

Risk Assessment Worksheet - 2017-18 Final Business Plan

Risk Worksheet		Ontario Arts Council							
Risk	Related Strategic Priority / Objectives	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.	Please consider the current mitigation strategies in place when assessing the overall risk. 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	Risk of continued flat lined budget in context of increased demand.	All strategic priorities would be affected, but in particular the government of Ontario's investment in Ontario's vital artists and arts organizations through the OAC.	If flat lined budget (no funding increase) continues into the ninth year, it would be equivalent to a \$9.8 million reduction of OAC funding based on Ontario CPI for the period and forecast to next year. Fewer and smaller grants would be directed to Ontario artists and arts organizations, whose own operating costs have increased significantly in the past nine years; some program budgets and support to strategic priorities might have to be reduced.	Likelihood: Medium Impact: High	Maintaining strong OAC communication with MPPs to demonstrate the contributions the arts make at the local level through government funding and support; ensuring the ministry is aware of the impact of public funding in the arts sector; expanding research and advocacy efforts; strict control over administrative costs to maximize program spending; new Nova online granting application system to improve efficiencies; funding framework developed for 2015-2016 continues which included a reduction to 95% of all operating grants and project programs.	Medium Risk	Yes	Board and Director & CEO	On-going
2	Possibility of reduction of provincial government funding to OAC.	All strategic priorities would be affected, but in particular the government of Ontario's investment in Ontario's vital artists and arts organizations through the OAC.	Investment in arts organizations and support to Ontario artists would be significantly reduced; all funding would have to be reduced; some programs might have to be discontinued altogether. Supports to OAC priority groups could be weakened considerably.	Likelihood: Low Impact: High	Maintaining strong OAC communication with MPPs to demonstrate the contributions the arts make at the local level through government funding and support; ensuring the ministry is aware of the impact of public funding in the arts sector; expanding research and advocacy efforts; strict control over administration costs, including the move to less expensive office space in January 2016, to maximize program spending; funding framework developed for 2015-2016 continues which included a reduction to 95% of all operating grants and project programs.	Medium Risk	Yes	Board and Director & CEO	On-going
3	Potential 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 fulfill government's priorities and, as a result, reduce funding to OAC.	Likelihood: Low Impact: High	Establishing and maintaining relevant performance measures; public reporting of performance measures; expanded research and analysis of impacts; MPP communications strategies.	Low Risk	Yes	Director & CEO	On-going
4	Possibility of inappropriate use of grant fund dollars by grant recipients.	Strategic priority - Invest in Ontario's vital artists and arts organizations would be affected.	Public perception that one case is not isolated and results in generalizations for all funding. Could result in reduced confidence in OAC by government.	Likelihood: Low Impact: Medium	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; communications protocols to respond to public inquiries.	Low Risk	Yes	Director & CEO	On-going
5	Possibility of new granting program design could create applicant confusion and challenging situations for program management.	All strategic priorities would be affected but in particular the investment in Ontario's vital artists and arts organizations	In the first two years in 2017-18 and 2018-19, applicants may view fewer programs as fewer opportunities and have difficulty finding the right programs. Some applicants may feel that the new program design does not support their sectors sufficiently.	Likelihood: Low Impact: Low	Developing new granting program design with extensive analysis of programs; Designing new website and online granting application system to better support applicants; Developing communication strategy to demonstrate the benefits of new programs and address any concerns; Having a process in place to collect feedback and make improvements.	Low Risk	Yes	Director of Granting	Early 2017

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6	Possibility of low investment returns on operating fund and private funds donated to create restricted and endowment funds.	Strategic priority - Invest in Ontario's vital artists and arts organizations would be affected.	Loss of revenue in operating fund could lead to reduction in program spending and challenging cash flows; Awards and programs that depend on restricted and endowment fund returns could be reduced significantly.	Likelihood: Medium Impact: Low	Stronger operating cash flow management; board Finance and Audit Committee reviews its investment policy, asset mix, and meets investment managers annually; long term approach is adopted in determining annual disbursements; strict budget controls.	Low Risk	Yes	Finance and Audit Committee / Director of Finance & Administration	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.							
7	Potential failure to establish and maintain proper controls in financial and operational management.	Business objective of appropriate financial reporting and controls.	Increased risk of fraud, weak business workflows and segregation of duties, inappropriate recording and reporting of financial / operational transactions; less transparency and accountability.	Likelihood: Low Impact: High	Ongoing assessment of current control environment; Evaluating workflows and responsibilities; Improving job designs to support strong organizational control and risk management; Working with auditors to address any potential weaknesses.	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							
8	Potential failure to establish and implement proper policies and organizational structure to comply with FIPPA and record management requirements.	Business priority - strong compliance with laws and government regulations.	Potential of policies not covering all areas of business. Inadequate organizational resources including staff to implement FIPPA policies and respond to FIPPA requests. Possibility of privacy breach. Record series are not properly classified and maintained. Less clear responsibilities for record management.	Likelihood: Low Impact: Medium	Working with a consultant to develop strong FIPPA policies; Developing organizational framework in managing FIPPA requests; Developing policies and procedures for record management; Providing training and ongoing support to staff.	Low Risk	Yes	Director & CEO	Early 2017
9	Terms and conditions of OAC grant applications and payments may not represent best practices in legal and risk management.	Business Priority - strong administrative compliance with laws and regulations.	Potential lawsuit in grant administration and privacy.	Likelihood: Low Impact: High	Periodic review of OAC terms and conditions; Legal review of OAC agreements to ensure compliance; Developing policies and procedures for changes in granting applications and grant payments; Monitoring information collection and management.	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 pro-actively.	Likelihood: Low Impact: Medium	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' & 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 use of public resources; negative reporting in the media. Government could lose confidence in OAC.	Likelihood: Low Impact: Medium	Ongoing 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 Director & CEO travel expenses .	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.							

