

Risk Assessment Worksheet - 2021-22 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: Rare, Unlikely, Possibly, Likely, or Almost Certain Impact: Insignificant, Minor, Moderate, High or Very 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: Likely 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 - High; Ongoing Management Review and Discussion is Necessary | 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: Rare Impact: Moderate | 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 Can be Managed Through Existing Oversight/Routine Procedures | 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 investment revenue in the operating fund could result from delayed receipt of funding from the government. This in turn would lead to reduction in program spending; awards and programs that depend on restricted and endowment fund returns could be reduced significantly. | Likelihood: Possibly Impact: Minor | 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 Can be Managed Through Existing Oversight/Routine Procedures | Yes | Finance and Audit Committee / Director of Finance & Administration | On-going |
| 4 | The impacts of the COVID-19 pandemic may undermine the viability of arts organizations to the point where some may be forced to shut down. | 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. | Arts organizations have lost a very significant amount of income, venues have been forced to close, many staff have been furloughed or laid off, donations are decreasing or ceasing, programs have been cancelled, etc. This will make it difficult or impossible for some arts organizations to survive. | Likelihood: Almost Certain Impact: High | Programs announced by various levels of government will provide some assistance; OAC has released 50% of Operating grants early and has developed an Arts Response Initiative program to support new ways of adapting artistic practices and activities in response to the COVID-19 context; OAC has released results of a mini survey and has shared impact data with government; OAC has supported arts organizations to participate in an arts audience research project in order to provide organizations with data to assist with planning their re-opening; OAC made a presentation to the Standing Committee on Finance and Economic Affairs to convey the pandemic's impacts on the arts sector. | High; Significant Management Oversight Required | Yes | Board and CEO | March 31, 2021 |
| 5 | Possibility that the impacts of COVID-19 will pose a long-term risk to the health and ecology of the arts in Ontario. | 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. | Arts organizations will need to reinvent themselves and develop new business models, some of which will succeed, while others may not. OAC will need to alter funding approaches to meet the needs of a changing sector | Likelihood: Likely Impact: Very High | OAC's new Strategic Plan will identify the best strategies to address some of the challenges; through consultation, media monitoring, discussion with other funders and ongoing direct work with arts sector representatives OAC will stay abreast of changes in the arts sector as they develop. In response to information gathered OAC may need to change funding programs to support arts organizations as they evolve and renew themselves. | High; Significant Management Oversight Required | Yes | Board and CEO | 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. | | | | | | | |

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| 6 | 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-, including francophone and Indigenous communities. | 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: Possibly Impact: Moderate | 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; Limited Management Review Required | Yes | Board Chair | On-going |
| 7 | 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, including racialized and Indigenous communities. | This risk would affect OAC's objective of strong Board effectiveness and governance. | Due to increased public and media focus on the issues of racism, future Board appointments should be mindful of the need to increase diversity of representation on OAC's Board. Effective governance requires diverse views and strong skill sets around the board table. A full complement is 12 Board members. | Likelihood: Possibly Impact: Moderate | Encourage government to ensure appropriate board representation in filling any vacant positions; conduct Board effectiveness survey, which is reviewed by Governance Committee and Board, not less than biannually; review of 'master' Board member profile / skills annually led by Governance Committee; conduct exit interviews of board members upon completion of term. | Medium; Limited Management Review Required | Yes | Board Chair | On-going |
| 8 | 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 increasingly lean. | Likelihood: Possibly Impact: Minor | OAC will make best efforts to develop and implement other means for building resource capacity within departments or specialized external service providers to step-in as required. | Low; Risk Can be Managed Through Existing Oversight/Routine Procedures | Yes | CEO | 2019-20 |
| 9 | 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: Rare 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 Can be Managed Through Existing Oversight/Routine Procedures | 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 | | | | | | | |
| 10 | Potential failure to establish and implement proper policies and organizational structures to comply with FIPPA and records 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: Unlikely Impact: Moderate | 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 Can be Managed Through Existing Oversight/Routine Procedures | Yes | CEO | 2019-20 |
| 11 | Terms and conditions of OAC grant applications and payments could be challenged by applicants. | 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: Rare 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 Can be Managed Through Existing Oversight/Routine Procedures | Yes | Director of Granting | On-going |
| 12 | 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: Rare Impact: Moderate | 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 Can be Managed Through Existing Oversight/Routine Procedures | Yes | Director of Granting | On-going |
| 13 | 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: Rare Impact: Moderate | 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 Can be Managed Through Existing Oversight/Routine Procedures | Yes | CEO | On-going |

