



STAFF REPORT FOR INFORMATION with Confidential Attachments

Annual Risk Register – Update

Date:	June 17, 2019
To:	Toronto Public Library Board
From:	City Librarian
Reason for Confidentiality	The Risk Register considers materials that relate to the security and property of the board, in accordance with section 16.1(4)(a) of the Public Libraries Act, both attachments are considered confidential and therefore not available for public distribution

SUMMARY

The purpose of this report is to provide the Toronto Public Library (TPL) Board with the annual update to the Risk Register. At its December 10, 2018 meeting, the Board adopted an Enterprise Risk Management (ERM) Program. To support the Board's role in governance and ensuring compliance with the ERM program, TPL committed to bringing the Risk Register to the Board for review in 2019. To this effect, an updated version of the Risk Register is enclosed with an accompanying explanatory Risk Register Report.

With the ERM program in place, TPL strengthens its capacity to provide library services by better understanding the challenges inherent in delivering library services in a complex urban environment.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. receives the 2019 June Risk Register report (Confidential Attachment 1) and the 2019 June Risk Register (Confidential Attachment 2) for information.

FINANCIAL IMPACT

The recommendations in this report have no financial impact beyond what has already been approved in the current year's budget.

The Director, Finance & Treasurer has reviewed this financial impact statement and agrees with it.

ALIGNMENT WITH STRATEGIC PLAN

This review supports the Library's 2016-2019 strategic plan priority of transforming for 21st century service excellence. Expected outcomes of this review include heightened awareness of existing risks that impact the strategic and operational functions of TPL. The objective of such an analysis is to improve customer service and identify vulnerabilities within new initiatives.

EQUITY IMPACT STATEMENT

Analyzing risks that affect TPL will have a positive impact on all equity-seeking groups. By considering risks within each of four categories (namely, Strategic Risk, Operational Risk, Compliance Risk, and Financial Risk), TPL strengthens its understanding of community needs and the challenges in implementing responsive services.

DECISION HISTORY

At its December 10, 2018 meeting, the TPL Board approved the ERM Program consisting of a Risk Management Framework, Policy, Risk Register and Risk Impact Assessment tool. This is the 2019 update to the Risk Register.

ISSUE BACKGROUND

Engaging in ERM enables TPL to manage risk appropriately, maximize potential opportunities, facilitate the achievement of strategic and business objectives, and minimize the adverse effects of risk.

Risk management contributes to the achievement of the Library's strategic objectives and directions through the continuous review of processes and systems that are in place. It is an integral part of the governance framework and operational and strategic planning processes.

COMMENTS

A number of risk categories have been adjusted in response to assessment of risk for TPL in 2019. This year, one new risk category was developed – "Financial Strategy (External)". All other risk categories are pre-existing.

TPL's Risk Register highlights the following risks as being of particular importance to the organization's operations, including risks associated with government policy, labour relations, reputation, and managing complexity.

Understanding and actively managing uncertainty is a key part of an enterprise-wide risk management approach that supports the harnessing of opportunities, while minimizing risk.

This facilitates TPL's delivery on commitments made to communities served by Toronto Public Library.

Building risk management capabilities supports the pursuit of TPL's strategic objectives. This is enabled by a risk strategy consisting of the following most often cited as critical for sustained organizational performance:

- Proactively identifying key and emerging risks that potentially impact strategy and future performance to build organizational resilience and agility;
- Embedding risk thinking in key planning processes to enhance preparedness, reduce vulnerabilities, and surface conditions and strengthen capabilities needed for success; and
- Linking risk with decisions touching upon strategy, including program development, capital projects, and new partnering options to expand access, increase opportunity, and build connections.

TPL is embedding risk and opportunity considerations into our strategy and program reviews, talent management, capital development and asset protection, and learning/change management processes. This enables us to optimize our strengths while achieving sustainable change and delivery on our Strategic Plan.

