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![tpl: toronto public library]

**STAFF REPORT
INFORMATION ONLY
with Confidential
Attachments**

Annual Risk Register Update

Date: February 24, 2025

To: Toronto Public Library Board

From: City Librarian

Reason for Confidentiality:

The Risk Register Board Summary (Confidential Attachments 1 and 2) considers materials that relate to the security and property of the Library Board; in accordance with section 16.1(4)(a) of the Public Libraries Act, all 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 2025 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 Library Board's role in governance and ensures compliance with the Library Board's Enterprise Risk Management (ERM) Program.

The last register, the 2023 Risk Register, was presented to the Library Board in December 2023, just slightly over one year prior to this report. Reporting during the first quarter of the year allows for a full analysis of progress made during the prior calendar year.

The ERM program supports the Library in building capacity in areas of known risk and helps to mitigate risks to an acceptable level. It enables the Library's ongoing growth, innovation and strategic outcomes and allows TPL to take advantage of opportunities to deliver excellent service in innovative ways. Additionally, the program supports a better understanding of the challenges inherent to service delivery, allowing an integrated approach to risk management.

TPL's 2025 Risk Register utilized the updated methodology created in 2023 to identify, classify and score risks. Each risk is assigned a unique number, associated with the order in which the risk appeared on the register; for tracking over time, risks retain their original numbers throughout their lifespan. In the 2025 Risk Register, risks are grouped based on actual residual risk scores at the time of this report. Thus, only two (2) risks are scored as 'high' or 'extreme' in their mitigated state, while twenty-three (23) risks are scored as 'low' to 'medium-high' in their mitigated state. One (1) risk was closed, and one (1) new risk was added, in 2025. All risks are reported in detail to the Library Board in the enclosed updated 2025 Risk Register in confidential attachments 1 and 2.

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 & CFO has reviewed this financial impact statement and agrees with it.

ALIGNMENT WITH STRATEGIC PLAN

TPL's 2025-2029 Strategic Plan highlights four strategic priorities developed through extensive stakeholder and public consultation:

1. Social connection, civic engagement and democracy
2. Shared community spaces
3. Learning and growth
4. Awareness and access

The ERM program enables 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 Library Board considered the [Enterprise Risk Management Program](#) report and approved TPL's ERM Program. This consists of a Risk Management Framework, Policy, Risk Register and Risk Impact Assessment tool. Annual updates are provided to the Board on the progress and status of the ERM program.

ISSUE BACKGROUND

The Enterprise Risk Management Program enables TPL to remain accountable while managing risks, maximizing potential opportunities, facilitating the achievement of strategic and business objectives, and minimizing 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 and operational planning processes.

TPL has followed a three-phased approach to enhance risk management capabilities, and the Enterprise Risk Management Program 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 (2020-2025): 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

2025 Risk Register Update

The 2025 Risk Register was written using a format revised in 2023 that matches industry standards, includes content that was identified through in-depth document analysis and interviews with TPL experts, and includes scores and risk mitigation controls that were co-developed and confirmed using consensus. This continues to allow accurate scoring of risks that remain active, emerging risks to be added, and the removal of risks that were fully mitigated. Progress can be seen in the 2025 register, which includes the targets determined in 2023 along with the actual risk scores at the time of this report.

The Library Board's role is to provide oversight over the management of the most likely and impactful risks, thus, Attachment 1 includes all risks (2) with inherent scores of 'extreme' or 'high'. The 2025 Enterprise Risk Register also includes an additional 23 risks (attachment 2) that were identified as having an inherent score of 'low', 'medium', or 'medium-high'.

The 2025 Risk Register Board Summary helps capture these changes and provides an inventory of risk considerations that are relevant to the 2025-2029 Strategic Plan.

