



	REPORT No.: 2019-57
MEETING DATE: NOVEMBER 21, 2019	DATE PREPARED: OCTOBER 22, 2019
SUBJECT: ENTERPRISE RISK MANAGEMENT FRAMEWORK	

RECOMMENDATION

THAT with respect to Report No. 2019-57 (Corporate Services), we, The District of Thunder Bay Social Services Administration Board (the Board), approve the Enterprise Risk Management Framework and resulting risk tolerance, as presented;

AND THAT based on the approved risk tolerance, we direct Administration to develop an appropriate Risk Appetite Statement for Board approval.

REPORT SUMMARY

To provide the Board with the Enterprise Risk Management (ERM) Framework and resulting risk tolerance, for approval.

In terms of ERM, risk tolerance is defined as the specific maximum level of risk that an organization is willing to take regarding each risk category.

BACKGROUND

Developing an ERM System was identified as a component of the 2017-2020 Practical Vision of TBDSSAB; specifically, as a component within Transparent and Sustainable Finances.

To strengthen TBDSSAB risk management functions and develop a fulsome process, Administration began the process of establishing a comprehensive risk management overview and framework.

The Board approved the Enterprise Risk Management (ERM) Policy at its November 2018 Meeting, which included direction that Administration complete an Enterprise Risk Management Framework.

COMMENTS

ENTERPRISE RISK MANAGEMENT FRAMEWORK DEVELOPMENT

Since the Board approval of the ERM Policy in November 2018, Administration has worked through a comprehensive and inclusive process to develop the ERM Framework, consistent with best practice research, as well as guidance from the International Standards Organization (ISO) 31000, Risk Management – Guidelines. The goal was to provide a management tool to support a comprehensive, consistent and transparent risk management process throughout the organization.

The Senior Management Team has been involved in all aspects of the ERM Framework development to ensure a fulsome and inclusive approach from all TBDSSAB programs.

The resulting ERM Framework can be represented as follows:



The following elements are inherent within the ERM Framework:

1. Planning
 It is necessary to establish the context for the risks within the TBDSSAB environment, based on the external environment within which it operates, as well as understanding the services provided and funded.

Based on the context, and alignment with the TBDSSAB environment, Major Risk Categories, including definitions of those categories as they relate to TBDSSAB, were established.

The following Major Risk Categories were identified:

Major Risk Category	Definition
Strategic	Risk of not being able to respond well to external changes as a result of inaction, ineffective strategies, or poor implementation of strategies.
Financial and Liquidity	Risk that the Board will be unable to meet its financial commitments in a timely manner (suppliers, lenders, investments, compensation and benefits).
Regulatory/Compliance	Risk of not complying with regulatory and other obligatory authoritative requirements.
Operational/Programs	The risk of operational/program impact resulting from inadequate or failed internal processes, people and systems, or from external events.
Human Capital	Risk associated with inadequate policies, processes and practices to hire, develop and retain resources with appropriate competencies to operate the programs and maintain a safe, ethical, accessible and non-discriminatory work environment that complies with employment law.
Technological	The risk associated with inappropriate access or use of information.
Brand/Reputation	The risk of negative publicity, public perception or uncontrollable events having an adverse impact on the organization's reputation, thereby affecting program delivery.

2. Risk Identification.

Within each Major Risk Category, a comprehensive list of sources of risk, and events that could impact the delivery of TBDSSAB programming, goals, and objectives were identified and recorded. These sources and events were sorted by similarity so they could be grouped by Type of Risk, to provide a more fulsome context within each Major Risk Category.

3. Risk Assessment.

Risk assessment is the process used to determine the significance of risk, and is determined by considering the likelihood or probability of a situation occurring, and its impact on the goals and objectives of TBDSSAB.

Research into Risk Assessment Criteria and related definitions was completed to provide measurement definitions for the likelihood/probability and impact of each identified risk, by Major Risk Category.

The resulting Risk Assessment Criteria is provided in Attachment 1.

With the completion of the Risk Assessment Criteria, a Risk Matrix was developed based on the numerical outcomes of the Risk Assessment Criteria. This Risk Matrix (Attachment 2), including the related Risk Score Definitions (Attachment 3), is used to generate the Heat Map that will be used to graphically display the results of the ERM Framework, and related risk tolerance.

