

## POLICY 1.55 – ENTERPRISE RISK MANAGEMENT

<b>Policy Category:</b>	General
<b>Subject:</b>	Enterprise Risk Management
<b>Approving Authority:</b>	Board of Governors
<b>Responsible Officer:</b>	Vice-President (Operations & Finance)
<b>Responsible Office:</b>	Vice-President (Operations & Finance)
<b>Related Procedures:</b>	<a href="#">Enterprise Risk Management Framework</a>
<b>Related University Policies:</b>	N/A
<b>Effective:</b>	June 27, 2019
<b>Supersedes:</b>	(NEW)

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### KEY DEFINITIONS

**Enterprise Risk Management** – a continuous, proactive and dynamic process designed to identify, assess, communicate and manage potential risks; this includes negative risks that might otherwise inhibit the University from achieving its strategic priorities and supporting objectives, as well as positive risks that are in alignment with the University’s strategic priorities and operational responsibilities.

**Risk** – effect of uncertainty on objectives, deviation from the expected (positive and/or negative).

**Risk appetite** – the amount of risk, on a broad level, an entity is willing to accept in pursuit of value.

### PURPOSE

The purpose of the Enterprise Risk Management Policy is to articulate the University’s approach to risk management and provide an overview of the related roles, responsibilities and accountabilities.

### POLICY

- 1.00 The University will establish and maintain an Enterprise Risk Management (“ERM”) Program. In order to support the execution of the ERM Program, the University will maintain a Framework and set of tools based on leading practice.
- 2.00 ERM will be executed through a systemic, ongoing process, with a view to supporting and facilitating the achievement of the University’s objectives through the regular identification, analysis, treatment and monitoring of key risks.
- 3.00 The University will base its ERM Program on the most up-to-date ISO 31000 standard.

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- 4.00 The University will promote a culture of risk management which seeks to be proactive regarding risk. As appropriate, the University will seek to prevent or mitigate the impact of losses occasioned by negative risks, while supporting the informed and controlled undertaking of positive risks, in alignment with the University's strategic priorities and operational responsibilities. To this end, ERM will form a part of the overall management processes and risk information will be leveraged as much as possible to help inform decisions.
- 5.00 Within the ERM Program, risk information will be consolidated and reported on a regular basis, with an aim to providing timely and appropriate information to enable effective and informed decisions.
- 6.00 The University will work to define the acceptable level of risk it is willing to assume in the pursuit of value through the documentation of Risk Appetite. The University's Risk Appetite will be reviewed regularly, updated as required and communicated to promote an appropriate culture of risk management.

### **RESPONSIBILITIES & REPORTING**

- 7.00 The Board of Governors have ultimate accountability for risk and risk management.
- 8.00 The Audit Committee of the Board of Governors will provide oversight of ERM Program and monitor the management of key/top strategic-level enterprise risks. The Audit Committee will keep the broader Board of Governors abreast of key developments in the University's risks.
- 9.00 The President will appoint a Strategic Risk Management Committee, who will oversee the implementation and ongoing execution of the ERM Program. The Strategic Risk Management Committee will provide regular reports to the Audit Committee of the Board of Governors.
- 10.00 The President will appoint an Institutional Risk Management Committee, who will lead the completion of institution-wide risk assessments, mitigation and monitoring of strategic risks. The Institutional Risk Management Committee will provide regular reports to the Strategic Risk Management Committee.
- 11.00 Internal Audit will provide core assurance to management and to the Board on the effectiveness of risk management. Internal Audit will also provide ERM consulting services to management. This includes providing guidance and support to management as they determine the best way to mitigate a risk. Management will determine what controls are required and make all decisions related to risk.
- 12.00 The work performed within the ERM Program by any of the named groups will not replace any of the operational and tactical risk management happening in faculties and departments throughout the University.