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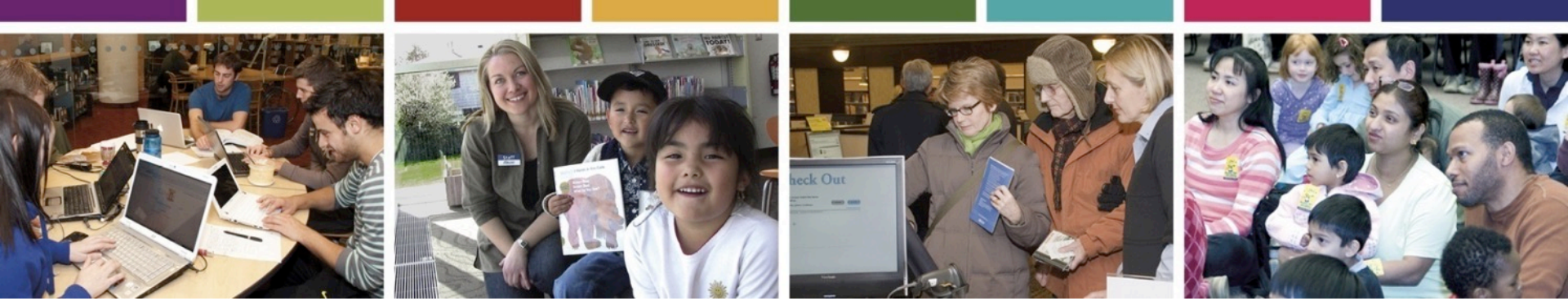
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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Confidential Attachment 1: 2019 Risk Register Report
Confidential Attachment 2: 2019 June Risk Register



Toronto Public Library Enterprise Risk Management Program

June 17, 2019

Toronto Public Library Board



“Boards have a role to play in challenging organizations to embed risk management in their strategic decision-making and leverage digital capabilities to harness risk intelligence across their enterprises. Such an approach strives to balance upside, downside and outside risks...” - *Ernst and Young Centre for Board Matters, December 2018 Report*

Overview: Enterprise Risk Management (ERM) Program

- Background on ERM Program at TPL (establishment)
- 2018-2019 Updates to Risk Register
- 2019 developments in Enterprise Risk Management (ERM) Program
- Roles and Responsibilities of the Board and Senior Management regarding ERM

Background: Establishment of ERM at TPL

- Why TPL is engaging in ERM:
 - A best practice for public sector organizations
 - meet the demands of a dynamic and complex business environment
 - Monitoring external environment for risks and opportunities allows TPL to set strategy and drive performance

2018 Establishment of Risk Register

- Risk Register first drafted in 2018
- Consultations with external risk professional by Senior leadership team
- Half-day exercise used to identify top 26 risks facing TPL at that time (April 2018)
- Risk Framework, Policy, Assessment tool and Register developed
- Presented to Board and adopted in December 2018

4 components to ERM developed at TPL:

1. Enterprise Risk Management Framework
2. Risk Management Policy
3. Risk Register
4. Risk Impact Assessment (RIA) tool

- Purpose and function of ERM
 - Embedding risk considerations into TPL processes
 - Reflecting TPL values in our operations
 - Use of Risk Impact Assessments
 - Benefits to TPL staff in planning and project management
 - Risk identification and mitigation for TPL

- Four Broad categories of risk:
 1. Strategic Risks (i.e. change capacity, differentiation)
 2. Operational (i.e. succession planning, managing complexity)
 3. Compliance (i.e. Health and Safety, Legislative changes)
 4. Financial (i.e. Economic, Fiscal Controls)

2019 Updates to Risk Register

- Throughout 2018 – 2019, several projects were analyzed for risk assessment
- Risk register updated as new risks were identified throughout the year
- Formal update to Risk Register in Spring of 2019
- April 2019 exercise with Senior Leadership Team
- May – June 2019 consultations between senior leadership and in-house risk specialist

Role and Responsibilities in Overseeing ERM

- Board to receive 2019 ERM materials for information
 - Reference 2018 Materials available [here](#)
- Understand role of City Librarian and Senior Management in implementing ERM Program
 - City Librarian: championing risk management culture within TPL
 - Senior Management: Accountability for overseeing particular risk categories

Questions and Discussion