



# Risk-informed Compliance Framework

## Frequently Asked Questions and Answers

### Purpose and Design

#### 1. What is the OFC's Risk-informed Compliance Framework?

The Risk-informed Compliance Framework (RICF) describes the approach that the Office of the Fairness Commissioner (OFC) applies to oversee regulator compliance with the legislated obligations set out in the *Fair Access to Regulated Professions and Compulsory Trades Act, 2006* and Schedule 2 of the *Regulated Health Professions Act, 1991*. Under this approach, the OFC undertakes a risk assessment of each regulator, and adopts additional compliance tools appropriate to the level of risk.

The OFC first introduced the risk-based approach in spring of 2021. The RICEF replaced the OFC's former Strategy for Continuous Improvement.

#### 2. Why did the OFC adopt the RICEF?

Under the OFC's former approach, each regulator was subject to an assessment of registration practices once every three years. By 2020, the need for regular, repeated verification of compliance had diminished.

While most regulators have steadily improved their registration practices over time, progress across the professions has been uneven. In some cases, long-standing concerns have not been addressed. At the same time, changes in the regulatory environment have presented regulators with new challenges.

The OFC has modernized its approach to focus its limited resources on long-standing or urgent issues. The RICEF now better matches risk with regulatory requirements.

#### 3. How does the approach work?

Under the risk-based approach, the OFC assigns one of three risk categories to each regulator. Risk categories are used to determine the level of attention that the OFC will pay to each regulator.

More particularly, regulators placed in elevated risk categories are subject to increased scrutiny by the OFC and are assigned a compliance action plan to guide improvements

to their registration practices. A progressive approach to intervention utilizes additional compliance tools on an as-needed basis.

## **Methodology**

### **1. How are risk categories assigned?**

For each risk assessment cycle, the OFC creates a risk inventory, to identify key factors that may impede a regulator's ability to assess applications and register applicants in a fair and efficient manner. Risks may relate to the regulator's capacity or willingness to meet their legislative obligations, and to external influences such as labour market conditions.

For each risk, the OFC assesses likelihood and impact. After considering the aggregated risks, the OFC assigns an overall risk category to each regulator.

### **2. It appears that some of the risk factors are not under the full control of regulators. Why are they factored into the analysis?**

The OFC recognizes that the risk factors include some components that fall outside the direct control of regulators.

It is important to note that risk assessment is not the same as performance measurement. The goal is to identify issues or challenges that may impede an applicant's registration journey and that, consequently, require a regulator's attention, innovative solutions, and the identification of risk mitigation strategies.

The OFC also recognizes that regulators may need to work with their oversight ministry, third party assessment providers and other stakeholders to address external risks such as labour market shortages.

### **3. How does risk assessment relate to the assessment of a regulator's compliance with the legislation?**

The OFC treats risk assessment differently from compliance or performance assessment. Compliance assessments focus on identifying and correcting instances of non-compliance. Risk assessment is more proactive and seeks to identify vulnerabilities requiring attention that can be targeted with preventive or remedial measures.

Risk assessment is not intended to be a punitive tool. Rather, the OFC's risk ratings are designed to assist both regulators and the OFC to focus our collective resources on identifying and addressing areas that may present barriers to fair registration practices.



The ultimate goal is to help skilled professionals to contribute their full potential to Ontario society at a time when these skills are sorely needed.

#### 4. What are the risk categories under the updated framework?

There are three risk categories into which a regulator may be placed:

- Low.
- Moderately low.
- Moderate to high.

#### 5. Will the OFC modify or update its risk factors in the future?

The OFC will review the relevance and appropriateness of its risk inventory and factors on a regular basis. We will only introduce updates following appropriate consultation.

### Risk Assessment Process

#### 1. What does the risk assessment process look like?

The risk assessment process involves four discrete steps:

Step	Expected Timeline
<b>1. Regulator provides information</b>  The OFC will first provide each regulator with an RICF questionnaire to complete. This questionnaire will supplement the information that the regulator provided to the OFC in its latest Fair Registration Practice (FRP) report and other periodic reports.	<b>FARPACTA regulators:</b> Will receive RICF questionnaire by November 20, 2023, with a due date of December 20.  <b>RHPA regulators:</b> Will receive RICF questionnaire by November 14, 2023, with a due date of December 14.
<b>2. OFC assigns a provisional risk rating</b>  The OFC will assess a regulator's risk profile and assign a provisional risk rating.	January – February 2024
<b>3. Regulator is given an opportunity to comment</b>	Late February – Early March 2024

<p>For regulators that are provisionally assigned a moderately low or medium to high risk profile, the OFC will communicate this result to the regulator and offer an opportunity for the regulator to provide comments and / or additional information.</p>	
<p><b>4. OFC finalizes risk rating</b> The OFC will consider any additional information or comments provided, finalize the risk rating, and communicate the rationale for the risk rating to each regulator by letter.</p>	<p>By April 1, 2024</p>

**5. How will the OFC work to ensure an accurate, objective and fair risk assessment?**

The RICF is tightly integrated with the legislative obligations contained in both fair access statutes and dependent on regulator engagement.

The OFC will base its assessment of risk on information and evidence that regulators provide. This will include the RICF questionnaire, FRP reports, and responses to any additional in-year surveys.

The OFC will supplement this data with its general observations about the regulator’s performance, such as those derived from compliance analyst discussions, applicant inquiries, key stakeholder feedback and appeal tribunal decisions. Where this information contributes to the provisional assignment of an elevated risk rating, regulators will have the opportunity to respond and provide additional information.

The OFC will also employ an internal quality-control process, involving team discussion and management review, to ensure the consistent application of the framework and the assessment of risk across different regulators. The OFC’s director and the Fairness Commissioner will review each situation where an elevated risk rating is proposed.

**6. What are the implications of an elevated risk rating?**

The OFC uses the risk categories to tailor its compliance approach. For instance:

- Regulators in the low-risk category will experience a “light touch” compliance approach.



- The OFC will require that regulators in the moderately low risk category meet with the agency staff on a quarterly basis and complete an action plan.
- For moderate to high-risk regulators, the OFC will also require that regulators complete action plans and participate in bi-monthly meetings to monitor progress on these plans.

The OFC will employ additional compliance tools on an as needed basis.

## **7. Will regulators have an opportunity to dispute their risk category?**

Based on the OFC's modern regulator principles, its approach will be based on the principles of transparency, professionalism, and collaboration.

Where the OFC has provisionally assigned the regulator a moderately low or moderate to high-risk rating, the regulators will have the opportunity to provide additional information and comments to the OFC before the assignment of a final risk category and to request a meeting for this purpose.

## **8. Will the OFC publicly disclose the risk categories of regulators?**

As a modern regulator, the OFC strives for transparency and public accountability. As part of this commitment, the OFC plans to disclose the risk categories of regulators in its public reporting vehicles (e.g., its annual reports), along with regulator progress and accomplishments to address the identified risks.

## **9. How will the OFC and Ministry of Health (MOH) ensure that their reporting requirements are complementary and not duplicative?**

The OFC continues to engage with MOH to help ensure alignment and complementarity of the RICF and MOH's College Performance Measurement Framework (CPMF). Where feasible, we will cross reference information from the CPMF, rather than require duplicate reporting.