

Risk Assessment Worksheet - Business Plan January 2015

Risk Worksheet		Ontario Arts Council							
Risk	Related Strategic Priority	Impact & Scope Description (Consequences)	Likelihood and Impact	Mitigation Strategies (Action Plans)	Overall Risk Assessment	Risk/Mitigation Funded?	Risk Owner	Target Dates for Mitigation Strategies	
Enter brief description of risk.	What strategic priority would risk affect? (If any, enter related objectives, goal or targets, etc.)	Identify impact if risk occurs; both financial and non-financial (operational, reputation, etc.). Review data, statistics or historical information where possible. Quantify consequences in relation to cost, quality, time (include exact figures and dates).	Likelihood: Low, Medium, or High Impact: Low, Medium or High	Mitigation strategies should not include asks for increased provincial funding or resources. Please describe agency strategies to manage risk. Identify whether this strategy is already in place or when it will be implemented (with exact dates). Identify the expected residual risk remaining after strategy has been implemented. State current status of mitigation strategy.	Low, Medium, High	Has the cost of risk mitigation or entire risk been included in budget allocations?	Position responsible for mitigation strategy and ensuring issue or risk is managed.		
Risk Category:		Strategic/Policy/Performance - risk that strategies and policies fail to achieve required/targeted results and do not properly support business needs; include stakeholder and public perception/reputation risks; potential underachievement of performance targets; and program objectives whose achievement is highly dependent on other initiatives.							
1	Failure to demonstrate value for money for grant dollars.	Strategic priority - Invest in Ontario's vital artists and arts organizations would be affected.	Consequences are significant. Government could lose confidence in OAC's ability to meet mandate and as a result reduce funding to OAC - reduction in revenue.	Likelihood: Low Impact: High	Monitoring of performance measures; public reporting of performance measures; expanded research and analysis of impacts; survey and consultation as part of strategic planning process; MPP communications strategies; new / revised performance measures to be developed as a result of the new strategic plan.	Low Risk	Yes	Director & CEO	On-going
2	Inappropriate use of grant fund dollars.	Strategic priority - Invest in Ontario's vital artists and arts organizations would be affected.	Consequences are significant - Public perception that one case is not isolated and results in generalizations for all funding. Could result in reduced confidence by government.	Likelihood: Low Impact: High	Review by officers of applications and final reports; peer assessment review process; internal grant review process (officers with senior management) to review recommendations; imposing conditions before funds are released; Board approval for all advised grants over \$30,000; strong communications protocols to respond to media inquiries.	Low Risk	Yes	Director & CEO	On-going
3	Low investment returns on private funds donated to create restricted and endowment funds (Market value of investments: \$27.8 million - December 2014).	Strategic priority - Invest in Ontario's vital artists and arts organizations would be affected.	Program spending on awards and programs that depend on investment returns could be reduced significantly.	Likelihood: Medium Impact: Medium	Board Finance and Audit Committee reviews its investment policy, asset mix and meets managers annually; committee has reviewed diversification and considered its allocation in alternative investments; further consideration to growth investment managers may be considered; long-term approach is adopted in determining annual disbursements.	Medium Risk	Yes	Finance and Audit Committee / Director of Finance & Administration	On-going
4	Reduction of provincial government grant to OAC, flatlined budget in context of increased demand.	All strategic priorities would be affected but in particular the investment in Ontario's vital artists and arts organizations.	Investment in arts organizations and support to artists could be significantly reduced; some programs may have to be discontinued. Reduction in admin expenses; cuts to staff.	Likelihood: Medium Impact: High	Expanded communication with MPPs to demonstrate the contributions the arts make at the local level through government funding and support; expanded research and public awareness efforts; strict control over administration costs to maximize program spending; funding framework for 2015-16 includes a reduction to 95% for all operating grant recipients.	Medium Risk	Yes	Board and Director & CEO	On-going
5	Inability to assess whether targets in the strategic plan are achieved or not, arising from a failure to establish performance metrics to measure results.	All strategic priorities would be affected.	Failure to demonstrate how we are doing against a multi-year plan that takes time to show progress and achievement.	Likelihood: Medium Impact: Medium	Comprehensive performance measures were developed and monitored annually; public reporting of performance measures; expanded research and analysis of impacts and implications. New or revised performance measures to be developed as part of the new strategic plan.	Low Risk	Yes	Directors' Committee	On-going
6	Failure of the new strategic plan launched in October 2014 to meet the expectations of our various key stakeholders.	All four goals of the strategic plan would be affected.	Expectations are varied and any significant changes to existing funding levels will be met with resistance to change. Potential resistance from large organizations to the new Major Organizations program.	Likelihood: High Impact: Medium	Funding framework for 2015-2016 includes a 5% cross-the-board reduction to all operating and project programs. Letters, electronic communication and Town Hall meetings in 14 communities are part of our communication strategy for the new Strategic Plan. One-on-one meetings were held with each of the former Anchor organizations to explain rationale and approach of new Major Organizations program.	Medium Risk	yes	Directors' Committee	Implementation of the grant changes in 2015-2016

