POLICY CONSULTATION REPORT

TO: **The University Community**

DATE: **August 14, 2024**

FROM: **Jacquelyn Dupuis, Director of Risk Management**

SUBJECT: Risk Management Policy

BACKGROUND:

The Risk Management Policy establishes the foundation for a University Risk Management program which ensures that risk management is an integral part of the university's core strategy and integrated into all key activities and/or functions at Ontario Tech University. The policy instruments last had editorial amendments in 2019 and are being amended to make important clarifications, update practices, and integrate content from the Compliance Policy. As compliance has rolled into the Office of Risk Management, this will allow us to retire and supersede the Compliance Policy with a robust Risk Management Policy.

SUMMARY OF CHANGES:

A short summary of revisions to date are as follows:

Risk Management Policy
- Added an objective which provides information on compliance risk assessment.
- Added definitions of compliance risk, financial risk, operational risk, reputational risk, and strategic risk.
- Throughout the policy the department was updated to Office of Risk Management.
- Removed the Risk Management Committee from Risk Owners. As the Risk Management program has matured, the need for a formal committee to support implementation has reduced. Stakeholder consultation remains an important aspect of the risk management program, and the Director of Risk Management will continue to establish ad hoc working groups as needed.
- Added the responsibility of the Director of Risk Management and all members of the university to the Risk Owners.
- Added a section on training and education for the institution to reinforce the importance of Risk Management.
- Stated under the relevant legislation section that all legislations applicable to university activities under compliance risk. The Compliance Officer remains responsible for maintaining a comprehensive list of legislation applicable to university activities.

- Added more policies and procedures to the related policies, procedures, and documents section.

OPPORTUNITY TO COMMENT:
- The Office of Risk Management is seeking community comments on proposed amendments. Comments submitted will be considered by the Policy Owner.
- You may submit your feedback and recommendations for any of the posted policy instruments using the [Policy Instrument Feedback Form](#).

NEXT STEPS:

The consultation and approval path for the Policy will be as follows:

- Academic Council (consultation)
- Administrative Leadership Team (consultation)
- Audit & Finance (deliberation)
- Board of Governors (approval)

SUPPORTING MATERIALS:
- Risk Management Policy – Redline
- Risk Management Policy – Clean

Classification	LCG 1116
Framework Category	Legal, Compliance and Governance
Approving Authority	Board of Governors
Policy Owner	~~University Secretary~~The Office of Risk Management
Approval Date	June 18, 2014; Editorial amendment January 17, 2019
Review Date	~~January 2022~~ XXXX
Supersedes	

RISK MANAGEMENT POLICY

PURPOSE

1. ~~The purpose of this Policy is~~This policy aims to establish the foundation for a University Risk Management ("URM") program ~~which~~that ensures that Risk ~~management~~Management is an integral part of the University's core strategy and integrated into all key activities and~~/or~~ functions. The URM program establishes a Risk management framework ~~which~~that will provide a proactive and consistent approach to ensuring that Risk is considered when decisions are made at all levels of the organization and, in turn, assists the University in operating~~to operate~~ within its capacity and willingness to take Risk. The URM program further establishes a commitment to raise awareness surrounding Risk management and provide guidance to all levels of the University.

2. **Objectives:** The overall objectives of the Risk Management Policy are to:

    2.1. Formalize a consistent approach to identifying, assessing, measuring, managing, communicating, and mitigating Risks to the University's strategic plan and priorities and to the University's operations ~~in an effort~~ to reduce uncertainty; and

    2.2. Assist the University ~~to make~~ in making better -informed decisions and promote accountability for Risk management with stakeholders and University Members at all levels.

    2.3. Assess all applicable laws through compliance risk assessment and ensure clear roles, responsibilities, and processes are in place.

DEFINITIONS

3. For ~~the purposes of~~ ___this Policy, the following definitions apply:

"University Risk Management ("URM")*"* means a consistent, coordinated, integrated approach to identify, assess, measure, manage, communicate, and mitigate significant and material Risks to the University in achieving its strategic objectives

"**Risk**" means the uncertainty of outcomes against the achievement of planned objectives. This concept can be applied to strategic objectives as well as all operational activities within the University. While the application of the definition may change with different University Members, the concept should not change.

"Risk Assessment" means a formalized, systematic ranking and prioritizing of identified Risks, using a likelihood/consequence framework.

"Risk Appetite" means the University's willingness to accept Risk. Risk Appetite may also be viewed as the acceptable deviation from expected outcomes.

