

Risk Assessment Worksheet - 2019-20 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 that level of government investment in OAC will not allow OAC to meet the needs of Ontario communities through strategic investment in Ontario's professional artists and arts organizations.	All strategic priorities would be affected, making it less possible for the government's investment in the professional arts sector to make Ontario a better place to live, work, visit and invest in.	Investment in arts organizations and support to professional artists could be significantly reduced. Fewer and smaller grants would be directed to the arts sector at a time of rising costs and increasing demands; some program budgets and support to strategic priorities would have to be reduced without adequate funding. Job losses among arts professionals, and diminished economic benefits to communities. Reduced tour activities and less opportunity for Ontario to be Open for Business.	Likelihood: Medium Impact: High	Maintaining strong OAC communication with MPPs and government officials to demonstrate the economic and social contributions the arts make through government funding and support; strict control over administrative costs to maximize program spending; improved funding framework to maintain the supports to artists and arts organizations vital to Ontario arts sector.	Medium Risk	Yes	Board and CEO	On-going
2	Possibility of inappropriate use of grant fund dollars by grant recipients; risk of loss of credible reputation of OAC	OAC's policies which guide the conditions that must be adhered to by grant recipients would be affected;	Public perception that one case is not isolated could result in the generalization that grants are not monitored properly. May result in reduced confidence in OAC by government.	Likelihood: Low Impact: Medium	Review by program 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.	Low Risk	Yes	CEO	On-going
3	Possibility of low investment returns on operating fund and private funds donated to create restricted and endowment funds.	This risk may affect OAC's Strategic Priority of Investing in Ontario's vital artists and arts organizations.	Loss of revenue in the 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.								
4	Failure to have appropriate representation on OAC's 12-person Board of Directors – geographically and with regard to skills, expertise and the diversity of Ontario. Barring new appointments, there will five board vacancies as of late April, 2019, and no longer any francophone or Indigenous representation on the board. The terms of two more board members will end in August 2019.	This risk would affect OAC's objective of strong board effectiveness and governance.	Effective governance requires diverse views and strong skill sets around the board table. A full complement is 12 board members.	Likelihood: Medium Impact: Medium	Encourage government to ensure appropriate board representation in filling any vacant positions; Conduct board effectiveness survey not less than biannually which is reviewed by Governance Committee and Board; Review of 'master' board profile / skills annually led by Governance Committee; conduct exit interviews of board members upon completion of term.	Medium Risk	Yes	Board Chair	On-going
5	Risk of inadequate succession planning for senior management	This risk would affect the OAC's objective of strong leadership, management and support of the organization.	Challenges in knowledge transfer and corporate history; inefficiencies, errors and delays. Risk associated with unexpected absence of key personnel. Organizational structure is lean.	Likelihood: Medium Impact: Medium	OAC will develop and implement other means for building resource capacity within departments or specialized external vendors to step-in as required.	Low Risk	Yes	CEO	2019-20