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7	Failure to meet objectives of the strategic plan and expectations of the public / government / arts community.	All strategic priorities would be affected.	Potential loss of credibility within the arts community could result in reduced confidence by government;	Likelihood: Medium Impact: Medium	Comprehensive performance measures were developed and monitored annually; new / revised performance measures to be developed as a result of the new strategic plan; Town Hall meetings were held in the fall of 2014 across the province; one-on-one meetings held with former Anchor organizations to let them know about change switch to new Majors program	Medium Risk	Yes	Directors' Committee On-going	
Risk Category:		Governance/Organizational - include risks related to the organizations structure, accountabilities, or responsibilities; risks that culture and management commitment do not support formal structures, include controllership/accounting risks; and issues raised by staff, partners, stakeholders.							
8	Failure to comply with new government accounting standards for government-controlled organizations.	Business objective of appropriate financial reporting.	Inappropriate recording and reporting of financial transactions; increased audit time and resources; delays in timing of financial reports.	Likelihood: Low Impact: Medium	On-going discussions with the Office of the Auditor General and KPMG to provide guidance, direction, assistance and training. No significant challenges expected this year.	Low Risk	Yes	Director of Finance and Administration On-going	
Risk Category:		Legal/Compliance - include risk of litigation, risks from non-compliance to applicable laws, acts, and policies, and risks related to contract management							
9	Terms and conditions of OAC grant payments are not in accordance with the Transfer Payment Accountability Directive (TPAD).	Business Priority - strong administrative compliance with government policy and direction.	Government could lose confidence that OAC is operating as expected; funding could be reduced.	Likelihood: Low Impact: High	Periodic review of compliance of OAC policy manual with TPAD; annual review and update to Risk Register; periodic reviews by Ministry Internal Audit.	Low Risk	Yes	Director of Granting and Director of Finance & Administration On-going	
10	Liability exposure to OAC for individual artists (grant recipients) working with vulnerable persons in community settings, schools, etc.	Business Priority - strong administrative compliance with laws and 'duty of care.'	Potential lawsuit for OAC not managing this concern proactively.	Likelihood: Low Impact: Medium	Requirement for individual artists, collectives and organizations applying to OAC programs (other than creation) to deliver arts programs in educational or community settings are required to obtain (where required) a police background check or vulnerable sector verification; OAC has purchased Directors' and Officers' insurance.	Low Risk	Yes	Director of Granting On-going	
11	Failure to comply with all government directives: travel, meal and hospitality, procurement directive, memorandum of understanding, conflict of interest, etc.	Business Priority - strong administrative compliance with government policy and direction.	Inappropriate spending of funding; negative reporting in the media. Government could lose confidence in OAC.	Likelihood: Low Impact: Medium	On-going management reports to Board Committees and to the full Board; orientation of new Board members and new staff; review by external auditors of a limited sample of travel expense claims; public disclosure of Board and senior staff expenses in 2015.	Low Risk	Yes	Director & CEO On-going	
Risk Category:		Operational/Service Delivery - include risks that products or services will not be completed or delivered as expected; capital or other project delays; level of program efficiency, effectiveness, customer.							
12	Significant increase in applications result in not being able to meet turnaround target of 4 months.	Business Priority of efficiency dealing with applications in a timely manner.	Additional costs may be incurred in staffing and assessment panels that were not anticipated and budgeted for, resulting in unbudgeted costs.	Likelihood: Medium Impact: High	Transition to the new electronic Grant Management System / Client Relationship Management (Nova) in 2015-2016	Medium risk	Yes	Human Resources Committee, Corporate Systems Steering Committee and Directors' Committee Summer/fall 2015	

