

## UNIVERSITY RISK MANAGEMENT POLICY - DRAFT

### PURPOSE

The purpose of this Policy is to articulate the objectives, scope, accountabilities and responsibilities for the University's framework for formally managing its enterprise risks, which is commonly referred to as an Enterprise Risk Management (ERM) program, hereinafter referred to as Brock's University Risk Management (URM) program.

### SCOPE

This Policy applies to Brock's University Risk Management (URM) framework with respect to risks to be managed and reported in accordance with this Policy.

This policy shall be interpreted and applied in compliance with the University's obligations under any Collective Agreements. Nothing in this policy shall be interpreted as limiting or amending the provisions of any Collective Agreement. In the event that any provision of the policy is found to be inconsistent with the provisions of a Collective Agreement, the Collective Agreement will prevail.

### POLICY STATEMENT

Brock will identify and manage its risks and opportunities in support of its vision, mission and goals in a manner consistent with the University's strategic objectives. The University does not seek to eliminate risk because doing so is neither possible nor beneficial to the health of the organization. Rather, Brock will identify acceptable risk tolerances and work towards mitigating existing and emerging risks in an appropriate manner.

Brock's URM program will be designed to identify risks and opportunities that may significantly affect the University's ability to achieve its strategic goals and objectives. Through the ERM process, risks will be assessed against Brock's risk tolerance and control framework to provide the University with reasonable assurance that stated objectives and goals are

achievable. To facilitate the effective management of risks across the University, Brock will:

- Foster the development of a risk management culture across the institution.
- Develop procedures for identifying, measuring, managing and reporting risks.
- Consider the appropriate balance of risk and reward (risk appetite) in its decision-making.
- Assess and actively monitor the University's principal risks and ensure appropriate mitigation activities.
- Regularly review its URM program to ensure alignment with changing University objectives, strategies and tactics, and supporting organizational structure and processes.

The University's guiding principles in managing risk are that:

- The Board of Trustees and University senior administrative team will develop processes to identify, assess and respond to risks and opportunities.
- The University Executive team supports, advises on and implements policies approved by the Board of Trustees.
- Deans and Associate Vice-Presidents are responsible for encouraging good risk management practices within their faculties and units.
- Key risk indicators will be identified and monitored on a regular basis.

### **Roles and Responsibilities**

The management of risk is a shared responsibility across all levels of the University.

The President, Vice-President, Administration and the Provost and Vice-President, Academic are accountable for the overall design, implementation and effectiveness of the University's ERM program. More specifically, they are responsible for:

- Overseeing the development of a sustainable and effective URM framework that is designed, implemented and resourced in an appropriate manner.

- Ensuring that the University's principal risks are regularly identified reviewed and reported.
- Ensuring that ERM activities are integrated into University operations and delivered consistent with this Policy and related framework and process documentation.
- Ensuring the formation of a University Risk Management Committee (URMC) and ensuring that the objectives of the Committee are appropriate.
- Ensuring reporting of ERM activities to the University's Audit Committee of the Board of Trustees as per the Audit Committee Charter.
- Ensuring the on-going relevance of this policy and the continued alignment of the University's ERM approach against strategic objectives.

**The Board of Trustees** is accountable for setting the tone of Brock's URM program and obtaining assurance that management is managing risk in an effective and efficient manner. The Board accomplishes these objectives by reviewing and approving the URM Policy, the University's Principal Risk reporting and associated mitigation strategies, and providing guidance regarding the University's risk appetite and tolerances.

**The Audit Committee of the Board of Trustees** is responsible for reviewing the design, execution, and effectiveness of Brock's URM program and reporting to the Board of Trustees.

**The University Risk Management Committee (URMC)** is composed of key University leaders and stakeholders and assists the Vice-President, Administration and Provost and Vice-President, Academic in fulfilling their ERM role. The URMC is responsible for providing URM framework oversight and governance, ensuring risks and opportunities are considered in key University decisions, and monitoring the University's overall risk environment.

**Deans and Associate Vice-Presidents** are responsible for identifying, evaluating and managing risks and opportunities within their faculties and units and providing input and feedback to the URM program as required.

**DEFINITIONS**

**Risks and Opportunities.** Risk is defined as the uncertainty of outcomes against planned objectives. Events can have negative impact, positive impact, or both. Events with a negative impact represent risks, which can prevent the University from meeting strategic objectives or realize on opportunities. Events with positive impact may offset negative impacts or represent opportunities. Opportunities, which may carry a cost, are the possibility that an event will occur and positively affect the achievement of objectives.

**Enterprise Risk Management** is a structured and disciplined approach aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing risks within an organization. While acknowledging that it is neither desirable nor realistic to eliminate institutional risk, ERM seeks to strike an appropriate balance between the risk and reward inherent in existing and emerging risks and opportunities.

**Principal risk** is an occurrence that could have a significant adverse impact on the University’s financial, reputational, or operational activities.

**Risk tolerance** is described as the level of risk the University is willing to accept in relation to a threat that may cause loss or an opportunity in the day-to-day business activities. The University’s risk tolerance may be different for different events or activities. The University’s risk tolerance and the alignment between its risk appetite and its objectives form part of the overall University strategy.

**COMPLIANCE AND REPORTING**

This Policy is under the jurisdiction of the Board of Trustees. The interpretation and application of this Policy is the responsibility of the Vice-President, Administration. Final decisions related to this Policy will be made by the Board of Trustees, where required. Policy violations shall be reported to the Vice-President, Administration.

Policy owner:	President Vice-President, Administration Provost and Vice-President, Academic
Authorized by:	Board of Trustees, Governance Committee, Audit Committee

Accepted by:	Senior Administrative Council
Effective date:	Month, Year
Next review:	Month, Year
Revision history:	New
Related documents:	TBD