The goal is to translate risk data into usable information that can provide management with an adequate level of actionable knowledge.ⁱ

4. Risk Response/Treatment.

Each risk was assessed per the Risk Assessment Criteria through two (2) lenses:

- a. Inherent Risk – The risk that a material error could occur, assuming that there are no related internal controls to prevent or detect the error; and
- b. Residual Risk – The risk remaining after implementation of action to respond to the Risk (i.e., Risk Treatment).

To move from Inherent Risk to Residual Risk, Key Controls in existence within TBDSSAB were identified and documented so that an appropriate analysis of Residual Risk Levels could be determined. The Key Controls included strategies to avoid the risk, accept the risk, or mitigate the risk by sharing the risk, transferring the risk, or managing the risk through internal controls.

The Residual Risk Levels were used to determine the resulting key risk areas within TBDSSAB.

5. Risk Monitoring.

Key Risk Indicators were identified so that the treatment of risks could be regularly measured, and treatment plans continuously improved. Key Risk Indicators will be used to monitor the status of each risk to determine if the Key Controls remain effective in treating the identified risk, and to signal increasing risk exposure in various areas within TBDSSAB.

Attachment 4 provides the resulting ERM Summary, which includes the Major Risk Categories, Type and Nature of risks, Key Controls, Residual Risk Levels, and Indicators, for each risk.

With the development of the first five (5) elements within the ERM Framework, the assessed Residual Risk Heat Map was completed, and is presented graphically in Attachment 5.

The diagonal line passing through the yellow boxes on the Residual Risk Heat Map represents the “risk tolerance” as recommended by Administration. Establishing this risk tolerance means that the Board is willing to accept all levels of risk below this line. Risks and the related Key Controls assessed at the Severe level will be reviewed so that they can be acted upon with a focus on best practice improvement. Risks assessed as Critical will be acted upon immediately, so that strategies and Key Controls can be implemented to treat the risk.

6. Risk Reporting.

Effective risk management requires regular reporting to ensure that risks are identified, assessed, and that appropriate controls still exist to treat the risk.

In that regard, the risk-reporting framework will include internal management reporting, as well as regular reporting to the Board, as follows:

Reporting to	Report Type
Board	<ul style="list-style-type: none"> Summarized report (ERM Framework Summary, Heat Map format) provided on an annual basis prior to the annual operating and capital budgets so that budget impacts can be considered, if required.
Chief Administrative Officer	<ul style="list-style-type: none"> Updated ERM Framework provided on a periodic (bi-annual) basis; Detailed real-time reporting of risk events above established thresholds.
Senior Management Team	<ul style="list-style-type: none"> Reports applicable to risks within their area of responsibility, and for which they are owners; Real-time reporting of risk events, including current status, and ongoing treatment strategies.

NEXT STEPS

Good governance requires that organizations adopt a methodical approach to risk management. Upon confirmation of this ERM Framework and risk tolerance, a Risk Appetite Statement will be developed and provided to the Board for its approval. While risk tolerances are narrower and set the acceptable level of variation around objectives, a Risk Appetite Statement is a higher-level statement that broadly considers the levels of risk that the Board deems acceptable. Once approved, the risk appetite will be communicated throughout the organization, and monitored to ensure that the Board’s risk appetite is considered in all strategic and operational decisions.

FINANCIAL IMPLICATIONS

The financial implications associated with the current ERM key controls are included in the existing operating and/or capital budgets. There are no immediate additional financial implications associated with the adoption of the ERM Framework.

CONCLUSION

It is concluded that establishing, and maintaining, an ERM Framework to guide the identification and treatment of key enterprise risks is a key component of an effective risk management system/strategy, and should be approved.

It is further concluded that the “risk tolerance line” presented in the Residual Risk Heat Map is appropriate, given the type and nature of TBDSSAB operations, and should be approved.

REFERENCE MATERIALS ATTACHED



Attachment #1 – [Risk Assessment Criteria](#)

Attachment #2 – [Risk Matrix](#)

Attachment #3 – [Risk Score Definitions](#)

Attachment #4 – [Enterprise Risk Management: Summary](#)

Attachment #5 – [Assessed Residual Risk Heat Map](#)

PREPARED BY:	Georgina Daniels, FCPA, FCA, Director - Corporate Services Division Ken Ranta, Director - Housing Services Division Keri Greaves, CPA, CMA, Manager of Finance Shari (MacFayden) MacKenzie - Acting Manager, Human Resources The District of Thunder Bay Social Services Administration Board
APPROVED / SIGNATURE:	 Georgina Daniels, FCPA, FCA, Director - Corporate Services Division The District of Thunder Bay Social Services Administration Board
SUBMITTED / SIGNATURE:	 William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board

