

Enterprise Risk Management Policy

Category: Operations

Approval: Board of Governors

Responsibility: Vice President, Finance and Administration

Date: Approved December 6, 2013; last updated October 5, 2018

Definitions:

Enterprise Risk: is the chance that an event, trend or course of action will have a negative effect on an institution's ability to meet its strategic objectives.

Enterprise Risk Management: is the process of identifying, analyzing and managing risks to increase the probability that the University will achieve its strategic objectives by providing the methodology for integrating risk into the strategic planning and resource allocation processes.

Risk Analysis: is the process of determining the likelihood of a particular event, trend or course of action occurring and its potential impact on strategic objectives.

Risk Appetite: is the risk impact the University is willing to accept for any event, trend or course of action and will vary depending on the effect of the risk on the university's operational or strategic goals.

Risk Tolerance: is the level of risk the University is willing or capable of accepting for any event, trend or course of action. Risk tolerance is typically a financial or legal impact that would threaten the ability of the University to continue to operate.

Risk Treatment: sometimes known as risk control, is the measures used to modify the risk to fall within the university's appetite and tolerance for that risk. Options include accept, mitigate, transfer or avoid the event, trend or course of action.

Risk Register: a list of identified enterprise risks that documents the risk analysis, risk scores, risk treatments, PVP direction, results of risk treatments and status of each risk.

Purpose/Reason for Policy:

The purpose of this policy is to:

- Incorporate a consistent approach to risk management into the culture and strategic planning processes of the University that supports decision making and resource allocation to achieve strategic goals.
- Apply a consistent approach to risk management to support the university's governance responsibilities for responsible risk-taking, policy development, programs and objectives.
- Manage a transparent approach to risk through open and meaningful, pan-university communication and monitoring of all key risks that balances the cost of managing risk with the anticipated benefit.

Scope of this Policy:

This policy applies to all plans, activities, business processes, policies, procedures, individuals and property that comprise the Trent University enterprise.

Policy Statement:

Trent University engages in a wide range of activities, both on and off campus, all of which give rise to some level of risk. It is the policy of Trent University to:

- Embed risk management into the culture and operations of the university
- Integrate Enterprise Risk Management into strategic planning and resource allocation decisions
- Manage risk in accordance with best practices
- Regularly re-assess the university's risk profile and the effectiveness of risk treatments in the context of the University's strategic objectives

Responsibilities:

Board of Governors: is responsible for oversight of the ERM Program to ensure that the ERM process is used to develop and achieve the strategic objectives of the University.

President: is responsible to ensure that all executive sponsors and risk leads integrate ERM into the development of strategic plans and operational decisions and to report on the university's enterprise risk profile to the Board of Governors regularly.

PVP: is the senior risk committee of the university responsible to identify emerging enterprise risks, prioritize identified enterprise risks, direct or approve risk treatments, allocate sufficient resources to implement risk treatments, monitor the results of risk treatments, review and update the risk register in preparation for Board reports and ensure that ERM is integral to strategic goal setting and decision making. PVP members are the executive sponsors for all enterprise risks.

Director, Risk Management: is responsible to manage the ERM Program. This involves monitoring sector best practices and standards, working with risk leads and executive sponsors to analyze both operational and enterprise risks and develop effective risk treatments, managing the university's insurance program, regularly updating and/or renewing the risk register, preparing Board reports and coordinating risk management education and training.

Risk Leads: are managers or above typically responsible for one or more university functions and are directly responsible to implement risk treatments as directed by PVP. Risk leads are responsible for maintaining good internal controls, managing their operational risks and advising their Executive Sponsor of any risks in their portfolio that cannot be managed operationally and should be submitted to the ERM program.

All employees: are responsible for effectively managing risks in their area of responsibility, and identifying and advising their supervisor of potential risks.

Contact Officer:

Director, Risk Management

Date for Next Review:

June 2023

Related Policies, Procedures & Guidelines

- a) Activity Risk Management Policy
- b) Student Activity Risk Management Policy
- c) Emergency Management Plan
- d) Health and Safety Policy

Policies Superseded by This Policy:

- a) Nil