 "University Member" means any individual who is:

- Employed by the University;
- Registered as a student, in accordance with following the academic regulations of the University;
- Holding an appointment with the University, including paid, unpaid, and/or honorific appointments; and/or
- Otherwise subject to University policies by virtue of the requirements of a specific policy (e.g., Booking and Use of University Space) and/or the terms of an agreement or contract.

"Compliance Risk" means potential exposure to penalties, fines, damages, and loss caused by not adhering to applicable laws, regulations, and policies mandated under federal, provincial, or municipal laws, regulations, University policies, procedures, directives, or by-laws.

"Financial Risk" means exposures that arise from the University's financial operations and/or external market forces, with the potential to impact funding level, investment performance, liquidity, budget, premium revenue/rates, and other key financial indicators.

"Operational Risk" means exposures that arise from people or a failure in internal processes, systems, or controls and may impact the University's ability to sustain immediate or future business operations.

"Reputational Risk" means exposures that arise from stakeholders' perception of the University with the potential to impact public trust in the University as a result of direct or indirect actions of the University, its employees, partners, or suppliers.

"Strategic Risk" means risk that arises from internal and external trends and events that might impact the University's ability to achieve its mandate or that arise from its ability to identify and execute objectives and to establish and implement strategies to achieve them.

SCOPE AND AUTHORITY

4. This Policy applies to all University Members and extends to all functions and activities.

5. The ~~University Secretary~~Office of Risk Management, or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration, and interpretation of this Policy.

POLICY

This Policy and the associated documents will describe the specific responsibilities ~~for~~of those groups and individuals expected to support the implementation and maintenance of the URM program. In addition, all University Members are expected to support ~~the~~Risk management ~~of Risk~~ and the success of the URM program at the University.

6. **Risk Framework**

   6.1. Effective Risk management across the institution will ~~result in increased~~increase stability, safety ~~and~~,   security, and prosperity for University Members. This Policy and the associated documents create the Risk management framework developed specifically to fit the governance structure and culture of the University. The framework is aligned~~aligned~~ with the strategic priorities of the University and incorporates leading practices, tailored to the University's needs and culture.

   6.2. The framework is intended to support the University in identifying, assessing, measuring, managing, reporting, and mitigating significant and material Risks. The ultimate goal of the framework is to assist the University in achieving its strategic priorities and operational objectives through better management and understanding of Risk.

   6.3. The framework provides:

   • Formalized process and approach to executing URM;

   • Clearly defined accountabilities for execution of URM;

   • Improved Risk management communication; and

   • Consistency in Risk management.

7. **Risk Governance Structure**

   7.1. **Oversight:** The responsibility to oversee the University's URM program resides with the University's Board of Governors ("Board"). The Audit and Finance Committee is delegated to carry out this oversight responsibility on the part of the Board and to report ~~annually~~quarterly to the Board on the status of the URM.

   7.2. **Direction:** The University's President and Vice-Chancellor is responsible ~~to provide~~for providing   direction to ensure the University's strategic priorities remain the ultimate focus of all University Members.

   7.3. **Risk Parameters:** The Risk Appetite will be determined by the University's President ~~and~~,   Vice-Chancellor ~~along with~~ and the Senior Leadership Team ("SLT") and

ultimately approved by the Board. The Risk Appetite will be reviewed no less than ~~once annually.~~ every eighteen to twenty-four months.

7.4. **Risk Owners:**

a) **Chief Risk Officer:** The University's President will designate a member of SLT to serve as Chief Risk Officer. The Chief Risk Officer will, among the members of the SLT, have responsibility for ~~the coordination of~~ coordinating SLT's Risk management activities. The Chief Risk Officer will ~~act as~~ be the primary advisor on Risk to the Board and ~~to~~ the President and Vice-Chancellor. ~~The Chief Risk Officer will serve as Chair of the University's Risk Management Committee ("RMC") and will have accountability for that Committee's work.~~

b) **Senior Leadership Team ("SLT"):** SLT as a group is responsible for the management of all institutional and operational Risks, the overall success of URM, and the integration of the URM program into the core operational and strategic decision framework of the University. Individual members of the SLT will act as the primary owners of Risks and Risk management at the University. Each SLT member will delegate responsibility for Risk management to functional leaders within that SLT member's area of ~~responsibility.~~ responsibility. ~~These delegated members must be within the composition and/or sitting members under section 7.4 c).~~ Delegates must hold a position of Director, Executive Director, AVP, Registrar, Dean or equivalent.*

* equivalency of positions will be determined based on the level of authority of a position within the university, regardless of title, guided by the assessed job evaluation of a given position. A determination will be made by the Policy Owner, or delegate, in consultation with Human Resources.

c) **Administrative Leadership Team ~~(~~("ALT~~):~~"):** ALT will act in an advisory role ~~in respect of~~ concerning various aspects of the URM program. ALT will work to ensure that the URM program is integrated into the planning work of the University.