ⁱ Chartered Professional Accountants of Ontario – Fundamentals of Risk Management

Likelihood: To assess the likelihood of an event materializing

	Improbable/Remote(1)	Unlikely/Might Happen (2)	Possible (3)	Probable/Likely (4)	Definitely/Certain (5)
Likelihood	1% to 5% in one year, or once in 20 years	5% to 20% in one year, or once in 15 to 20 years	20% to 40% in one year, or once in every 5 to 15 years	40% to 80% in one year, or once in every 5 years	> 80% in one year, or once every 1 to 2 years

Impact: To assess the impact of a risk or a risk event, we consider the following:

	Negligible (1)	Marginal (2)	Moderate (3)	Substantial (4)	Severe (5)
Strategic	TBDSSAB mandate impact is negligible	TBDSSAB mandate is minimally impacted	TBDSSAB mandate is impacted so that changes to programs are required, but can be managed	TBDSSAB mandate is impacted so that major program changes are required	TBDSSAB mandate is seriously impacted, narrowed in scope, or removed
	Loss of external funding (grants) or revenue (rents) less than \$5K	Loss of external funding (grants) or revenue (rents) between \$5K and \$60K	Loss of external funding (grants) or revenue (rents) between \$60K and \$350K per risk event	Loss of external funding (grants) or revenue (rents) between \$350K and \$1M per risk event	Loss of external funding (grants) or revenue (rents) greater than \$1M per risk event
	Impairment of 1 TBDSSAB strategic goal	Failure of 1 TBDSSAB strategic goal	Failure of 2 or more TBDSSAB strategic goals	Majority of TBDSSAB strategic goals fail	Failure of all TBDSSAB strategic goals
Financial and Liquidity	Financial loss less than \$5K per risk event	Financial loss between \$5K and \$60K per risk event	Financial loss between \$60K and \$350K per risk event	Financial loss between \$350K and \$1M per risk event	Financial loss greater than \$1M per risk event
Regulatory/ Compliance	No regulatory attention or litigation occurs (under \$5K)	TBDSSAB receives some regulatory attention with potential for minor litigation (\$5K to \$60K)	Regulatory investigation could occur but major litigation and class action lawsuits are not considered likely (\$60K to \$350K)	Major lawsuits and sanctions could occur with potential for fines/ penalties (\$350K to \$1M)	TBDSSAB is seriously impacted, serious fines/ penalties (over \$1M)
Operational/ Programs	Negligible impact on services	Services are sporadically unavailable or intermittent	Services become unavailable for a brief period of time, up to 1 or 2 days	Services become unavailable for a significant period of time, up to 5 days	Long-lasting disruption of critical services, beyond 5 days
	Limited impact to overall quality of services	Minor impact to overall quality of services	Moderate impact to overall quality of services	Significant impact to overall quality of services	Inability to provide services
	Replacement of physical assets less than \$5K per risk event	Replacement of physical assets between \$5K and \$60K per risk event	Replacement of physical assets between \$60K and \$350K per risk event	Replacement of physical assets between \$350K and \$1M per risk event	Replacement of physical assets greater than \$1M per risk event
	Program or major project targets are not impacted and there are no time delays	Program or major project targets are impacted by more than 5%, but time delays do not impact operational capacity	Program or major project targets are impacted by more than 5%, but less than 15%, and/or time delays start to impact operational capabilities	Program or major project targets are impacted by more than 15%, but less than 25%, and/or major time delays occur that impact operational capabilities	Program or major project targets are impacted by more than 25% with significant delays that impact operational capabilities

Impact: To assess the impact of a risk or a risk event, we consider the following:

	Negligible (1)	Marginal (2)	Moderate (3)	Substantial (4)	Severe (5)
Human Capital	Negligible impact on human capital	Human capital is impacted, but can be managed	Human capital is impacted with some negative implications	Human capital is impacted with negative implications that spread throughout the organization, with some service-delivery impact that requires some resource re-allocation	Human capital is negatively impacted, spread throughout the organization, and significantly impacts service delivery and resource allocations
	Health and Safety - No treatment required	Health and Safety - Minor injury requiring medical attention	Health and Safety - Critical injury requiring medical attention	Health and Safety - Permanent disability	Health and Safety - Death
Technological	One (1) to five (5) end-users impacted	Six (6) to ten (10) end-users impacted	Eleven (11) to twenty-five (25) end-users impacted	Twenty-six (26) to fifty (50) end-users impacted	Fifty-one (51) to all end-users impacted
Brand/ Reputation	Negligible impact on brand and reputation	Minor impact on brand and reputation with some negative attention	Moderate impact on brand and reputation with moderate negative attention	Significant impact on brand and reputation with significant negative attention	Brand and reputation will be damaged
	Limited attention by media, limited impact on public confidence	Some local media coverage and some impact on public confidence	Regional media coverage with moderate impact on public confidence	National or Provincial media coverage with significant impact on public confidence	Significant National or Provincial media coverage with severe loss of public confidence

