

AD 20 Enterprise Risk Management

Classification:	Administration
Responsible Authority:	Director, Risk Management
Executive Sponsor:	Vice President, Finance and Administration
Approval Authority:	Algonquin College Executive Team
Date First Approved:	2014-11-19
Date Last Reviewed:	2021-11-24
Mandatory Review Date:	2026-11-24

PURPOSE

To articulate and sustain an approach to identify, assess, and effectively mitigate risk that is consistent with the stated College Risk Appetite.

SCOPE

This policy applies to all policies, procedures, business processes, technology processes, research, planning, activities, and includes College employees and representatives of the College having a risk management responsibility.

DEFINITIONS

Word/Term	Definition
College Risk Appetite	Comprises risk statements that expresses the amount and type of risk the College is willing to pursue or retain in order to achieve its mission and strategic objectives. These risk statements are updated and approved by the Audit and Risk Committee of the Board of Governors at a minimum once every three (3) years.
Enterprise Risk Management (ERM)	A coordinated set of activities and methods that is used to direct the College and to control the many risks that can affect its ability to achieve objectives. ERM is used interchangeably with the term risk management.
Enterprise Risk Management (ERM) Framework	A set of components that provides the foundations and organizational arrangement for designing, implementing, monitoring, reviewing, communicating and continuously improving the management of risk throughout the College.
Enterprise Risk Management (ERM) Risk Report	A report that provides ongoing monitoring and reporting on the progress of risk mitigation activities and results that is prepared for the Audit & Risk Management Committee (ARM) of the Board of Governors on a quarterly or as required basis.
Risk	Risk describes the probability of loss (financial / property, human, liability) or other negative event. At an enterprise level it describes the effect that

uncertainty can have on the College's ability to execute its strategies and/or achieve its business objectives.

Risk encompasses the potential for positive as well as adverse results.

Risk Owner

A College employee who has been given the authority to manage a particular risk and is accountable for doing so.

POLICY

1. The College Risk Management Committee (CRMC) will advance and promote an ERM framework.
 2. The College, both at the College (enterprise) level, and individual academic and administrative unit level, is committed to implementing and maintaining an ERM framework that is:
 - 2.1 consistent with current Canadian and internationally recognized standards, including the CSA/ISO 31000 (2018) Risk Management Guidelines.
 - 2.2 a sustainable approach to ensuring awareness and a shared responsibility for risk management at all levels of the College.
 - 2.3 supportive to the decision-making processes by preventing and minimizing the impact of potential losses, improving the management of existing uncertainty and the approach to new opportunities, thereby helping to maximize the College's available resources and achieve its vision and mission.
 - 2.4 responsive to a changing risk profile and which brings value to management decision-making and demonstrates management accountability.
 - 2.5 accountable and produces regular risk reporting through an active risk register.
 - 2.6 cognizant that not all risk will be eliminated, but rather, risk will be identified and managed with acceptable risk tolerances in accordance with the College Risk Appetite.
 - 2.7 the source of established minimum requirements for the completion of risk assessments related to identified College activities, processes, and business goals.
 3. Risk assessments must be completed for individual capital construction projects, technology acquisitions, specific maintenance projects, initiatives, and strategic investment priorities with a total aggregate value greater than \$1,000,000.
 4. Risk assessments may be completed for internally significant operational activities to help inform and bring value to the decision-making process.
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PROCEDURE

<u>Action</u>	<u>Responsibility</u>
1. Responsible for setting the College risk appetite, risk culture and oversight, in conjunction with the Board of Governors.	President
2. Provides regular updates regarding risk exposure and mitigation strategies, as required, to the ARM Committee of the Board of Governors.	Algonquin College Executive Team (ACET)
3. Responsible for overseeing management's implementation of an appropriate ERM program to manage the risks related to the College's business strategy and objectives.	ACET
4. Regularly monitors and reviews the College risk profile and risk assessments to ensure appropriateness of risk governance and infrastructure.	ACET
5. Responsible for advancing and promoting an ERM framework, stewardship of College policies and procedures that support risk management practices, monitoring the risk profile of the College, and providing guidance and leadership related to changes in the development, implementation and monitoring of risk mitigation measures, on an ongoing basis.	College Risk Management Committee (CRMC)
6. Responsible for aligning the College's ERM to the Risk Management Guidelines (ISO 31000) and deploying across the College.	Director, Risk Management
7. Provide assistance to risk owners and employees, early in the project planning process, with respect to effective execution of risk assessment, measurement, mitigation and monitoring processes.	Risk Manager, Risk Management
8. Responsible for establishing and monitoring the effectiveness of risk mitigating strategies that balance opportunity with risk controls, in accordance with the College risk appetite.	Vice Presidents, Dean/Directors, Chairs/Managers, Risk Owners
9. Responsible for applying processes, practices, models and standards to identify, assess, manage and report on risks, which helps assure risk consciousness in day-to-day activities.	Vice Presidents, Dean/Directors, Chairs/Managers, Risk Owners

SUPPORTING DOCUMENTATION

College Enterprise Risk Management Program

<https://www.algonquincollege.com/safety-security-services/files/2021/11/College-ERM-Program-REV-2021-11-08.pdf>

RELATED POLICIES

AD25: Financial Integrity

<https://www.algonquincollege.com/policies/files/2021/06/AD25.pdf>

RELATED MATERIALS

Audit and Risk Management Committee Terms of Reference

<https://www.algonquincollege.com/bog/files/2021/02/ARM-Terms-of-Reference-APPROVED-at-BOG-2021-02-22.pdf>

College Risk Management Committee Mandate

<https://www.algonquincollege.com/safety-security-services/files/2021/11/UPDATED-CRMC-Mandate-September-2021-2.pdf>

International Standard CSA/ISO 31000 (2018) Risk Management Guidelines

<https://www.iso.org/obp/ui#iso:std:iso:31000:ed-2:v1:en>