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| 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. | | | | | | | |
| 14 | Nova online granting application system may not function as expected, and may not support current and future business needs or the needs of applicants. | 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: Possibly Impact: Moderate | 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; Limited Management Review Required | Yes | Directors' Committee | On-going |
| 15 | 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: Unlikely Impact: Moderate | 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; Limited Management Review Required | Yes | Directors' Committee | On-going |
| 16 | Challenges of working from home may impact OAC's ability to deliver its services. | All strategic priorities would be affected as well as the business objective of maintaining administrative efficiencies. | Working away from the office limits access to some documents, equipment, and facilities. For example, connectivity issues might reduce productivity; staff working in challenging situations may have reduced productivity; some of OAC's service delivery commitments may be impacted by the limitations of working from home. | Likelihood: Possibly Impact: Minor | OAC has a Business Continuity Plan that has been enacted; adjustments have been made as work from home moves from short-term to longer-term; supports have been provided to staff to improve productivity; new IT applications and tools have been deployed to support remote work. | Low; Risk Can be Managed Through Existing Oversight/Routine Procedures | Yes | CEO | On-going |
| Risk Category: | | | | | | | | | |
| 17 | Risk of not having the right number of staff, or the right mix of staff levels and skills to achieve strategic goals and manage OAC business. | 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. Organizational structure is increasingly lean. | Likelihood: Unlikely Impact: Moderate | 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 granting process review will be completed during 2019-20. | Low; Risk Can be Managed Through Existing Oversight/Routine Procedures | Yes | Human Resources Director; Human Resources Committee | On-going |
| 18 | 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: Possibly Impact: Moderate | Monitoring market conditions to support any changes to executive compensation; make best efforts to develop succession plans for the senior executive team. | Medium; Limited Management Review Required | Yes | Board and CEO | 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 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: Rare 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 Can be Managed Through Existing Oversight/Routine Procedures | yes | Director of Finance & Administration | On-going |
| 20 | Risk of IT 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: Rare 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 / offboarding process with HR; taking strong and appropriate actions as required to safeguard security. | Low; Risk Can be Managed Through Existing Oversight/Routine Procedures | yes | Director of Finance & Administration | On-going |

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| 21 | Risk of inadequate IT management systems that may not support information management needs. | This would affect OAC's business objective of maintaining administrative efficiencies. | Ineffective information classification, storage, index, search, and backup system; potential loss of information; may not support FIPPA or other requirements. | Likelihood: Possibly Impact: Moderate | Maintaining a robust IT 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. | Medium; Limited Management Review Required | yes | Directors' Committee | On-going |
| 22 | 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: Rare 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 a review process; review of user onboarding / offboarding process with HR. | Low; Risk Can be Managed Through Existing Oversight/Routine Procedures | yes | Directors' Committee | On-going |
| 23 | Risk of physical threat, injury or security issues, or damage caused by environmental factors, that may impact staff or facilities. | All business objectives would be affected. | Financial impact due to staff absence and insurance costs. Morale would be affected. Operational impact while restoring work environment. Financial impact due to repairs, replacements and shut-down of facilities. Operational and service delivery may be impacted if staff cannot work. | Likelihood: Rare Impact: High | Operations conducts a regular safety audit that is reviewed by the Joint Health & Safety Committee. Emergency procedures have been in place since 2016 when OAC moved to its new premises, and in September 2019 safety measures were been implemented to secure the Reception area. The office now requires security card access. | Low; Risk Can be Managed Through Existing Oversight/Routine Procedures | yes | Director of Finance & Administration, and Director of Human Resources | 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. | | | | | | | |
| 24 | 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: Unlikely Impact: Very 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; Limited Management Review Required | yes | Directors' Committee | On-going |
| 25 | 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: Rare 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 Can be Managed Through Existing Oversight/Routine Procedures | yes | Directors' Committee | On-going |
| 26 | Potential important external issues / factors affecting OAC-funded arts organizations such as: economic outlook and/or shifts in the funding environment, legislative or policy changes, other general or arts-sector specific trends – 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: Possibly Impact: Moderate | 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; Limited Management Review Required | 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.