**The District of Thunder Bay Social Services Administration Board
Risk Score Definitions**

Risk Score = Probability Scale X Impact Scale

Risk Score	Significance	Definition
20 - 25	Critical Risk	Risks which present a very high threat to human lives and/or property and/or are likely to lead to a very severe financial impact. These risks must be subjected to special measures.
15 - 19	Severe Risk	Risks which could jeopardize TBDSSAB strategy and/or cause major material and human damage and/or represent a major financial exposure. These risks should be avoided, reduced or transferred.
10 - 14	Significant Risk	Risks which could injure achievement of TBDSSAB strategy and/or cause significant material and human damage and/or represent a substantial financial exposure. These risks should be reduced or transferred.
5 - 9	Minor Risk	Risks which could cause operational problems but which are budgetable and can be managed.
0 - 4	Possible Area of Concern	Not significant in terms of risk.

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
STRATEGIC Risk of not being able to respond well to external changes as a result of inaction, ineffective strategies, or poor implementation of strategies	Management Information Risk	S1	Risk that information is not available, timely, or accurate about program operations to enable informed decision-making	Proactively planning for local client/tenant needs, economic trends, and other factors impacting program delivery; monitoring monthly operational statistics.	2	1	2	- Quarterly reporting: financial and operating vs. Budget - Trending of timeliness of confirmation of programs and funding from the Province
				Proper communication channels are in place to effectively communicate direction, program changes, etc.				
				Internal processes for finance, purchasing, IT; membership, effective management, professional development, best-practice research.				
				Proactively planning, process reviews, program realignment.				
		S2	Risk that we do not maximize the use of technology to achieve identified outcomes (appropriate training/process reviews/updated procedures)	Training, continuous improvement, Job Aids, support for external funded organizations on technology use; Internal training and policies.	1	2	2	- Status of version software - Number of continuous process improvements that involve technology enhancements
	Political Risk	S3	Risk that there is significant change in Government policies and funding that requires major changes to TBDSSAB infrastructure (human resources, systems, equipment, buildings, staffing programs)	Internal controls, fiduciary management, value-for-money approach; Process reviews for continuous improvement; Pro-active planning and flexible structures to adapt to change; Planning and forecasting, effective succession planning.	3	4	12	- Trending of announcements leading up to political platforms - Funding and staffing levels

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
<u>FINANCIAL AND LIQUIDITY</u> Risk that TBDSSAB will be unable to meet its financial commitments in a timely manner (suppliers, lenders, investments, compensation, and benefits)	Credit Risk	F4	Risk of not being able to borrow funds to meet financial obligations and/or implement the Board's direction	Capital Budget, Operating Budget, Reserve and Reserve Fund strategies, banking relationships, Hi-C Bank.	1	1	1	- Net debt ratio
	Market Risk	F5	Risk that interest rates will change and negatively impact interest income or borrowing costs	Investment Policy/Strategy; access to Hi-C Bank.	4	1	4	- Interest rates
		F6	Risk of a change in the value of investments due to external market conditions reducing the value of the available amount in reserve funds to meet TBDSSAB obligations	Investment Strategy/professional Investment Advisors. Defensive Strategy, history shows TBDSSAB account has out-performed market in down years.	3	2	6	- Performance vs. TSX
	Liquidity Risk	F7	Risk of running an in-year operating deficit overall that can't be mitigated	Management processes, Levy Stabilization Reserve Fund, quarterly monitoring processes (i.e., variance reports); exceeding cost-sharing ratio, if required, with the ability to levy under <i>DSSAB Act</i> .	2	1	2	- Levy Stabilization RF level - Operating Levy surplus/deficit
	Third-Party Risk	F8	Risk that suppliers or vendors fail to meet expected performance objectives or service standards, and are not cost effective	Purchasing Department, Specification documents, Purchasing processes, Procure to Pay; Practices exist to effectively manage and monitor Vendor contracts.	2	2	4	- Number of contract-management interventions