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12	New Nova online granting application system could be delayed or not function as expected.	Priority of making the application process simpler and more efficient.	Artists and arts organizations would have to continue to complete paper applications and spend much more time and resources delivering applications to OAC, instead of focusing on their artistic mission. Poor customer experience may affect demand and quality of applications. Could result in negative perception of OAC.	Likelihood: Medium Impact: High A detailed roll-out plan for Nova online granting application system has been developed; User experience is a key success factor, pilot phase is identified to gather user feedbacks and recommendations; Core team with people from different departments is testing the system to improve customer experiences; Increased resources in helpdesk and applicant supports. Communication strategy has been developed to increase user awareness and acceptance.	Medium Risk	Yes	Directors' Committee	Early 2017
13	New OAC website development could be delayed or not deliver the user experience as expected.	Priority of making the application process simpler and improve user experience.	OAC's ability to promote its work and provide valuable information through its website may be negatively impacted. Poor website user experience. Website might not meet all regulations and requirements.	Likelihood: Medium Impact: Medium A project plan for website has been developed; New website requirements have been defined; A team is working closely with the vendor to ensure the quality of the website design; and ensure compliance with all legislation (e.g. AODA); Developing communication plan for the new website.	Medium Risk	Yes	Directors' Committee	Early 2017
Risk Category:		Workforce - include workforce compensation, labour relations and human resources risks; workforce data showing high turnover, imminent retirement, high illness rates, staff complaints						
14	Risk of not having appropriate representation on Board – geographical, skills and diversity.	Board effectiveness and governance.	A full board complement would be 12 members. Effective governance requires diverse views around the board table.	Likelihood: Low Impact: Medium Encourage government to ensure appropriate board representation in filling any vacant positions; Annual board effectiveness survey reviewed by Governance Committee and Board; Review of 'master' board profile / skills annually led by Governance Committee.	Low Risk	Yes	Board Chair	On-going
15	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.	Inadequate staffing in some areas; work not done as efficiently and effectively as expected.	Likelihood: Low Impact: Medium Developing staffing plan to address an ever-changing environment, e.g., gathering information in to identify changes and evaluate demand and workload; Reallocating resources to better meet the needs.	Low Risk	Yes	Human Resources Director; Human Resources Committee	2017 - 2018
Risk Category:		Information Technology & Infrastructure - include capital project delays, risks related to organizational assets, physical safety and security risks						
16	Risk of potential network and website failure.	Business strategies of administrative efficiencies.	Loss of productivity and potential loss of valuable data; Applicants and other users may not be able to access information.	Likelihood: Low Impact: High Regular network maintenance and test; Use of redundancy where possible; Proper data backup and restore procedures; Move toward cloud-based platform where appropriate; Developing business continuity plan and disaster recovery plan; Developing new website with update technologies.	Low Risk	yes	Director of Finance & Administration	on-going projects
17	Risk of network breach and security compromise.	All strategic priorities would be affected and business strategies of administrative efficiencies.	Potential loss of confidential data and information; Breach of privacy; Reputational damage for OAC; Financial cost as a result of any security breach.	Likelihood: Low Impact: High Developing strong IT policy; Providing ongoing user training; Proper data backup and restore procedures; Use of 3rd party to improve network security where appropriate; Developing Nova audit process and procedure; Review of user onboarding / offboarding process with HR.	Low Risk	yes	Director of Finance & Administration	on-going projects

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18	Risk of inadequate information management system which could result in loss of information and not supporting information management needs	Business strategies of administrative efficiencies.	Ineffective information classification, storage, index, search, and backup system; Loss of information during the data migration to Nova online granting application system;	Likelihood: Low Impact: Medium	Maintaining robust information management system; Clearly defining data migration requirements; Proper data backup and restore procedures; Developing procedures for the handling and storage of information on various forms of media; Developing an information classification system and defining security controls for each classification level.	Medium Risk	yes	Directors' Committee	on-going projects
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.							
19	Risk of potential failure of vendors of critical services.	All strategic priorities would be affected.	Service delivery in granting, finance, operations, HR, research and communications could all be affected.	Likelihood: Low Impact: High	Working with service providers, e.g. Microsoft, Smartsimple, Ceridian, etc. to understand potential risks in their service delivery; Review service agreements regularly; Developing business continuity plan; Performing regular vendor reviews.	Medium Risk	yes	Directors' Committee	on-going
20	Potential important external Issues / factors: economic environment of OAC funded arts organizations, visitor / audience engagement, arts organizations facilities / infrastructure, legislative framework - see environmental scan.	State of the field questions - survival, sustainability, succession planning and renewal.	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 assist the arts organizations in these areas. OAC may convene groups of organizations together in facilitated discussion, conduct research, etc.	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.