

Finance + Audit Committee Report BH.04.MAR0123.R01

March 1, 2023

Report to:	Finance + Audit Committee, Chair and Members of the Board of Health
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Submitted by:	Dr. Nicola J. Mercer, MD, MBA, MPH, FRCPC Medical Officer of Health & CEO
Subject	Risk Registry Report

Recommendations

1. That the Finance + Audit Committee makes recommendation to the Board of Health (BOH) to receive this report for information.

Background

Key Points

- Under the Ontario Public Health Standards, Wellington-Dufferin-Guelph Public Health (WDGPH) is required to maintain and report on significant organizational risks facing the Agency.
- The organization employs a comprehensive Risk Registry tool to achieve the above requirement.
- The Senior Leadership Team (SLT) reviews, assesses, and updates the Registry annually – submitting their results to the Committee of Finance + Audit for review, followed by submission to the BOH for final approval.

Risk can be defined as the possibility of something harmful or undesirable that could occur within an organization. This can include harm, injury, loss or abuse to the

organization's clients, volunteers, board members, employees, properties, resources or reputation.¹

Every organization is susceptible to risk and public sector organizations like Wellington-Dufferin-Guelph Public Health (WDGPH) are particularly vulnerable to risks that are strategic; reputational; regulatory; financial; compliance; legal; security and operational in nature.

Managing risk, or risk management, is a process undertaken by organizations to assist them in meeting their strategic and operational objectives by ensuring that there are processes in place to identify, manage and/or mitigate the various risks they face – both internally and externally. Risk management includes the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects.² The overriding goal is to protect all those connected to the organization including: board members; staff; clients; volunteers and partners.

WDGPH recognizes that while overseeing risk is a key component of effective governance – it should not imply risk aversion. Rather, that the BOH and Senior Leadership Team should guide the organization together in a manner that seeks to balance opportunities and threats and is compatible with the Agency's values and risk tolerance.

Under the Ontario Public Health Standards: Requirements for Programs, Services and Accountability, the Board of Health is required to ensure that WDGPH has a formal risk management tool in place that identifies, assesses, and addresses risks.

To that end, the report content and risk registry tool (Appendix "A") that follow, provide an update on the key risk factors facing the Agency at this moment of time.

Public Health and/or Financial Implications

WDGPH utilizes a comprehensive risk management tool that is modeled after the Association of Local Public Health Agencies (alPHA) Risk Management Strategy and Process Toolkit. Titled the "Risk Register" (Appendix "A") this resource includes:

- **Risk Identification:** including category, source, risk and potential consequence;
- **Risk Assessment:** based on likelihood, impact to the agency and proximity in time;

- **Risk Controls:** policy, process or other actions designed to manage or mitigate risk; and
- **Risk Monitoring:** identifies responsibility, risk indicators and monitoring frequency.

Each year, the WDGPH's Senior Leadership Team conducts a review of the Agency's Risk Register to evaluate and rate new and existing risks facing the organization. Once updated, it is then submitted to the BOH who are asked to review the Register from a governance perspective as part of the Ontario Public Health Standard requirement referenced above.

Similar to the previous two years, the 2023 risk assessment was conducted amidst the backdrop of COVID-19. While the majority of the Agency's efforts have been directed back to regular program services, the lingering effect of WDGPH's emergency response can still be felt. As such, the new section devoted exclusively to pandemic-related risks that was added to the Registry (Section 8) in 2020, remains in place.

The 2023 assessment identified 42 risks for WDGPH. The register includes an initial assessment of each risk area, followed by a residual risk assessment designed to evaluate each risk after a number of mitigation steps have been enacted. Hence, residual risk is used to identify the highest and most immediate risks that require monitoring, action, and follow-up.

This year, the Agency designated 2 residual risks with a "high" rating:

- **3b:** *Provincial re-organization of health and community services (i.e., change in government policy)*
- **1f:** *Change in provincial funding (process/ amount)*

In addition, there were also 4 residual risks that were changed from 2022 in response to specific considerations as follows:

Risk	Change in Residual Risk	Reason
1c: Accounting Errors	From Medium to Low	Finance and HR legacy systems have been replaced with a new ERP System (Sparkrock 365)
2d: Labor Disruption	From Low to Medium	Current CBA expires in April 2023. Bargaining to commence shortly.
3c: Changes in BOH Structure and/or Governance Model	From Medium to Low	Municipal elections held in 2022 – new BOH members have been assigned.
7c: Ineffective Management of Media Platform	From Medium to Low	Significantly decreased media demand

WDGPH continues to explore new strategies that will ensure a coordinated approach to the effective oversight, monitoring and management of risks amidst the post-emergency response to the pandemic, and in lead up to a number of potential system changes being considered by the Province. The Agency is committed to maintaining responsible risk management practices and will continue to update the BOH on new and emerging risks and associated issues as they arise.

Appendices

Appendix A – WDGPH 2023 Risk Register

References

1. Six K, Kowalski E. Developing a risk management strategy. [Internet]. 2005 [cited 2020 Oct 22]. Available from: <http://sectorsource.ca/managing-organization/risk-management>

2. Based on definitions developed by the Joint Technical Committee OB/7, Risk Management. Standards Australia and Standards New Zealand, Australian/New Zealand Standard 4360:2004: Risk Management.
3. Ontario Ministry of Health and Long-Term Care, Protecting and Promoting the Health of Ontarians, Ontario Public Health Standards: Requirements for Programs, Services, and Accountability.