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ENTERPRISE RISK MANAGEMENT POLICY

POLICY STATEMENT

North Island College (NIC) recognizes that a coordinated risk management approach is critical to the achievement of its mandate, strategic goals and operational priorities. Risk is inherent in many aspects of post-secondary operations and although we cannot eliminate risk, we seek to manage risk to protect and enhance the value that NIC delivers to the community.

NIC is committed to implementing and maintaining a sustainable Enterprise Risk Management (ERM) framework and fostering an embedded risk culture across the College. ERM is the coordinated, ongoing application of risk management across all parts of an organization, at all levels, from strategic planning to service delivery and provides an effective way to identify and manage risks that may require cross-departmental collaboration and senior level decision-making.

PURPOSE STATEMENT

The purpose of this policy is to outline the principles, roles and responsibilities as part of the college's approach to risk management through an overall Enterprise Risk Management (ERM) framework.

SCOPE AND APPLICATION

This policy applies to all members of the College Community and extends to all activities and operations undertaken by the College.

PRINCIPLES

The following principles underpin NIC's approach to risk management:

1. NIC takes on risk as a necessary part of its operation and acknowledges that all activities have an element of risk and that not all risks can be fully mitigated or transferred.
2. NIC recognizes Enterprise Risk Management (ERM) as critical to the achievement of its goals and governance responsibilities, as understanding the most significant risks to strategic goals and service delivery supports informed decision-making and the future sustainability of the College.

3. NIC's ERM Framework is aligned with [CSA ISO 31000, an international risk management standard adopted by the BC Government](#) to provide a structure for managing risk and implementing effective enterprise risk management programs across the B.C. public sector. Processes within the ERM Framework are customized and proportionate to the external and internal context related to the College's strategic goals and operational priorities.
4. The ERM Procedures provide further detail on NIC's ERM framework including risk management processes and guidance on how risk should be assessed and reported.
5. Risk management is an integral part of all college activities and informs decision-making at all levels. Through an integrated and systematic approach, risk management is incorporated into NIC's strategic, academic, and operational planning and decision-making processes.
6. NIC will consider the amount and type of risk that it may or may not take relative to its objectives as part of its decision-making processes and will generally accept a level of risk proportionate to the benefits expected to be gained, and the scale or likelihood of damage.
7. Risk management is a shared responsibility at NIC. Employees are expected to understand the risks that fall within their area of responsibility and are expected to manage and communicate these risks appropriately.
8. NIC's [Risk Appetite Statement](#) outlines the amount and types of risk the College is willing to accept to achieve its mandate, strategic goals and operational priorities. The Risk Appetite Statement is a key part of the College's decision-making processes and should guide employees in their actions and ability to accept and manage risk within their areas of responsibility.
9. Risks are dynamic and can emerge, change or disappear with shifts in the external and internal context. NIC strives to anticipate, plan for, and respond to changes and events in an appropriate and timely manner.
10. The ERM Framework will be updated as needed to reflect changes in the College's practices, public sector guidance, and NIC's mandate and strategic plan.
11. Risk management is continually improved through learning and experience. NIC's ERM framework will be reviewed regularly and is informed by both provincial and internationally accepted risk management standards and guidelines. As the College continues to advance, risk management capacity and knowledge will progress and NIC's ERM Framework will mature.

DEFINITIONS

College Community includes:

- (a) registered NIC students, past and present;
- (b) all employees of NIC;
- (c) contractors and third parties required by contract to comply with NIC policies and procedures;
- (d) members of the NIC Foundation and donors;
- (e) members of the Board of Governors; and

(f) all other persons granted access to NIC property or resources.

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

Enterprise Risk Management (ERM) Framework– a systematic, integrated, cyclical and proactive approach to managing an NIC's risks and opportunities in relation to its mandate, strategic goals and operational priorities.

Risk means the effect of uncertainty on the College achieving its mandate, strategic goals and operational priorities.

Risk appetite means a high-level indication of how much risk the College is willing to accept to achieve its mandate, strategic goals and operational priorities. Articulating an organization's risk appetite is an important factor in facilitating risk-informed decision-making.

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.

An extended list of NIC ERM Framework definitions is outlined in the ERM Procedures.

ROLES AND RESPONSIBILITIES

NIC's ERM Framework sets the tone for shared responsibility of risk management throughout the organization and supports the development of an embedded risk culture.

