

Annual Risk Register - Update

Date:	October 25, 2021
To:	Toronto Public Library Board
From:	City Librarian
Reason for Confidentiality	The Risk Register (Attachments 1, 2 and 3) considers materials that relate to the security and property of the Board, in accordance with section 16.1(4)(a) of the <i>Public Libraries Act</i> . These attachments are considered confidential and therefore not available for public distribution.

SUMMARY

The purpose of this report is to provide the Toronto Public Library Board with the 2021 and future year outlook for the Risk Register. Toronto Public Library (TPL) has committed to an annual review and updating of the Risk Register, which supports the Board's role in governance and ensures compliance with the Board's Enterprise Risk Management (ERM) Program.

The ERM program strengthens TPL's capacity to deliver on its strategic priorities, providing the infrastructure that enables a better understanding of the challenges inherent to service delivery. Additionally, it provides an integrated approach to risk management, required for the Library's ongoing innovation, strategic outcomes and growth.

2021 is the fourth year since the introduction of ERM at TPL. The program continues to successfully transform the organization to build capacity in areas of known risk, and to mitigate risks to an acceptable level, allowing TPL to take advantage of opportunities to deliver excellent service in innovative ways. In the 2021 Risk Register outlook, none of the 27 risk areas have increased in scores, and five have decreased when compared to 2020.

An updated Risk Register is enclosed with an accompanying explanatory Risk Register Report and Risk Register Summary.

FINANCIAL IMPACT

A proper Enterprise Risk Management program should result in lower overall financial cost for TPL. The information in this report is an input into the annual capital and operating budget process and appropriate funding is allocated to address and mitigate risk.

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

ALIGNMENT WITH STRATEGIC PLAN

TPL's Strategic Plan 2020-2024 – *Vital to Toronto–Building Success, Resilience and Well-Being for our City* – highlights five strategic priorities developed through extensive stakeholder and public consultation:

1. Public Space
2. Digital Inclusion and Literacy
3. Workforce Development
4. A Democratic Society
5. Public Service Excellence

The Risk Management Policy and ERM Program enable the Library to be innovative while managing risks, to maximize opportunities and advance the outcomes of the strategic priorities. Risk management is an integral part of strategic, operational and budget planning. ERM assists the Library in delivering an innovative, effective, and efficient library service in a complex and challenging service environment.

EQUITY IMPACT STATEMENT

Analyzing, understanding and mitigating external and internal risks to an acceptable level allows TPL to advance strategic outcomes by delivering innovative services and programs which have a positive impact on all equity-deserving groups.

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. The Board was updated on the progress and status of the ERM program at the [June 17, 2019](#) board meeting and at the [September 21, 2020](#) update to the Risk Register.

ISSUE BACKGROUND

The Enterprise Risk Management Program enables TPL to remain accountable while managing risks, to maximize potential opportunities, to facilitate the achievement of strategic and business objectives, and to minimize the adverse effects of risks.

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. This is an integral part of the governance framework embedded in TPL's strategic as well as operational planning processes.

TPL has followed a three-phased approach to enhance risk management capabilities, and the Enterprise Risk Management has steadily matured since it was first introduced in 2018.

Phase I (2018): TPL introduced the Risk Assessment Process to understand key risks and opportunities. The first Risk Register was established to document risks and included response strategies.

Phase II (2019): The annual update in 2019 enabled the maturation of the Risk Management program, with the introduction of the Risk Impact Assessment (RIA) tool for new initiatives and programs.

Phase III (2020-ongoing): TPL is working through Phase III of implementation which embeds ERM into strategic and business planning, service development, and capital project initiatives to support risk-informed decision making in all areas of the Library's operations.

COMMENTS

2021 Risk Register Update and Future Year Outlook

The 2021 update to the Risk Register involved a thorough review of TPL's external and internal risks to the operating environment, including a review of risk criteria identified by the Auditor General's Office in 2021¹ where the risks are appropriate to TPL's operating environment. Of the 27 risks in the Library's Risk Register, no risks increased,

¹ Auditor General's Office 2021 Risk Factors criteria used in City-Wide Assessment.
<https://www.toronto.ca/legdocs/mmis/2020/au/bgrd/backgroundfile-158180.pdf>

five declined and 22 were rated at the same level as in 2020. There were three broad strategies which enabled the achievement of these results:

1. Maturing of ERM as a program at TPL

This is the fourth year that TPL has developed a risk register, as part of maturing the ERM process. The ERM has now been fully integrated into the Library's strategic, operational, business and budget, planning processes enabling risk-informed decision-making.

2. Response to COVID-19 and integration of change management principles

TPL responded to COVID-19 by rapidly shifting to offer new digital services, to support remote work where appropriate and to implement a phased re-opening plan for in person services in alignment with provincial regulations, directions from the City of Toronto and ongoing information and advice from Toronto Public Health. As a result, the Library is able to deliver relevant services to Toronto residents throughout the pandemic.