CONTACT

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SIGNATURE

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Vickery Bowles
City Librarian

ATTACHMENTS

Confidential Attachment 1.   2025 Risk Register Board High Risk Summary
Confidential Attachment 2.   2025 Risk Register Board Medium-High, Medium and Low Risk Summary

TPL enterprise risk management program
2025 risk register

Toronto Public Library Board

February 24, 2025

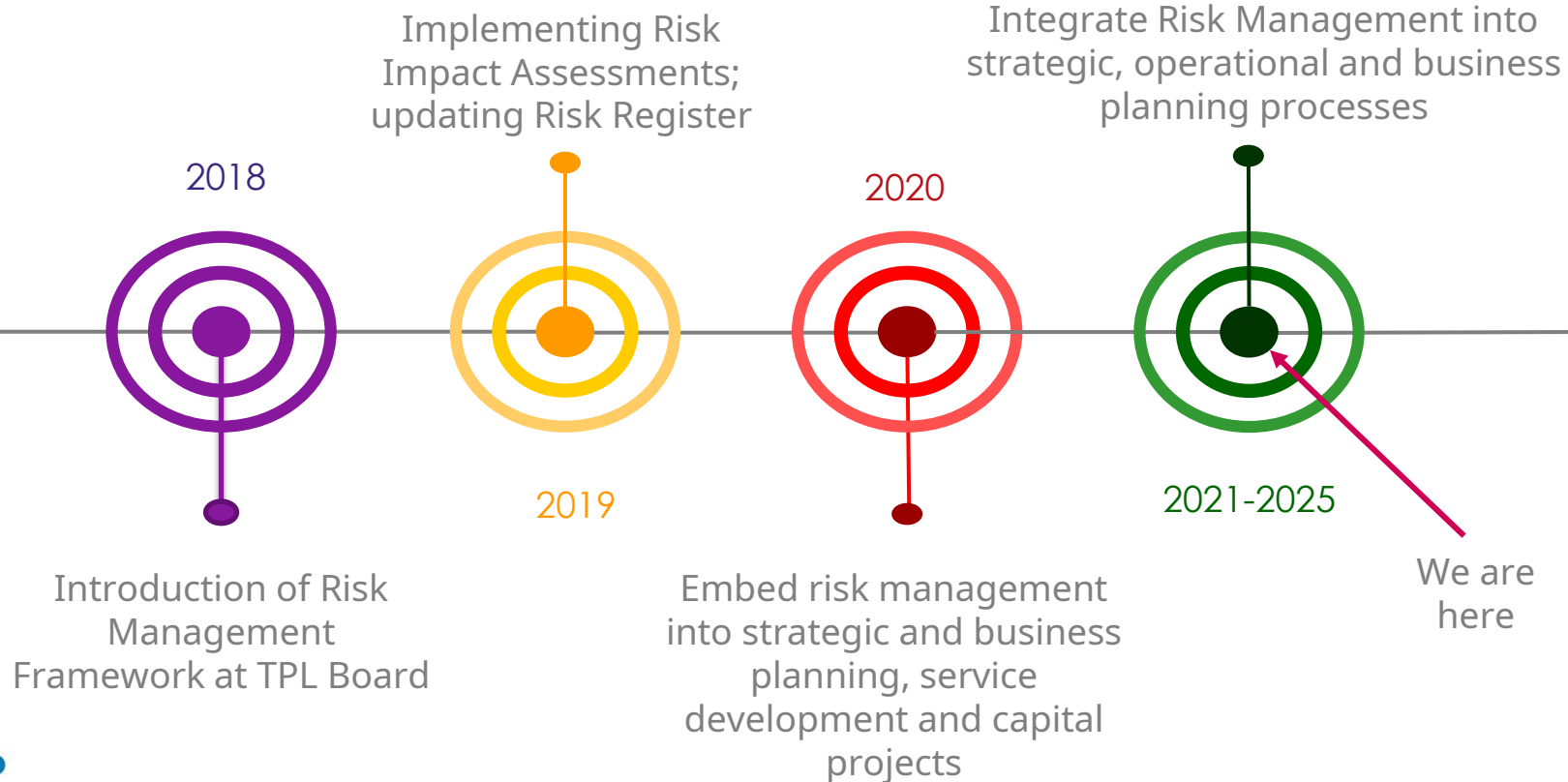To report to the Board the status of all risks in the 2025 Risk Register:

- **Two (2) risks** with current residual scores of extreme or high

- **Twenty-three (23) risks** with current residual scores of low, medium, or medium-high

tpl:

- Enterprise risk management (ERM) a key aspect of governance

- Enterprise risk register a key component of the ERM program

Risk register objective:

To provide a reliable and practical tool for the Board's oversight of risks with the most potential for adverse impact and for staff to use to prioritize work (among other factors)

tpl:

ERM process maturity and integration

2018
Implementing Risk Impact Assessments; updating Risk Register

Integrate Risk Management into strategic, operational and business planning processes

2020

2019

2021-2025

Introduction of Risk Management Framework at TPL Board

Embed risk management into strategic and business planning, service development and capital projects

We are here

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risk register: approach recap

Methodological modifications made in December 2023:

- Implemented common format for risk registers
- In-depth document analysis, interviews with expert TPL staff, and consensus to identify risks, scores and risk mitigation controls
- Scored inherent risk (without mitigation) and targeted residual risk after all mitigation controls applied
- Assigned divisional responsibility to each mitigation control

Retained:

- Risk rating criteria and scoring methodology - Likelihood (scale 1-5) x Impact (scale 1-5) = final score

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definition & granularity of risk

Risk = a specific threat, hazard or adverse event that TPL is currently exposed to, or that will emerge in 2025,

- that still requires mitigation or acceptance in 2025 or after;

- that TPL has not mitigated completely; and

- around which there is evidence (quantitative or qualitative) that an existing critical operational policy, process, or system is likely to fail, or

- around which there is evidence (quantitative or qualitative) that TPL will not be able to meet a strategic objective or compliance requirement.

tpl:

Methodological modifications made in 2025:

- Each risk is assigned a unique number, associated with the order in which the risk appeared on the register

    - Risks retain their original numbers throughout their lifespan, for ease of tracking over time

- Risks are ordered and grouped on the register based on current residual risk scores at the time of this report (2025), after mitigation over 2024, to provide an accurate picture of current risk

    - In 2023, the first year of the revised format, risks were ordered and grouped by inherent (unmitigated) risk

next steps

In 2025, the Enterprise Risk Management program will:

- analyze and report on the progress of mitigating the 24 open risks, by integrating the Risk Mitigation Tracker and the Divisional Work Plans

- continue to explore possible metrics and indicators (quantitative or qualitative) to measure the likelihood or impact of the risk and the effectiveness of mitigation controls

- incorporate methodology from City of Toronto, as it is developed and implemented

thank you
questions?

tpl:

Appendices

likelihood scoring scale

Score	Likelihood	Description	Likelihood of Occurring
5	Almost certain	Is **expected** to occur within the next year unless circumstances change; or this is a frequent occurrence.	91-100%
4	Likely or very possible	Will **probably** occur in most circumstances. **More than 50% chance.** Has occurred within the past 3 years or is more than 50% likely to occur within the next 3 years.	51-90%
3	Possible-occasionally (somewhat likely)	**Might** occur under current circumstances. **Less than 50% chance.**	26-50%
2	Unlikely	**Could** occur if circumstances change. Small likelihood but could happen.	5-25%
1	Rare-almost impossible	**May** occur only in exceptional circumstances. Possible, but would be very surprising. Has not occurred in the past 3 years and is not likely to occur in the next 3 years.	<5%

impact scoring scale

score	likelihood	description
5	Extreme	One or more strategic objectives will not be met. One or more critical project/program objectives will not be achieved.
4	Major	One or more strategic objectives will fall below acceptable levels. Fundamental rework needed before project/program goals can be met.
3	Moderate	One or more strategic objectives will fall well below goals. Delay in accomplishing project/program goals.
2	Minor	One or more strategic objectives will fall below goals, but deviation will not significantly affect project/program goals.
1	Minimal	Little or no impact on achieving strategic objectives, or project/program goals.

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