

Activity 2

Assessment of Potential Impact/Risk to Services

Objective: To create a tool for priority setting across an organization

The assessment of the current risk to services based on staff opinion (data is desired, but not mandatory). Cross functional participation (involving all stakeholders) ensures a broad range of suggestions and perspectives toward defining and measuring risk.

This exercise will:

- Assess the risk and impact to services of failure of an asset in the asset class selected.
- Determine the boundary risks for the assets selected (inherent/residual risk)

Steps:

In groups the same groups as Activity 1, and using the information and asset information from the S2A created .

1. Refresh yourself on what your asset class is, and what your primary level of service is (TLOS)

2. Identify a reasonable potential risk/risk event that could occur.

- a. Avoid extreme possibilities with low likelihood.
- b. The preference is to use an actual risk event if one has occurred.

3. For the specific risk event, evaluate each of the consequences using the guide provided

- a. A 1-5 score will need to be entered in each corresponding column on the Risk Profile page.

4. The next 3 parts of the assessment look at the likelihood of a risk event happening in 3 different circumstances (consider the life span and historical failures):

- a. Use the Likelihood guide to assess the likelihood of a risk event if the asset is not being managed to its target TLOS allowed to run to a poor or fail condition. (enter it in the yellow column)
- b. Use the Likelihood guide to assess the likelihood of a risk event if the asset is being managed to its TLOS with scheduled rehab and replacement (enter it in the yellow column)
- c. Based on the current state of your asset infrastructure whether using data or facilitated consensus, enter the likelihood of a risk event in the orange column.

5. Look at the Risk Profile generated. Does it intuitively reflect the discussions and your knowledge of the discussed Infrastructure

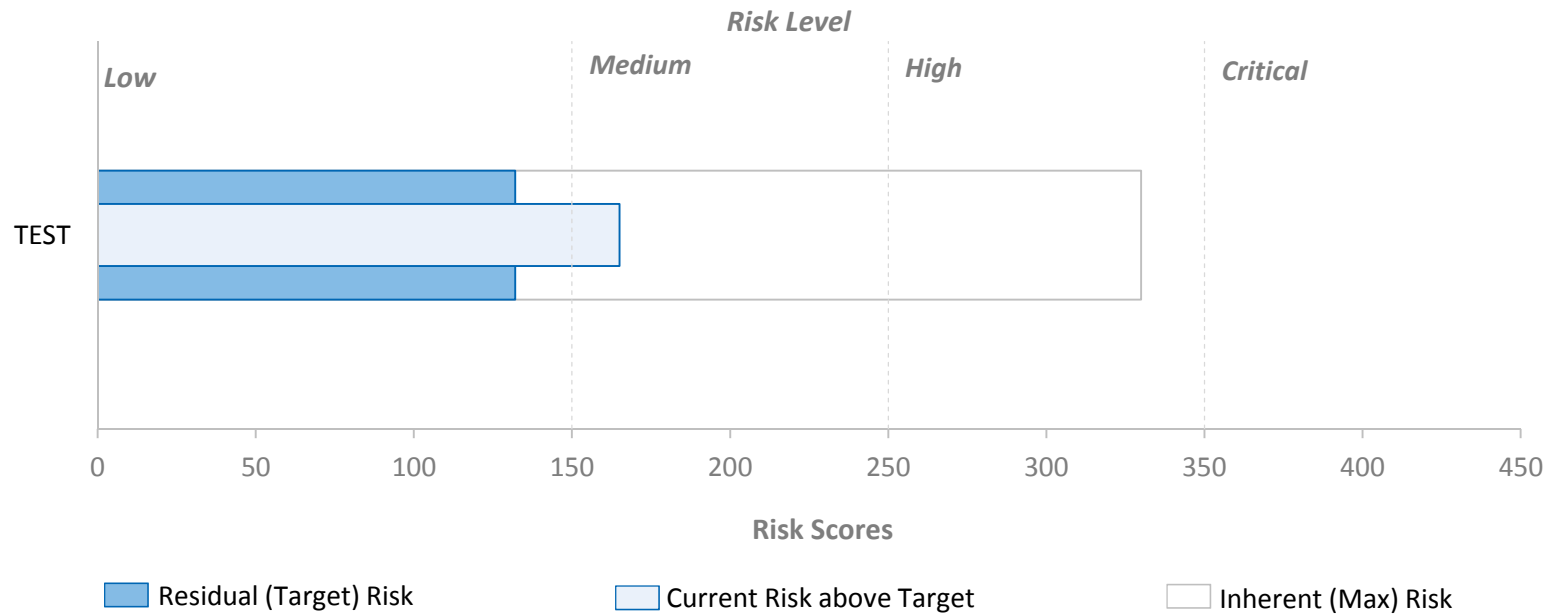
The results will automatically be added to the S2A from activity number 1 to give the complete Service to Asset Connection.