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
FINANCIAL AND LIQUIDITY (cont'd.) Risk that TBDSSAB will be unable to meet its financial commitments in a timely manner (suppliers, lenders, investments, compensation, and benefits)	Third-Party Risk (cont'd.)	F9	Risk that service providers and funded organizations do not meet service standards in providing services to their clients/tenants	Policies and processes (Service Agreements) exist to effectively manage service providers and funded organizations.	1	1	1	- Number of PIDS (Housing) - Number of Serious Occurrences (Child Care)
	Political Risk	F10	Risk that rent revenues could decrease due to changes in tenant mixture and/or Provincial programs	Reserves, mixed income models, revenue-generating opportunities.	2	2	4	- Tenant mix (OW, ODSP, Employment, Fixed Income, Market) - Status of Regulatory RGI changes
	Employee Misconduct/ Fraud	F11	Risk that TBDSSAB assets (<u>phones</u>) will be misused, and, therefore, limit their ability to support programming	Updated telephone system allows for/provides for enhanced policies, processes, and monitoring; training.	1	1	1	- Number of reported incidents
		F12	Risk that TBDSSAB assets (<u>technology</u>) will be misused, and, therefore, limit their ability to support programming	IS policies and procedures; security protocols, practices, and training; Disaster Recovery site; management practices and monitoring; Professional Development.	2	2	4	- Number of reported incidents
		F13	Risk that TBDSSAB assets (<u>vehicles</u>) will be misused, and, therefore, limit their ability to support programming	Policies, management practices, GPS and reporting and monitoring, insurance.	2	1	2	- Number of reported incidents
F14		Risk that staff will falsify expense accounts and/or payroll records	Training, policies, reviews.	1	1	1	- Number of reported incidents	

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
FINANCIAL AND LIQUIDITY (cont'd.)	Employee Misconduct/ Fraud (cont'd.)	F15	Risk that staff will falsify client/tenant or vendor records	Internal controls (limited access, HR processes/practices), security processes, monitoring, training.	1	1	1	- Number of reported incidents
REGULATORY/ COMPLIANCE Risk of not complying with regulatory and other obligatory authoritative requirements	Regulatory Compliance	R16	The risk of inadvertent or negligent errors, acts or omissions of employees or agents that are inconsistent with, and/or in breach of, regulatory or other obligatory authoritative requirements (QMS is the treatment)	Robust infrastructure/decision-making processes to meet/deliver on numerous and competing priorities.	1	1	1	- Number of reported incidents
				Policies and Procedures, employee training, orientation, communication, technology (laptops vs. thumb drives, encrypted thumb drives vs. unprotected).				
				Quality Management Systems (QMS); Service Agreements, Job Aids, Training for changes in legislation/regulations.				
R17	Risk of not meeting requirements in <i>OH&S Act</i> and Regulations	Processes exist so that situations are responded to in a timely manner, and the risk of repeat incidents is minimized.	Client/tenant files are properly recorded, managed, stored and safeguarded, including safety flags, etc.	1	3	3	- Number of orders issued by Ministry of Labour - Number of investigations	
			Satellite Office procedures (e.g.. Modified Emergency Handbook for Satellite Offices).					
			Appropriate policies, procedures and training to ensure compliance with the <i>Act</i> .					

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
REGULATORY/ COMPLIANCE (cont'd.) Risk of not complying with regulatory and other obligatory authoritative requirements	Regulatory Compliance (cont'd.)	R17 (cont'd.)	Risk of not meeting requirements in <i>OH&S Act</i> and Regulations (cont'd.)	Incidents and injuries are responded to, and appropriate corrective action is taken in a timely manner to minimize the risk of repeat incidents. Active Joint Health and Safety Committee (certified members). Annual audit of Health and Safety Program. Regular Health and Safety inspections and risk assessments.	1	3	3	- Number of orders issued by Ministry of Labour - Number of investigations
	Regulatory Change	R18	Risk that changes in building codes, fire safety requirements or regulatory inspections could have a financial and operational impact on current and future building operations	Planning, communication, capital reserves, external program funding.	1	3	3	- Number of building code/ regulation changes - \$ value of impact of changes
		R19	Risk that Trades' licenses and requirements could require additional reliance on external contractors to maintain properties	Planning, communication, capital reserves, external program funding.	2	2	4	- Number of Trades' license/ regulatory changes - \$ value of additional external contracts required as a result of Trades' license changes