The Library has used a change management approach and principles to engage and connect with staff throughout the pandemic, keeping all staff updated on safety protocols and operational impacts, through weekly communications from the City Librarian and monthly virtual town halls and training. Additionally, TPL has engaged in extensive public communication on services available and safety protocols for the public. These efforts support understanding of the changing service environment and compliance with safety protocols by the staff and public.

3. Building organizational capacity

Throughout the pandemic, TPL has been agile in managing risk while offering innovative service options. The Library continues to build organizational capacity and resources in areas including project management and cyber security to support organization resilience, to mitigate risk and deliver responsive services in a complex and changing environment.

The 2021 Risk Register helps capture these changes, and provides an inventory of risk considerations that are relevant to the 2020-2024 Strategic Plan.

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

- Attachment 1. 2021 Risk Register Report (CONFIDENTIAL)
- Attachment 2. 2021 Risk Register Summary (CONFIDENTIAL)
- Attachment 3. 2021 Risk Register (CONFIDENTIAL)

TPL Enterprise Risk Management Program Toronto Public Library Board

October 25, 2022

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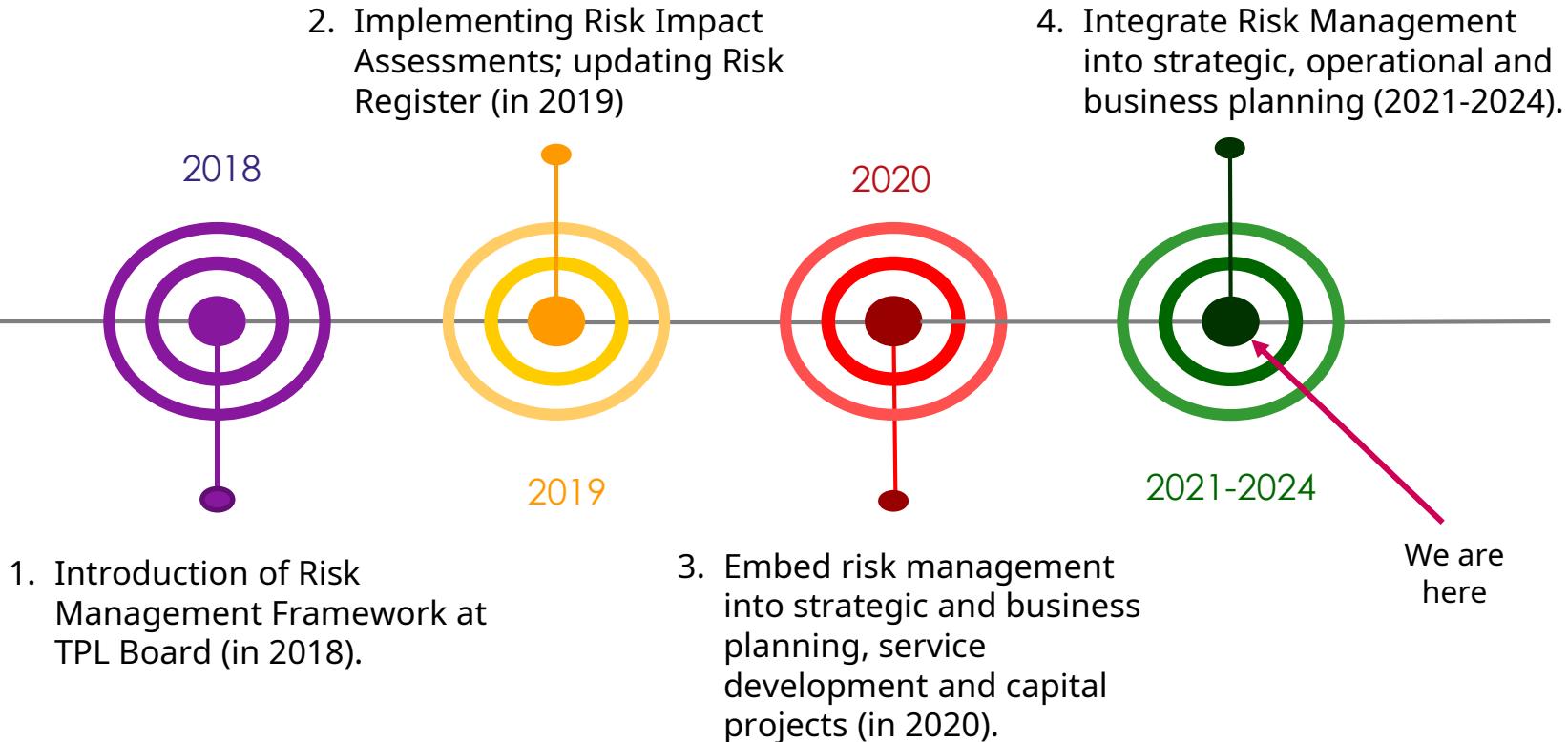
Overview: Enterprise Risk Management (ERM) Program