In this example the current risk is calculated intuitively. This is where Peel started and can still form a powerful decision making tool. Currently Peel's TLOS data is linked to automatically generate the current risk calculations.

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Risk Profile

Asset Class	Risk Type	STRATEGIC	CORPORATE	ENVIRONMENTAL	HEALTH AND SAFETY	THIRD PARTY	OPERATIONS	FINANCIAL	CONSEQUENCE SCORE	INHERENT RISK LIKELIHOOD	INHERENT RISK SCORE	RESIDUAL LIKELIHOOD	RESIDUAL RISK SCORE	CURRENT RISK VALUE	CURRENT RISK SCORE
TEST	Condition	2	3	1	4	2	3	2	66	5	330	2	132	2.5	165



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Consequence of Failure Guide

** For illustrative purposes only. Must be calibrated to each organization

Category	1 (Negligible)	2 (Low)	3 (Moderate)	4 (Severe)	5 (Catastrophic)
Strategic (measures can be added and scaled to Municipality)	No affect on Community well-being and Organization's Strategic Goals.	Negligible impact on Community well-being and Organization's Strategic Goals.	Moderate impact on Community well-being and Organization's Strategic Goals.	Significant impact on Community well-being and Organization's Strategic Goals.	Major impact on Community well-being and Organization's Strategic Goals.
Corporate Image	No media exposure	Minor local media exposure	Moderate local media exposure lasting for several days	Intense local media exposure lasting several weeks and/or provincial exposure	Significant national exposure lasting several days or weeks.
Environmental (dollars can be added and scaled to Municipality)	Very negligible impact. Reversible within 1 week	Material damage of local importance. Minor, short-term (within 6 months) very isolated damage to the environment	Significant short term (less than 1 year) local damage to the environment	Significant long - term (greater than 1 year) widespread damage to the environment. GTA importance.	Major long - term (greater than 5 years) or permanent widespread damage to the environment. Some provincial importance
Health and Safety	No obvious potential for injury or affects to health	Minor medical attention may be required	Potential for minor injury or affects to health of an individual. Full recovery is expected.	Hospitalization of some individuals may be required for a short period of time	Emergency and / or long term hospitalization required for one or more individuals
Third Party Losses/Damages (dollars must be scaled to Municipality)	Incur liabilities of less than \$10,000	Incur liabilities of \$10,000 - \$50,000	Incur liabilities of \$50,000 - \$250,000	Incur liabilities of \$250,000 - \$500,000	Incur liabilities of greater than \$500,000
Operational (measures can be added and scaled to Municipality)	Small number of customers experiencing service disruption No impact or reduced quality of service or service loss for few residents	Service disruption at a localized level Reduced quality of service or service loss for critical users for less than an hour	Significant localized service disruption Service loss or major quality of service concern for critical users	Major service disruption Major service loss (less than a day and not able to maintain fire supply)	Very major, widespread service disruption Disastrous service loss (for more than a day)
Financial Impact (dollars must be scaled to Municipality)	Less than \$5,000	\$5,000 - \$100,000	\$100,000 - \$250,000	\$250,000 - \$1M	Restoration is impossible or greater than \$1M

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Likelihood of Failure Guide

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Likelihood	Descriptor	Score
Rare	An occurrence/situation is not likely to occur within 20 years	1
Unlikely	An occurrence/situation is not likely to occur within 10 years but possible within 20 years	2
Possible	An occurrence/situation might occur within 10 years	3
Likely	An occurrence/situation might occur within 2 years	4
Almost Certain	An occurrence/situation that is happening or imminent and/or will probably occur within 1 year	5