



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Risk Management Resourcing Staff Report to Council

Report Number: 2022-31

Department(s): Financial Services/Legislative Services

Author(s): Mike Mayes, Director, Financial Services and Lisa Lyons, Director, Legislative Services/Town Clerk

Meeting Date: May 2, 2022

Recommendations

1. That the report entitled Risk Management Resourcing Staff Report dated May 2, 2022 be received; and,
2. That the Council-approved staffing complement be increased by half an FTE to convert the current part-time Risk Management position into fulltime; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this report is to get Council's approval to address immediate risk management needs.

Background

Legislative Services needs to replace an existing resource

Currently, we have a part-time Claims & Risk Analyst on staff. The incumbent will be retiring and the recruitment process has started. It is a challenge to find a qualified person who is interested in a part-time position.

Corporate Asset Management requires a resource

Corporate Asset Management requires a resource to advance the recommendations from the Asset Management Strategy that was approved by Council in 2016. This role

will be responsible for the leadership, innovation, governance, and management necessary to identify, evaluate, mitigate, and monitor the Town's operational and strategic risk including but not limited to developing a for the Corporate Risk Strategy and Framework.

The Integrated Asset Management Strategy was presented to Council on November 21, 2016. It identified two key actions:

1. Develop a risk management framework - a standard method to ensure that risks are systematically identified and treated using a consistent and repeatable process.
2. Conduct a risk assessment and identify high consequence assets and critical assets.

Discussion

What is Risk Management?

Risk management is the process of identifying, assessing and controlling threats to an organization's capital and earnings. These risks stem from a variety of sources including financial uncertainties, legal liabilities, technology issues, strategic management errors, accidents and natural disasters. Risk management examines the relationship between risks and the cascading impact they could have on the Town's strategic goals

While the Town's Risk Framework has not yet been developed, at a very high level the Town's current practices,

Risk management elements	Performed by
Emergency preparedness	Central York Fire Services and the Emergency Operations Centre
Review of internal (financial) controls	Internal and external auditors
Insurance - ensuring adequate coverage and processing claims	Claims & Risk Analyst in Legislated Services
Development of a corporate risk strategy / risk management framework	o/s
Identify high consequence assets and critical assets, and develop plans for them.	o/s

Additional Resources are required to meet current needs

From the table above, it is clear that there are some gaps in our risk management. These elements are foundational to proper asset management. With limited funding, it is important to focus our efforts where they are needed most: to get the most impact and to mitigate risk while delivering on the organization's strategies.

Growth will add to the gap

Although we are currently meeting insurance requirements, this is becoming a challenge. With insurances premiums increasing significantly, and coverage becoming more complex (e.g. cyber insurances), this part of risk management is becoming more challenging and time consuming.

As we get a better handle on our asset inventory, and become more aware of the challenges or service delivery, more analytical capacity will be required.

A Phased Approach is recommended

Consolation of the insurances and asset management elements is recommended. Doing so will address immediate needs. It will also provide an opportunity to pilot the asset management requirements. The latter will need to be expanded in the future: that would be the next phase.

Future consideration may be given to creating a shared resource with the Northern Six (N6) municipalities, whom would also have similar needs.

Conclusion

With this position, we will be able to address current insurance claim needs and start to develop a corporate risk framework and strategy.

Business Plan and Strategic Plan Linkages

Under the strategic pillar of Long-Term Financial Sustainability, this initiative is required to support the Council priority of:

iv. Complete a comprehensive and up-to-date Asset Management Plan that reflects a Corporate Risk Strategy and continued investment into the Asset Replacement Fund.

By bringing in resources to develop a Corporate Risk Strategy.

Consultation

Staff in Legislated Services, Corporate Asset Management, and Financial Services have consulted with Human Resources and the Senior Leadership team on this proposal.

Human Resource Considerations

The Council-approved staffing compliment would be increased from the current 0.5 FTE's in Legislative Services to show an additional 0.5 FTE's in Corporate Asset Management, to reflect the shared resource.

Budget Impact

There will be no budget impact. The Legislative Services' budget includes a part-time Risk Management position. The Corporate Asset Management Office has provision in its budget for future staffing needs, and so can fund the conversion of this position to fulltime.

Attachments

None.

Approval

Lisa Lyons
Director, Legislative Services/Town Clerk

Mike Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer

Esther Armchuk, LL.B
Commissioner, Corporate Services

Contact

For more information, contact Mike Mayes at mmayes@newmarket.ca or Lisa Lyons at llyons@newmarket.ca