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
<u>OPERATIONAL/ PROGRAMS</u> The risk of operational/ program impact resulting from inadequate or failed internal processes, people and systems, or from external events	Environmental Risk	P20	Risk that Acts of Nature (fire, storm, wind, flood) would negatively impact building operations and possibly displace tenants	Disaster Recovery Site; Property Insurance; HQ and Satellite Offices emergency plans; Reserve Funds.	4	3	12	- Number of incidents
		P21	Risk that [extreme] weather events impact program delivery	Disaster Recovery Site; Property Insurance; HQ and Satellite Office Emergency Plans, Reserve Funds.	5	3	15	- Number of incidents
		P22	Risk that operations are disrupted by A) Fire B) Explosion C) Power failure D) Biohazard E) etc.	Disaster Recovery Site; Property Insurance; Satellite Offices options include temporary relocations, Reserve Funds.	2	3	6	- Number of incidents
	Property/ Equipment System Risk	P23	Risk that building systems' failures (heating, water heating, potable water, air exchange, emergency generators) could impact tenants and require financial investment	Emergency and Evacuation Plans, Property Insurance, Purchasing processes, Reserve Funds.	3	3	9	- Number of incidents
		P24	Risk that server recovery is not timely or complete so that client/tenant service is impacted (Hardware/software applications)	In-house expertise; Vendor/Partner Maintenance Agreements and SLAs (Service-Level Agreements); OffSite and OnSite back-ups; Disaster Recovery Site; Network Security protocols; property insurance.	1	3	3	- Number of incidents

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
OPERATIONAL/ PROGRAMS (cont'd.) The risk of operational/ program impact resulting from inadequate or failed internal processes, people and systems, or from external events	Property/ Equipment System Risk (cont'd.)	P25	Risk that telecommunication system cannot be recovered on a timely basis so that client/tenant service is impacted	In-house expertise; Vendor/Partner Maintenance Agreements and SLAs (Service-Level Agreements); Off-Site and On-Site back-ups; Disaster Recovery Site; Network Security protocols; property insurance, mobile phones.	1	2	2	- Number of incidents
		P26	Risk that Satellite Offices cannot connect for an extended period of time	Manual processes (paper documentation); back-up internet connection.	3	2	6	- Number of incidents
	Third-Party Risk	P27	Risk that tenant activities (negligence or criminal) could impact building operations and displace tenants or require financial investment	Property Insurance, emergency plans, use of alternate accommodations.	3	2	6	- Number of incidents - \$ value of financial investment
		P28	Risk of tenant health issues impacting staff, other tenants, stakeholders, or themselves	Policies and PPE, removal of persons, public health, appropriate preventative, investigative, reporting and corrective action measures.	2	3	6	- Number of incidents
		P29	Risk that tenant behaviours impact staff, stakeholders and other tenant safety	Emergency plans, security systems, Resource Centres, insurance, use of alternate accommodations.	3	3	9	- Number of WSIB, STD claims due to tenant behaviour - Number of incidents
	Appropriate policies, procedures, protocols and training are in place.							
	Appropriate investigative, reporting and corrective measures are in place.							
	Regular completion of Risk Assessments.							

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
OPERATIONAL/ PROGRAMS (cont'd.) The risk of operational/ program impact resulting from inadequate or failed internal processes, people and systems, or from external events	Third-Party Risk (cont'd.)	P30	Risk that vendor enters wrong tenant unit	Purchasing specifications, contract management, training, procedures/protocols.	1	1	1	- Number of incidents
		P31	Risk that community at large (e.g., gangs, drugs) negatively impacts TBDSSAB property (vandalism, dumping, theft)	Emergency plans, security systems, Resource centres, insurance, use of alternate accommodations.	5	3	15	- Number of incidents
		P32	Risk that third-party labour disputes disrupt/interrupt TBDSSAB operations and programs	Contingency plans, Emergency plans, Tenant communication process/protocols.	4	1	4	- Number of incidents - Bargaining timelines of third-party labour negotiations
		P33	Risk that patrons' behaviours/ actions impact the safety of TBDSSAB staff (HQ and offices, TBDSSAB facilities, vehicles, travel)	Alarms, procedures, emergency response schedule, security presence at HQ Intake.	3	2	6	- Number of incidents, including by type
				Emergency plans, alarm systems, police presence, security.				
Appropriate policies, procedures, and training are in place.								
Appropriate investigative, reporting and corrective measures are in place.								
Regular completion of Risk Assessments.								

