

Risks

The following section provides a high-level summary of the top risks identified during a risk assessment that was conducted in parallel to this business case. A risk assessment was conducted with the core team and supplemented by research and discussion with executives. The risk assessment approach taken is consistent with BC government's Risk Management Branch practices. The details of this assessment are provided in the document titled *BC NRS NRPP Implementation Risk Assessment*. This document describes the major risks associated with NRPP, as well as their potential impacts, their relative importance (based on likelihood and consequence rankings), and their proposed mitigation strategies. The costs associated with implementing these mitigation strategies have been included in this business case. This risk assessment can be shared and explained in detail upon request.

Top Implementation Risks

As with any large, complex, multi-year transformation, there are risks to the successful implementation of the transformation. The risk assessment that was conducted was designed to identify risks to the success of NRPP, analyze their potential impacts, and develop targeted mitigation strategies to address the top risks.

The top risks, with the highest likelihood and impact, identified through the process were:

- Insufficient program management
- Insufficient change management
- Changes in leadership
- Insufficient NRS staff capacity
- Delay in approval of supporting legislative change
- Lack of approval of complete funding
- Delay in funding from approved release schedule

In response to these top risks, as well as several other identified risks, robust proactive and reactive strategies have been created to lower the likelihood and consequence of the risk events. Many of the mitigation strategies were built directly into the transformation governance, portfolio management, and change management models. Specific functions and roles were added to these bodies to assign direct responsibility for the mitigation strategies to key individuals and organizational units. Some key mitigation strategies include:

- A strong, cross-sector transformational governance model will be established (described further in Section 6), which will establish clear roles, responsibilities, and decision making authority at appropriate levels

- Senior executive direction and oversight will be provided by a DM-level resource on the NRS Board who will act as the Executive Sponsor of NRS Transformation, supported by an ADM-level resource who will be dedicated full-time to the transformation
- Regular quality assurance reviews will be conducted by an independent and objective third party (“Risk Advisor”) on a periodic basis throughout the duration of NRPP
- As part of the NRS Transformation Office, a team will establish and execute a program/project management capability, including key methodologies, processes, and tools/templates for use by each of the programs and projects
- Also as part of the NRS Transformation Office, another team will establish and deliver the change management and communication strategy, goals, thought leadership, governance, and quality assurance
- Transformational leadership training will be provided to leaders involved in delivering NRPP
- Change management training will be developed and conducted for all sector staff to prepare them for the transformation

The comprehensive nature of the mitigation strategies and deep integration and accountability created with the governance, portfolio management, and change management models greatly increase the chances of success of NRPP. The sector has also demonstrated readiness to transform, as evidenced by progress made over the past few years and strong executive support of the initiative. Combined with additional mitigations surrounding health checks and change training, and the integration of leading practices learned from previous public sector transformations, NRPP has been positioned to overcome the inherent risks and drive successful transformation.

Potential Impacts of Top Implementation Risks

In the event that the aforementioned top risks occur during implementation, the NRS, the government, and external stakeholders will experience a variety of impacts. Many of these top risks, if realized, are likely to impact the ability of the sector to successfully deliver one or more projects, resulting in delayed or lost benefits to the sector and government. Impacts to key projects which have dependencies with other projects may also result in a reduction in the sector’s ability to fully transform and realize the full benefits of NRPP and sector integration. Other potential impacts include: impacts to operational business and service delivery; new capabilities that are not leveraged or adopted as needed to realize full benefit; impacts to NRS staff productivity and morale; reduced public, First Nation, proponent, and client trust in or satisfaction with the sector and government.

Risks of Maintaining Status Quo

The status quo is unsustainable. Human and financial resourcing requirements to maintain the current business model are increasing at a time when available resourcing is decreasing. The current constraints and challenges faced by the NRS are monumental and will not be overcome without significant investment in a transformative level of change. The size of the NRS workforce is declining, and the impact of this trend will be magnified unless the sector takes action.

Risks of maintaining the status quo include:

- Greater delays in project approval timelines
- Increases in authorization backlogs
- Lost economic opportunities for domestic and international businesses

- Lost employment opportunities for British Columbians, especially those in rural communities and First Nations
- Declining NRS staff satisfaction and engagement
- Declining levels of satisfaction with NRS services provided to the public, First Nations, clients and proponents
- Increases in legal settlement and judgment costs
- Increases in document discovery costs
- Increases in remediation costs paid by government
- Increases in risk of IT system failure and future IT costs