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6	Potential failure to establish and maintain proper controls in financial and operational management.	This risk would affect the OAC's business objective of maintaining appropriate financial reporting and controls.	Increased risk of fraud, weak business workflows and segregation of duties, inappropriate recording and reporting of financial / operational transactions; decreased 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; work 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							
7	Potential failure to establish and implement proper policies and organizational structures to comply with FIPPA and record management requirements.	This risk would affect OAC's business objective of ensuring strong compliance with legislation and government regulations.	Potential of FIPPA and Records Management policies not covering all areas of business; inadequate organizational resources and training to implement FIPPA policies and respond to FIPPA requests; possibility of privacy breach;	Likelihood: Low Impact: Medium	Continuing the development work of strong FIPPA policies to cover all business areas; developing organizational framework to manage FIPPA requests; developing policies and procedures for records management; allocating resources to records management system development.; providing training and ongoing support to staff.	Low Risk	Yes	CEO 2019-20	
8	Terms and conditions of OAC grant applications and payments could be challenged.	This risk would affect OAC's business objective of ensuring strong administrative compliance with laws and regulations.	Potential lawsuit in grant administration and privacy; May not provide enough notice and retention practices pertaining to the information being collected	Likelihood: Low Impact: High	Periodic review of OAC terms and conditions, implementing new government regulations and directives; Legal review of OAC agreements to ensure compliance; Developing policies and procedures for changes in granting applications and grant payments; Developing and implementing procedures of deleting sensitive information as defined by the record retention policy; monitoring information collection and management.	Low Risk	Yes	Director of Granting On-going	
9	Liability exposure to OAC for individual artists (grant recipients) working with vulnerable persons in community settings, schools, etc.	This risk would affect OAC's business objective of having strong administrative compliance with laws and 'duty of care'.	Potential lawsuit for OAC not managing this risk 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 confirm to OAC that the required police background check or vulnerable sector verification has been obtained; providing relevant information on OAC website;	Low Risk	Yes	Director of Granting On-going	
10	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; rigorous review of expense claims by Finance Office and signing officers; current expense review by Office of Integrity Commissioner; public disclosure of Board and CEO travel expenses .	Low Risk	Yes	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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11	Nova online granting application system may not function as expected, and may not support current and future business needs.	This would affect OAC's business objective to make applying to OAC a simple and efficient process and to provide an excellent standard of service to applicants and other system users.	Applicants and staff may not have all the system tools available in Nova; poor customer experience may affect demand and quality of applications; other systems may need to be developed to support business operations.	Likelihood: Medium Impact: Medium	Continuous monitoring of and improvements to the Nova system to add functions and programs; increased resources in Nova Help Desk and applicant support; working with external vendors to address business needs.	Medium Risk	Yes	Directors' Committee On-going	
12	Nova system reliability and performance may be negatively affected by external factors.	This would affect OAC's business objective to make applying to OAC a simple and efficient process and to provide an excellent standard of service to applicants and other system users.	Applicants and other system users may not receive services at a level which meets their expectations; the potential downtime or low performance of the system may delay applications and require temporary resources to support the system.	Likelihood: Low Impact: Medium	Working with system vendors to strengthen the system platform; developing a business continuity plan so that steps can be taken in the event of poor system performance; maintaining sufficient backup of the system.	Medium Risk	Yes	Directors' Committee On-going	
Risk Category:		Workforce - include workforce compensation, labour relations and human resources risks; workforce data showing high turnover, imminent retirement, high illness rates, staff complaints							
13	Risk of not having the right number of staff, or the right mix of staff levels and skills to achieve strategic goals and manage the granting process.	This would affect OAC's business objective of maintaining of administrative efficiencies.	Inadequate staffing in some areas; work not done as efficiently and effectively as expected; difficulty in recruiting staff with necessary skills.	Likelihood: Low Impact: Medium	Developing staffing plan to address an ever-changing environment, e.g., gathering information to identify changes and evaluate demand and workload; reallocating resources to better meet demands. A process review of all departments will take place in 2019.	Low Risk	Yes	Human Resources Director; Human Resources Committee On-going	
14	Risk of not having the flexibility under the new executive compensation program to attract and retain senior executives with necessary skills in a competitive market.	This would affect OAC's business objective of attracting and retaining good employees.	Depending on how long the freeze in executive compensation goes on, could lead to inadequate executive leadership in some areas; employee morale in the management team may be negatively affected; difficulty in recruiting new executives with necessary skills.	Likelihood: Medium Impact: Medium	Working with the Ministry to implement the Executive Compensation Program; monitoring the market conditions to support any changes to executive compensation; developing succession plans for the senior executive team.	Medium Risk	Yes	Board and CEO On-going	
15	CEO will be retiring at the end of 2019.	This may affect OAC's strategy of providing excellent leadership, management and support to the Board.	Challenges in knowledge transfer and corporate history; inefficiencies, errors and delays; risk is associated with unexpected absence of key personnel.	Likelihood: Low Impact: Medium	A Board Search Committee has been appointed and is in the process of conducting a CEO search with an anticipated January 2020 start time for the new CEO; having a strong senior management team in place to support the organization.	Low Risk	Yes	Board 2019-20	
Risk Category:		Information Technology & Infrastructure - include capital project delays, risks related to organizational assets, physical safety and security risks							
16	Risk of potential network failure.	This would affect OAC's business objective of maintaining strong 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 testing; use of redundancy where possible; proper data backup and restoring procedures; moving toward cloud-based platform where appropriate; developing business continuity plan and disaster recovery plan.	Low Risk	yes	Director of Finance & Administration On-going	
17	Risk of network breach and security compromise.	All strategic priorities would be affected as well as the business objective of maintaining 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 restoring procedures; use of third party to improve network security where appropriate; developing Nova audit process and procedure; review of user onboarding / off boarding process with HR; taking strong and appropriate actions as required to safeguard security.	Low Risk	yes	Director of Finance & Administration On-going	

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18	Risk of inadequate information management systems that may not support information management needs	This would affect OAC's business objective of maintaining strong administrative efficiencies.	Ineffective information classification, storage, index, search, and backup system; potential loss of information; may not support FIPPA or other requirements.	Likelihood: Low Impact: Medium	Maintaining a robust information management system; proper data backup and restoring 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	
19	Risk of inadequate control of user access of IT systems and insufficient documentations of system level functions and controls	This would affect OAC's business objective of maintaining strong administrative efficiencies.	Potential loss of confidential data and information; breach of privacy; potential network breach;	Likelihood: Low Impact: High	Developing strong system access policy with access approval in place; ensuring functions and authorizations assigned to users match their roles and responsibilities; improving system documentation; ongoing user training; proper data backup and restore procedures; use of third party to improve network security where appropriate; maintaining IT audit logs on critical IT systems, implementing an audit process; review of user onboarding/off boarding process with HR.	Low Risk	yes	Directors' Committee On-going	
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.							
20	Risk of potential failure of vendors of critical services.	All strategic priorities and business objectives 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; reviewing service agreements regularly; developing business continuity plan; conducting regular vendor reviews.	Medium Risk	yes	Directors' Committee On-going	
21	Risk of major disasters which could interrupt OAC operations.	All strategic priorities would be affected.	Service delivery in Granting, Finance, Operations, HR, Research and Communications could all be affected; in an extreme situation, OAC's physical premise and network could become inaccessible.	Likelihood: Low Impact: High	Developing a business continuity plan to outline any steps in response to potential disasters; working with service providers to improve service availability in case of such events; developing communication protocols in the event of disasters; maintaining adequate insurance coverage.	Low Risk	yes	Directors' Committee On-going	
22	Potential important external issues / factors: economic environment of OAC funded arts organizations, visitor / audience engagement, arts organizations facilities / infrastructure, legislative framework - see environmental scan.	This risk would affect all of OAC's Strategic Priorities.	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 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.