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
OPERATIONAL/ PROGRAMS (cont'd.) The risk of operational/ program impact resulting from inadequate or failed internal processes, people and systems, or from external events	Third-Party Risk (cont'd.)	P34	Risk that clients/tenants/vendors take advantage of internal control weaknesses in third-party operations (bank software)	Appropriate preventative, investigative, reporting and corrective measures are in place for suspected and known fraudulent activities; electronic payment processes for clients and vendors.	4	1	4	- Number of incidents, including by type
			Mandatory DBD, RPC in testing, likelihood will be further reduced as electronic payments increase.					
	Process Risk	P35	Risk of applicant receiving assistance, not receiving accurate information (all programs)	Processes established to ensure staff receive timely updated program information (Intake provides initial contact with the client/tenant).	1	1	1	- Number of complaints from clients
				Training, Cross team communication, awareness; team meetings, cross-divisional training, weekly updates to staff.				
	P36	Risk of errors in granting Ontario Works benefits (Financial and Employment)	Playlist review in process.	1	2	2	- Number of client file audit results	
Signing Authority process for CW; Supervisory File Review for new CW, Staff training.								
P37	Risk of errors in granting Child Care Fee Subsidy	Practices exist to ensure clients/tenants are notified in a timely manner of changes or updates to their payments, benefits, eligibility, as well as program information.	1	1	1	- Number of client file audit results		
		Process in place where all files are reviewed by Supervisor. Fee Subsidy Process review is in the early stages of development.						

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
OPERATIONAL/ PROGRAMS (cont'd.) The risk of operational/ program impact resulting from inadequate or failed internal processes, people and systems, or from external events	Process Risk (cont'd.)	P38	Risk of errors in calculating RGI rent subsidy, portable housing benefit	Oversight, staff training, reviews.	1	2	2	- Number of tenant file audit results
		P39	Risk of errors in establishing rent supplements and external supplier contracts	Oversight, staff training, reviews.	1	2	2	- Number of tenant file audit results
	Demographic Risk	P40	Risk of lack of suitability of housing units to meet tenant need	Long-range planning, reviews, external supports.	2	2	4	- Trend of vacancy by type
	Legal Risk	P41	Risk of liability in third-party landlord properties (H&S, contracts)	Programs, incentives, financial reserves.	2	3	6	- Number of tenant complaints
	Program Delivery Risk	P42	Risk of inadequate and/or inappropriate employment planning for clients/tenants so that clients/tenants do not receive the services they need	EUREKA! Process review in progress to focus on enhanced employment outcomes through PA follow up; impacted by client co-operation/participation; reduced caseworker:caseload ratio to align with Ministry [informal] ratio target. Residual risk expected to be impacted once process review is fully implemented.	5	3	15	- Number of employment/ community placements
		P43	Risk of not following policies and procedures	Training and orientation practices in place so that management skills are developed and sufficient to ensure effective employee supervision.	1	1	2	Number of incidents
	Processes exist so that policies and procedures are reviewed with staff.							
Supervisory oversight and monitoring; staff training, management training.								

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
OPERATIONAL/ PROGRAMS (cont'd.)	Program Delivery Risk (cont'd.)	P43 (cont'd.)	Risk of not following policies and procedures (cont'd.)	Appropriate training and orientation practices are in place for all staff.	1	1	2	Number of incidents
				Comprehensive Management training and orientation to ensure effective employee supervision.				
				Annual review of Policies and Procedures, accompanied by Staff Acknowledgement Sign-off.				
HUMAN CAPITAL Risk associated with inadequate human resource policies, processes and practices to hire, develop and retain resources and appropriate competencies to operate the programs and maintain a safe, ethical, and non-discriminatory work environment that complies with employment law	Hiring/ Retention Risk	H44	Risk that professional development to support employee growth cannot be completed to retain key positions	Professional Development and training is included within individual Performance Management and Competency Agreements, and supported through the budget process, tuition reimbursement.	1	2	2	- Succession Plan results
				Appropriate training including leadership development training, succession planning, performance management.				
		H45	Risk that we cannot attract suitable qualified candidates for key positions (skilled trades, technical, management)	Position description are monitored to ensure up-to-date requirements are identified; recruitment and selection practices/process.	2	2	4	- Vacancy Report (Incl. number of positions attracted and retained) - Number of qualified applicants/key positions
		H46	Risk of unexpectedly losing a key member of the leadership team	Succession planning, documented policies and procedures, training, leadership development training .	2	2	4	- Number of incidents

