the TRCA 2013-2022 Strategic Plan:
Strategy 3 – Rethink greenspace to maximize its value

DETAILS OF WORK TO BE DONE

In addition to the items previously described in the report, the Committee will continue to review

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opportunities to improve TRCA's risk management framework, as well as opportunities to integrate risk management practices into existing corporate practices.

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