

Risk Assessment Worksheet - Business Plan January 2014

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 plans 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 - <i>Increase investment and Support</i> 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; implementation of the advocacy plan; publication of good news stories demonstrating the impact of funding, survey and consultation as part of strategic planning process; MPP communications strategies	Low Risk	Yes	Director & CEO	On-going
2	Inappropriate use of grant fund dollars.	Strategic priority - <i>Increase investment and Support</i> 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 restricted funds: \$24.1 million - August 2013).	Strategic priority - <i>Increase investment and Support</i> 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; one investment manager was terminated in 2012; funds were re-invested with Burgundy Asset Management and 7% of the assets were placed with an alternative investment manager on a preliminary basis, long term approach is adopted in determining annual disbursements.	Medium Risk	Yes	Finance Committee / Director of Finance & Administration	On-going
4	Reduction of provincial government grant to OAC, flat lined budget in context of increased demand.	Strategic priority - <i>Increase investment and Support</i> would be affected.	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. In a flat lined budget due to increased costs maintaining program budgets become difficult, OAC could be unable to respond to new application demands.	Likelihood: Medium Impact: High	OAC had expanded its communication with MPPs to demonstrate the contributions the arts make at the local level through government funding and support; expanded research and advocacy efforts; strict control over administration costs to maximize program spending.	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.	Strategic priority - <i>Increase investment and Support</i> 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 are monitored annually; public reporting of performance measures; expanded research and analysis of impacts and implications.	Low Risk	Yes	Directors' Committee	On-going
6	Failure of the new strategic plan under development to meet the expectations of our various key stakeholders	Strategic priority - <i>Increase investment and Support</i> would be affected.	Expectations are varied and any significant changes to existing funding levels will be met with resistance to change	Likelihood: Medium Impact: Medium	Consultation has involved a large public survey and a selected group for a one-day focus session. There is a large range of views in various areas. A comprehensive communication plan will address the public release of the plan in the spring of 2014.	Medium Risk	yes	Directors' Committee	Spring 2014

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7	Failure to meet objectives of the strategic plan and expectations of the public / government / arts community.	Strategic priorities - <i>Increase investment and Support</i> would be affected as well as <i>Build Connections</i> .	Potential loss of credibility within the arts community could result in reduced confidence by government	Likelihood: Medium Impact: Medium	Key performance indicators have been developed and are reported in the business plan and posted on the OAC website; OAC will consult the arts community across the province and key stakeholders as it develops a new five (5) year strategic plan in 2013 with expected implementation to begin in fiscal 2014-2015.	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.	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 of risk assessment of grant programs and new programs; 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 pro-actively.	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 of 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 spending of funding; 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.	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, resulting in unbudgeted costs.	Likelihood: Medium Impact: High	Transition to the new electronic Grant Management System/ Client Relationship Management (eGMS/CRM) (expected ready date of December 2014)	Medium risk	Yes	Human Resources Committee, Corporate Systems Steering Committee and Directors' Committee	Electronic filing readiness date - December, 2014

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13	Applicants find the application process cumbersome, resulting in complaints.	Priority of making the application process simpler.	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 eGMS/CRM is required and assistance (both technical and content help) will be required to work with applicants through fall 2014. Service level agreement (SLA) required to determine appropriate assistance to meet expectations. An on-going paper process scan to electronic submission 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 high turnover, imminent retirement, high illness rates, staff complaints							
14	Failure to have appropriate representation on Board – geographically and skills – currently two vacancies as of October, 2013	Board effectiveness and governance.	A full Board complement would be 12 members. At the end of October 2013 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.	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. The Director of Granting position was filled from an internal competition (May 2013).	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 five years - Productivity issues, labour relations issues, absenteeism resulting in additional administrative costs; employees' participation in developing new Information Technology 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 the development of eGMS/CRM which allows for more time in 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. Disagreement about composition of bargaining unit resolved at Ontario Labour Relations Board in October 2013.	Medium Risk	Yes	Director & CEO and the Negotiating Committee	expected timeframe for completion of negotiations and ratification - Spring 2014

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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 IT Manager started work in April 2013. Part of his job is to consider the organization review recommendations in regards to staffing within IT and to make the appropriate decisions considering internal needs and skills in regards to the new eGMS/CRM system. Other departments were recently reviewed by external consultants and restructured accordingly.	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 Information Technology projects taking longer than planned, cost over-runs.	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. A detailed project budget and timetable have been prepared. External expertise has been retained. Board approved additional financial resources to the project in October 2013.	Medium Risk	yes	Director of Finance and Administration	August, 2013
20	Change management issues as we transition to electronic grant applications and other significant changes in the 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	August 2013 and beyond
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	OAC will issue an RFP to hire a space planning consultant.	Low	yes	Directors' Committee	2016
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, visitor / audience engagement, arts organizations facilities / infrastructure, legislative framework - see environmental scan.	State of the field questions - survival, sustainability, succession 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 will assist the arts organizations in these areas. OAC may convene groups of organizations together in facilitated discussion, conduct research, etc. Part of these issues will be addressed in our next Strategic Plan work and consultation session within the arts community.	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.