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13	Applicants find the application process cumbersome, resulting in complaints. Starting in 2015 we will be rolling out electronic applications as part of our IT strategy.	Priority of making the application process simpler. Electronic applications will allow for more verification at the time of submission.	Artists and arts organizations spend an inappropriate amount of time and resources completing applications instead of focusing on their artistic mission.	Likelihood: Medium Impact: Medium	A roll-out plan for Nova is required and assistance (both technical and content) will be required to work with applicants. Service level agreement (SLA) required to determine appropriate assistance to meet expectations. A process to handle paper submissions is under review. OAC led development of CADAC to reduce amount of time applicants spend submitting financial information to OAC, Canada Council and municipal arts councils.	Medium Risk	Yes	Director of Granting	On-going
Risk Category:		Workforce - include workforce compensation, labour relations and human resources risks; workforce data showing thigh turnover, imminent retirement, high illness rates, staff complaints							
14	Failure to have appropriate representation on Board – geographically and skills – currently two vacancies as of January 2015.	Board effectiveness and governance.	A full Board complement would be 12 members. As of mid-January 2015 we are at 10 members, having had long-serving members leave in the past few months. Effective governance requires diverse views around the Board table. Currently no Vice-Chair and the current Chair's term ends February 2015.	Likelihood: High Impact: Medium	Encourage government to fill vacant positions by suggesting suitable candidates for consideration; annual Board Effectiveness Survey review by Governance Committee and Board; review of 'master' board profile / skills annually led by Governance Committee.	Medium Risk	Yes	Board Chair	On-going
15	Succession planning for Senior management - Directors.	Strategy in leadership, management and support to Board.	Challenges in knowledge transfer and corporate history; inefficiencies, errors and delays. Risk associated with unexpected absence of key personnel.	Likelihood: Medium Impact: Medium	Current complement of senior management is strong and capable of filling in as required in an emergency; succession planning is reviewed annually.	Medium Risk	Yes	Director & CEO	On-going
16	Increase in employees' work-related stress.	Priority for employees to have an appropriate work-life balance.	A large increase in applications over the past seven years - productivity issues, labour relations issues, absenteeism resulting in additional administrative costs. Employees' participation in developing new IT project for electronic grant applications and contact management have placed added demands on staff.	Likelihood: Medium Impact: High	On-going discussions with officers and senior management, improved and increased communications by Director & CEO; revised timeline developed for Nova project that allows for more time for the process.	Medium Risk	Yes	Director & CEO	On-going
17	Increase in labour relations matters due to certification of bargaining unit representative (AMAPCEO) in February 2012.	Effective management of human resources and compensation.	Currently in bargaining for a first collective agreement.	Likelihood: Medium Impact: Medium	Negotiating Committee participated in training and professional development to acquire skills in bargaining and the administration of a collective agreement. Legal counsel selected through a competitive process to provide leadership and direction on this first agreement. Meetings with the bargaining unit commenced in September 2012 and are ongoing. Ratification is pending at this time.	Medium Risk	Yes	Director & CEO and the Negotiating Committee	expected timeframe for completion of negotiations and ratification - February 2015

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18	Risk of not having the right number of staff, mix of staff levels and skills to achieve strategic goals and manage the granting process.	Business strategies of administrative efficiencies.	Additional funds are spent on administration; work is not done efficiently and effectively.	Likelihood: Low Impact: Medium	New position of Manager of Information Technology started in April 2013. With the implementation and completion of Nova, on-going staffing needs within IT (considering internal needs and skills) will be required.	Low Risk	Yes	Human Resources Director; Human Resources Committee	On-going.
Risk Category:		Information Technology & Infrastructure - include capital project delays, risks related to organizational assets, physical safety and security risks							
19	Risk of IT projects taking longer than planned, cost overruns.	Business strategies of administrative efficiencies.	Identified inefficiencies with additional costs will continue; customer expectation for electronic access will be delayed; unbudgeted expenditures could occur.	Likelihood: Medium Impact: Medium	Corporate Systems Steering Committee (consisting of all Directors and IT staff) to approve plans, review projects, monitor implementation. Detailed project budgets and timetables have been prepared. Build Phase nearing completion for Nova.	Medium Risk	yes	Director of Finance and Administration	on-going
20	Change management issues as we transition to electronic grant applications and other significant changes in corporate information systems.	Business strategies of administrative efficiencies and changes to job functions, procedures.	Impact on staff in dealing with new ways of working, some current job functions may no longer be required over time; new skills may be necessary; transition period as we accommodate both paper and electronic filing.	Likelihood: Medium Impact: Medium	Corporate Systems Steering Committee (consisting of all Directors) and PMT (Project Management Team) to approve plans, review projects, monitor implementation, review training and transition plans.	Medium Risk	yes	Directors' Committee	on-going
21	Change management issues as we consider new ways of working in order to reduce real estate footprint.	Business strategies of administrative efficiencies.	At current office size, OAC's rental costs will increase by 50% in 2016 when current lease expires. This must be mitigated by reducing footprint but will mean staff have to relinquish private offices.	Likelihood: Medium Impact: Low	Currently engaged with Infrastructure Ontario and a real estate broker to request proposals from selected landlords for locations on our short list.	Low	yes	Directors' Committee	on-going over the next months
Risk Category:		All other Risks - Risks that do not fit in any of the above categories. Corporate Social Responsibility concerns - Environment, Climate Change, Energy Management, Health Promotion, Waste Reduction. Include risks relating to third parties such as service or goods providers.							
22	External issues / factors: economic environment of OAC-funded arts organizations; adapting to changing technology, especially related to visitor / audience engagement; compensation, succession and training; legislative framework - see environmental scan.	All strategic priorities could be affected, in particular: invest in Ontario's vital artists and arts organizations (to ensure long-term sustainability of the sector); strengthen skills/share knowledge; and support public engagement.	Impact varies on individual organizations and may have common issues in particular sectors.	Likelihood: Medium Impact: Medium	OAC, through consultation and discussion, decides if and how we will assist the arts organizations in these areas. OAC may convene groups of organizations in facilitated discussion, conduct research, etc. Consultation through Strategic Planning process, Town Hall meetings throughout Ontario in fall 2014 with Director & CEO and Director of Granting.	Medium Risk	yes	Directors' Committee	On-going

Note: The Ontario Public Sector corporate risk categories do not include a separate 'Financial Risk' category. Every risk can have financial and or non-financial impact, as such, the financial impact should be assessed for every risk. If meeting financial budgets/commitments is of concern, risks causing these shortfalls should be identified.