- Background on ERM Policy and Program
- 2021 process for updating Risk Register
- Key trends in 2021
- Next Steps

ERM Policy and Program

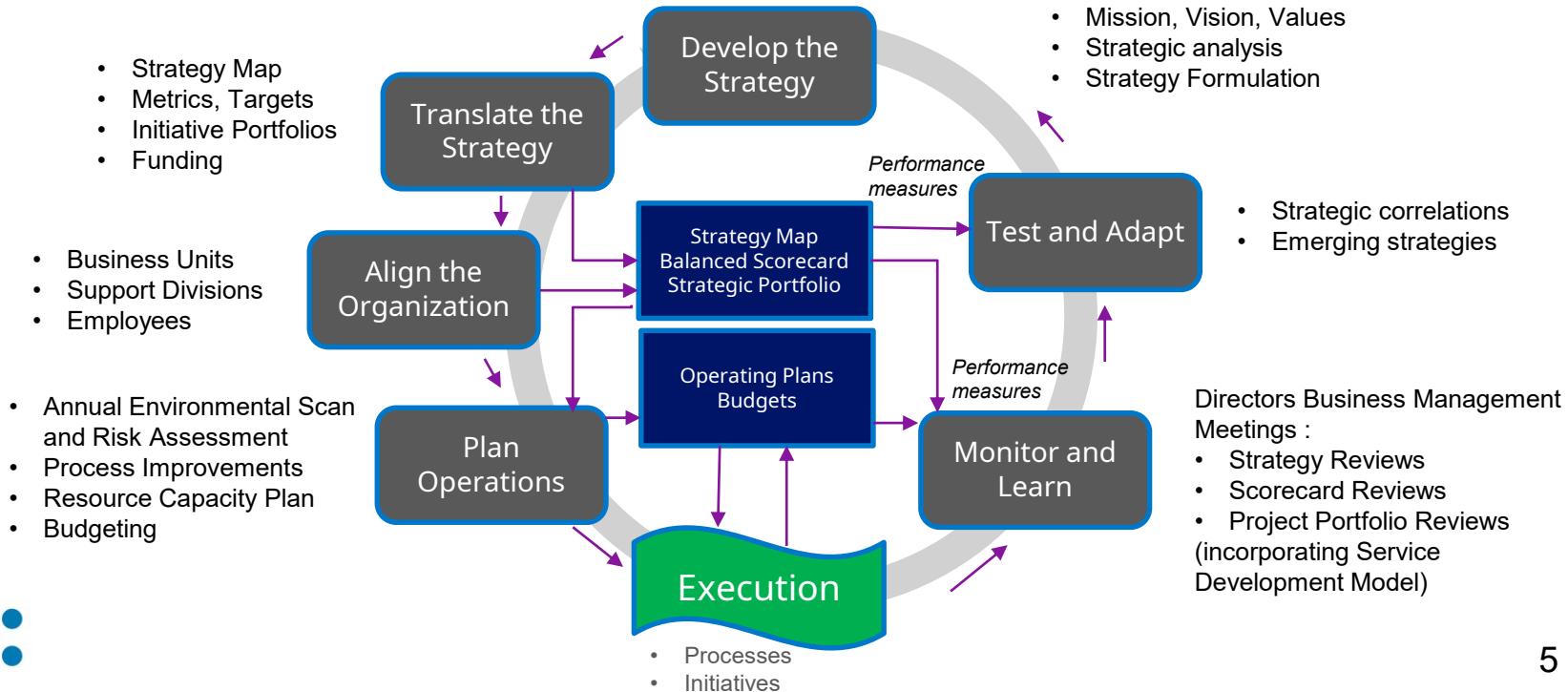
- ERM is a key aspect of board governance
- Consists of Policy, Risk Register, and Risk Impact Assessment tool (RIA)
- Policy Objective: Managing risk to maximize opportunities, minimize adverse effects, and facilitate the achievement of strategic objectives

ERM Process Maturity and Integration



How it all Fits Together is Strategy Management

Managing Strategy Execution involves all leaders, responsible for Strategic Planning, Business Planning, Budgeting, and Project Portfolio Management



2021 Process for Updating Risk Register

1. Congruency with Auditor General Report on 2021 risk factors and City wide assessment
2. Development of risk ratings and mitigation strategies
3. Group discussion and integration of mitigation strategies into business planning

Key Trends 2021

1. Maturing of ERM as a program at TPL
2. Response to COVID-19 and integration of change management principles
3. Building organizational capacity



ENABLED

- None of the 27 risks increased from 2020
- Five risks declined

Next Steps

1. Ongoing integration of ERM into strategic, business and budget planning process
2. Ongoing monitoring of risk environment and mitigation strategies
3. 2022 monitoring and reporting