8. ~~Director~~ Office of Risk Management ~~Committee ("RMC")~~

8.1.d) : The ~~Director~~ Office of Risk Management ~~Committee will hold responsibility~~ is responsible for the successful integration and execution of the URM framework. ~~Operational~~ and supports the strategic planning process by working to raise awareness of risks that may adversely affect its successful implementation ~~and maintenance of the URM program will be conducted with oversight and guidance from SLT.~~ . The ~~Committee will also be responsible for facilitating the~~ ~~Director~~ Office of Risk ~~identification and Risk Assessment process at~~ Management is committed to fostering a culture of risk ownership throughout the University. Providing strategic leadership and direction in the ~~Senior Leadership Team~~ evolution and implementation of enterprise risk management ensures a consistent and proactive approach.

functional leadership levels, consolidating that information and finalizing the institutional Risk profile for the Board. This committee will be a skills-based committee comprised of individuals who are best able to help the University fulfil its URM objectives.

a)e) All members of the University: All members of the University are expected to read, understand, and apply this policy.

9.8. Statements of Principle

The University adopts the following statements of principle for application in the implementation of this Policy:

9.1.8.1. **Risk Culture:** The University is committed to fostering a culture of Risk ownership throughout the University. This does not mean that we avoid engaging in activities that have Risk or that we avoid Risk in our teaching and, research, and other activities we undertake for the University. It is recognized that both strategic and operational decisions and the work undertakenconducted by University Members, all inherently involve Risk.

To the University, having a culture of Risk ownership means that:

a) Strategic and operational decisions are made with full awareness of the Risks relevant to those decisions;

b) All University Members are aware of the organization's emphasis on URM incorporate a proactive approach and awareness to managing Risk in their individual roles.

9.2.8.2. **Communication:** A key principle of a successful URM program is regular communication. The Board and Senior Leadership Team are committed to developing a communication plan to ensure that those who require information to support the URM program receive it. The University's Risk Management Policy, goals and objectives will be made available to all University Members and it. Each member will be expected that each member readsto read and understand understands the Risk management philosophy and outlined framework.

9.3.8.3. **No Reprisal:** The University will not discharge, discipline, demote, suspend, threaten, or in any manner discriminate against any officer or employee based on any good faith and lawful actions of such employee to responsibly and carefully report Risk issues using the channels provided by the University.

9.4.8.4. The University is committed to academic freedom.

9. Training and Education

The Office of Risk Management will support the development and implementation of institutional Risk management training and education programs needed to reinforce the importance of Risk management. The type of training and education will be developed and conducted as appropriate.

MONITORING AND REVIEW

10. ~~This Policy will be reviewed as necessary and at least every three years.~~ The Director of Risk Management ~~Committee~~, or successor thereof, is responsible ~~to monitor~~for monitoring and ~~review~~reviewing this Policy at least every three years.

RELEVANT LEGISLATION

11. ~~This section intentionally left blank.~~

11. *All legislation applicable to University activities under Compliance Risk.*

RELATED POLICIES, PROCEDURES & DOCUMENTS

12. Field Trip Risk Management and Approval Directive

> **12.** University-Hosted Event Risk Management and Approval Directive

> Aircraft Approval Directive

> High-Risk International Travel Policy

> Student International Travel Policy

> Booking and Use of University Space Policy

> Booking and Use of University Space Procedures

> Directives for the Appropriate Use of Space

> University Continuity Management Framework Policy

> Safe Disclosure Policy

> Ethical Conduct Policy

1. *All University policies applicable to Compliance Risk*~~Field Trip Risk Management and Approval Directive~~

~~Risk Management Committee Terms of Reference~~

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9.   **Training and Education**

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MONITORING AND REVIEW

10.   The Director of Risk Management, or successor thereof, is responsible for monitoring and reviewing this Policy at least every three years.

RELEVANT LEGISLATION

11.   *All legislation applicable to University activities under Compliance Risk.*

RELATED POLICIES, PROCEDURES & DOCUMENTS

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University-Hosted Event Risk Management and Approval Directive

Aircraft Approval Directive

High-Risk International Travel Policy

Student International Travel Policy

Booking and Use of University Space Policy

Booking and Use of University Space Procedures

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All University policies applicable to Compliance Risk

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