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
HUMAN CAPITAL <i>(cont'd.)</i> Risk associated with inadequate human resource policies, processes and practices to hire, develop and retain resources and appropriate competencies to operate the programs and maintain a safe, ethical, and non-discriminatory work environment that complies with employment law	Hiring/ Retention Risk <i>(cont'd.)</i>	H47	Risk of disengaged staff causing negative impact on fellow staff members	Staff engagement surveys, Wellness initiatives, training, oversight, engagement, discipline.	3	2	6	- Number of incidents
		H48	Risk of a high turnover rate (internal operations and public perception)	Succession planning, documented policies and procedures, training.	2	2	4	- Annual turnover rate
				Training, recruitment.				
				Active participation in local and District job fairs, including Confederation College and Lakehead University.				
			Comprehensive quarterly review of recruitment activities to identify trends.					
	Program Delivery Risk	H49	Risk that geographic dispersion is too large to ensure effective employee supervision	Spans of control are reviewed and maintained to ensure effective employee supervision, use of skype/ web meetings, pro-active planning and forecasting.	2	2	4	- Span of control, i.e., supervisory: staff ratio
		H50	Risk that labour disruption impacts TBDSSAB operations	Strong labour relations, planning, recovery site, use of external partners.	2	2	4	- Number of labour disruptions
	Employee Misconduct	H51	Risk of harassment and bullying in the workplace (also brand reputation) is not addressed, and leads to negative legal/reputation outcomes.	Appropriate policies, procedures, training, supervision and corrective action.	2	2	4	- Number of incidents
				Promote and foster respectful and professional workplace with wellness/recognition initiatives.				
		Annual review, and sign-off, of Policies and Procedures.						
	H52	Risk of staff taking advantage of tenants	Appropriate policies, procedures and training. Appropriate supervision and corrective action.	2	3	6	- Number of incidents	

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
<u>TECHNOLOGICAL</u> The risk associated with inappropriate access or use of information	Information Security Risk	T53	Risk of cyber threats and IT security vulnerabilities	IT architecture is current so that programming is supported to the extent possible/under the control of TBDSSAB. In-house expertise; Vendor/Partner Maintenance Agreements and SLAs (Service-Level Agreements); OffSite and OnSite back-ups; Disaster Recovery Site; Network Security protocols.	1	3	3	- Number of incidents
	Information Security Risk - Breach	T54	Risk that there is a breach of confidential data: A) Risk that confidential/client/tenant files/sensitive documents leave the building B) Risk that email with key information is sent to incorrect individuals C) Risk that storage and communication devices will be stolen or misplaced or fail (laptops, phones, etc.) D) Risk that hard-copy files are lost, misplaced or destroyed	Confidentiality Agreements upon hire; security protocols for vendors within the building; records' management processes; policies and procedures; file encryption; file transportation security protocols, client communication protocols.	2	2	4	- Number of incidents
	Third-Party Risk	T55	Risk that programs will be offline for extended periods of time, and impact operations (externally-hosted software)	Manual processes (paper documentation), redundancy plans; back-up internet connection.	4	2	8	- Number of incidents

Category	Type of Risk	#	Nature of Risk	Key Controls				Indicators
					Likelihood	Impact	Residual Risk Level	
BRAND/ REPUTATION The risk of the potential for negative publicity, public perception or uncontrollable events to have an adverse impact on TBDSSAB's reputation, thereby affecting program delivery.	Third-Party Risk	B56	Risk that a serious occurrence in a funded agency is reflected on TBDSSAB	Initiated Agreements process.	1	2	2	- Number of incidents
		B57	Risk that unfavourable events (e.g., security breach) impact TBDSSAB's reputation	Policies, communications.	1	2	2	- Number of incidents
	Public Perception /Brand Risk	B58	Risk of <i>perceived</i> unfair procurement activities	Broader Public Sector procurement directives; internal procurement policies and procedures; E-Bids and Tenders (transparent procurement processes); debriefing process.	2	2	4	- Number of incidents
		B59	Risk that complaints from clients, tenants, applicants, general public through MP/MPP office, or municipal councillor, Board Member, are not prevented or mitigated	Policy and Processes exist so that complaints are addressed in a timely manner and in accordance with standard process.	2	2	4	- Number of incidents
	Employee Misconduct	B60	Risk of misuse of social media platforms by staff, resulting in negative brand	Appropriate policy, procedure and training.	3	2	6	- Number of incidents
				Appropriate investigative, reporting and corrective measures.				
				Annual staff review, and sign-off, of Policy and Procedure.				
Discipline issued for violation of Social Media Policy.								