Embedded risk culture at NIC means that:

1. Strategic and operational decisions are made with awareness of risk management;
2. There is an emphasis on a proactive approach to implementing the College's risk management framework;
3. Everyone is expected to be aware of the risks that are present in their daily activities and manage risk within their role;
4. All employees have a responsibility to ensure that any risks that are observed are communicated to their supervisor.



Adaptation of the Deloitte Enterprise Risk Management Model

Board of Governors

NIC's Board of Governors is accountable for the oversight of risk management and the strategic performance of the College. The Board has overall responsibility for ensuring that the College has an effective risk management framework and approves the Enterprise Risk Management Policy and Risk Appetite Statement.

To understand the risks facing the College in pursuit of its strategic priorities, the Board will annually receive NIC's Enterprise Risk Register, which includes an overview of the key strategic risks and the risk control activities being undertaken. The President reports emerging key risks to the Board as needed.

Board Finance and Audit Committee

The Board of Governors Finance and Audit Committee has the responsibility on behalf of the Board of Governors of reviewing the College's risk management processes to ensure that they are adequate and effective.

The Finance and Audit Committee will review NIC's Enterprise Risk Register and will support the development of the Enterprise Risk Management Policy and Risk Appetite Statement, recommending improvements to the College's overall approach to risk management.

Leadership Team

The Leadership Team is responsible for implementing the ERM Framework and identifying and managing strategic risks across the College. The Leadership Team will also consider key operational risks as appropriate.

The Leadership Team is accountable for ensuring effective mitigation strategies for key risks, including emerging risks. NIC's Enterprise Risk Register will be reviewed and updated by the Leadership Team at least twice a year.

Risk Management Working Group

The Risk Management Working Group is a sub-committee of NIC's Operations Team and is responsible for implementing the ERM Framework, overseeing and reviewing the Operational Risk Registers, and reporting key risks to the Leadership Team.

The group reviews risk registers to update risks and identify when risks should be escalated to or de-escalated from the Enterprise Risk Register.

The group will ensure accurate and reliable risk guidelines and documents exist, and relevant information is available to employees.

Deans & Directors

Deans and Directors are responsible for identifying, evaluating, and managing operational risks within their areas of responsibility. Deans and Directors will ensure that the information in the Operational Risk Registers is current and accurate for the purposes of overseeing and reporting on risk.

Key risks will be escalated for consideration by the Risk Management Working Group and/or Leadership Team as necessary.

Managers & Supervisors

Supervisors and managers are responsible for ensuring that all risks in their areas of operation are identified and managed appropriately, escalating risks as needed. Supervisors and managers will ensure that everyone in their area understands their risk management responsibilities.

All Employees

Employees are expected to be aware of the risks that are present in their daily activities and manage risk within their role. All employees have a responsibility to ensure that any risks that are observed are communicated to their supervisor.

RISK REPORTING

NIC uses a system of risk registers to help identify, quantify, and manage risk. Each risk register identifies and defines each key risk; and assigns associated risk scores, controls and actions that manage the risk in accordance with the College's risk appetite for each risk category.

Enterprise Risk Register

NIC's Enterprise Risk Register identifies key risks that are considered to have a fundamental impact on the College's ability to deliver its mandate, mission, achieve strategic goals or to operate effectively.

Operational Risk Registers

Each area within the College will have its own Operational Risk Register which will be reviewed regularly by its relevant management committee.

Improvement actions and risk indicators will be monitored regularly. Risks will vary widely across the College and managers are responsible for managing risk in a manner appropriate to each operational area.

Key risks from Operational Risk Registers will be reviewed by the Risk Management Working Group to ensure that emerging risks are escalated and added to NIC's Enterprise Risk Register as and when necessary.

Project Risk Registers

Major or transformational projects will establish and maintain a risk register, which shall be coordinated by the project lead and monitored by the relevant committee or working group.

RISK OWNERS

Risk owners are responsible for monitoring their risks and ensuring that the risk is managed appropriately, including liaising with colleagues to ensure that risks are mitigated across divisions and departments.

Risks within Operational and Project Risk Registers will be delegated to Deans and Directors or members of the Leadership Team.

To ensure that key risks are managed appropriately, responsibility for each strategic and operational risk on NIC's Enterprise Risk Register will be delegated to an appropriate Leadership Team Risk Lead.

Links to Other Related Policies, Documents and Websites:

[NIC Risk Appetite Statement](#)

NIC ERM Procedures (under development)

[Risk Management Guideline for the BC Public Sector](#)