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PR3.2 Attachment

Toronto Parking Authority

ERM Project Overview

September 2023

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What is Enterprise Risk Management?

Toronto Parking Authority ("TPA") has engaged KPMG to support the organization as it looks to setup an Enterprise Risk Management (ERM) program. ERM is the ***culture, capabilities, and practices, integrated with strategy-setting and its performance, that organizations rely on to manage risk in creating, preserving, and realizing value".***

What are the benefits of ERM?

Mitigate risks before they materialize:
Provides a structured approach to understand the risks to and from an organization's strategy which can in turn be used to develop plans to increase the organization's preparedness and overall resilience

Improved Governance:
Sets clear oversight, roles, and responsibilities for managing risks across the organization, improving collaboration and transparency between departments

Enhanced Resource Allocation:
Provides clarity and consensus on which risks the organization will/will not take and ensure that there is an efficient allocation of resources to the areas that matter most

Developing Toronto Parking Authority's ERM Program

The objectives of this ERM project and the implementation of an ERM program at TPA are described below:

Gain a holistic understanding of TPA's key enterprise risks

Develop a common understanding of the risks that may affect, positively or negatively, the ability of TPA to achieve its strategic priorities:

1. **Building a Great Place to Work**
2. **Strengthen the Core, Execute with Excellence**
3. **Drive Sustainable Growth**
4. **Connect with our Customers**
5. **Innovate with our Stakeholders / Partners**

Establish clear risk roles and responsibilities

Define a risk governance model within the existing organizational structure, with clear roles and responsibilities in identifying, managing and overseeing risks.

Promote a strong risk culture that is transparent and open in sharing risk information.

Build a fit-for-purpose and sustainable ERM Framework

Develop a structured, disciplined ERM process that enables TPA to integrate risk management into decision-making, optimize its existing risk and control environment, and ultimately build further organizational resilience.

Increase risk awareness and communication

Develop and sustain adequate risk management capabilities that provides further confidence that risks are well managed throughout the organization and that supports a shared understanding of the risks to be managed.

What is our project plan and timeline?

We are delivering this project **(Phases 1 - 4)** over **14 weeks**.

Phase 1: Project Planning
(Completed)

- Review relevant documentation
- Identify key stakeholders to be engaged throughout the project
- Align on key objectives and deliverables

Here Today

Phase 2: ERM Framework & Enterprise Risk Assessment
(July – August)

- Develop a user-friendly ERM Framework
- Conduct sessions with key stakeholders to discuss the key risk areas
- Develop TPA's risk taxonomy / register
- Design risk likelihood and impact criteria to measure risks
- Facilitate a risk prioritization survey and workshop

Phase 3: Detailed Risk Assessments
(August – September)

- Conduct risk assessments for the key enterprise risks
- Develop a report summarizing the outcomes of the risk assessments, including action plans

Phase 4: Risk Reporting & ERM Implementation Roadmap
(August – September)

- Develop a risk reporting template that enables continuous risk communication between the Board and Management
- Develop an implementation roadmap to sustain TPA's ERM program

Phase 5: Ongoing ERM Support
(October 2023 / As Needed)

- Facilitate ERM training sessions
- Support ongoing risk reporting to the Board and Leadership Team
- Facilitate annual risk refresh discussions in FY2024 (risk identification, prioritization, and detailed assessment)

What Have We Achieved to Date?

To date, KPMG has met with members of TPA's Board and Management team individually, in order to discuss the following:

- Overall ERM vision, ambition and objectives for TPA;
- Value / benefits derived from existing risk management practices and how they can be integrated with the ERM program;
- Key risks (existing and emerging) to TPA's strategic objectives; and
- Key area(s) of risk management to be further improved / revisited.

Next Steps

We are currently in the process of consolidating the interview insights in order to propose TPA's risk universe.

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