

Title	Enterprise Risk Management		
Classification	Administrative	Oversight & Responsibility	Office of the Vice-President & Chief Financial Officer
Category	Governance & Legal	Effective Date	2021 Mar 31
Approval	Board	Policy No	1024

This policy is applied in a manner consistent with applicable statutory and legal obligations, including university collective agreements and terms of employment. The first appearance of terms in **bold** in this document (except titles) are defined terms – refer to the Definitions section.

NOTE: The most up-to-date versions of our policies are posted on the policy & procedure website. If you've printed this policy, check the website to be sure you have the current version.

1.0 POLICY STATEMENT

Royal Roads University (“university”) promotes an organizational culture of increased awareness and shared responsibility for an **enterprise risk management program (“ERM program”)** through purposeful collaboration and interaction with the university community. A university-wide perspective on risk is essential to understand the impact of risk events and to develop comprehensive and integrated approaches to control risks within acceptable levels.

Through an integrated approach, **risk management** is incorporated into the strategic, academic, and operational planning and decision-making processes in support of the university’s mandate, vision, and strategic priorities.

2.0 SCOPE

This policy extends to the university’s board members, employees, students, contractors, volunteers, and visitors and all academic, administrative, and research activities and operations undertaken by the university.

3.0 POLICY TERMS

- 3.1 The university will establish and maintain an ERM program that incorporates a consistent approach to risk management into the culture, vision and strategic and operational planning processes of the university.
- 3.2 There are appropriate measures in place to address potential unfavourable impacts from risks as well as to be adequately positioned to take advantage of favourable benefits from opportunities.
- 3.3 The university will manage a transparent approach to risk through open and meaningful communication and monitoring of all key risks, promoting a culture of risk that seeks to evaluate and anticipate risk at the evaluation, planning and implementation stages of initiatives and projects.
- 3.4 ISO 31000: 2018 standards are applied by the university as the guideline for developing and maintaining its ERM program.
- 3.5 ERM is not an independent activity and serves as a valuable resource to assist the university with informed decision-making.

4.0 AUTHORITIES, ROLES, AND RESPONSIBILITIES

The Board of Governors (“Board”) is committed to ensuring that risks to the university’s strategic, academic, and operational planning and decision-making activities are systematically identified, assessed, addressed, recorded, and reported in an integrated enterprise-wide approach. To uphold this commitment, the Board directs that a consistent, proactive, and coordinated ERM program and framework be established and integrated into all university activities.

Members of the university community are responsible for supporting a risk aware culture at the university and the effective management of risk. The management of risk does not mean the university will eliminate all risks but rather, it will ensure that risks are identified and managed within the University’s risk appetite.

4.1 Board of Governors/Finance and Audit Committee

- 4.1.1. The Board is responsible for the oversight and governance of the ERM program for the university and setting the university’s risk appetite levels.
- 4.1.2. The Finance and Audit Committee (“Committee”) is responsible for reviewing the university’s tolerance for risk, recommends improvements to the university’s overall approach to risk management, and approves risk management policies as part of the university’s risk management process.

4.2 Executive

- 4.2.1 The President, as delegated by the Board, has accountability for the management and implementation of the university’s ERM program.
- 4.2.2 The President and Vice-Presidents are accountable for promoting a risk aware culture, supporting the integration of risk management into all university decision-making activities and establishing risk tolerance levels.
- 4.2.3 The Vice-President and Chief Financial Officer, as delegated by the President, leads the coordination of the university’s ERM program.

4.3 Vice-President and Chief Financial Officer

Administration of the ERM program, risk management policy and processes are delegated to the Vice-President and Chief Financial Officer who will:

- 4.3.1 coordinate risk management activities and procedures;
- 4.3.2 monitor and report on risks and controls through periodic review of program activities and risk trends to determine necessary mitigation plans;
- 4.3.3 regularly report to the executive and board on ERM program activity; and
- 4.3.4 provide guidance and advice to those involved in the operational management of risk.

4.4 Academic and administrative managers are responsible for implementing good operational risk management practices and maintaining appropriate internal controls that support the effective management of risk.

5.0 DEFINITIONS

For the purposes of this policy:

Enterprise Risk Management (ERM) means the application of risk management processes and practices across the university, at all levels from strategic planning to service delivery in both academic and operational programs.

Enterprise Risk Management Program (ERM Program) means the coordinated approach to be used by the university to identify, assess, respond to and monitor risks. Includes the methods and processes used by the university to manage risks and seize opportunities related to the achievement of its objectives.

Risk means the effect (positive or negative) of uncertainty on objectives as well as the chance or probability of loss (defined by the ISO 31000: 2018)

Risk appetite means the amount and type of risk that an organization is prepared to pursue, retain or take (defined by the ISO 31000: 2018)

Risk tolerance means the acceptable level of variation around a particular set of risk-based objectives

Risk management means the consistent, coordinated, structured and disciplined effort to understand and treat risk, reduce uncertainty and better meet or exceed goals and objectives.

6.0 INTERPRETATION

Questions of interpretation or application of this policy or its procedures will be referred to the Vice-President and Chief Financial Officer whose decision is final.

7.0 RELATED DOCUMENTS

Royal Roads University Documents and Information

- ERM Framework (under development)
- ERM Procedures (under development)

Legislation and Information

- [Risk Management Guide for the BC Public Sector](#), 2019
- [ISO 31000:2018](#), and amendments thereto

Review and Revision History

Date	Action
2005-May-25	Approved by Board of Governors
2021-Mar-31	Revised; approved by Board of Governors
Next Review	
2022-Mar-31	For review one year post-implementation