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## University Risk Management

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*Board Manual*

*Approving Authority: Board of Governors*

*Established: February 2014*

*Date of Last review/Revision: June 6, 2019, replaces February 2014*

### **Policy Statement**

Risk is inherent in all academic, administrative, and business activities at St. Jerome's University ("the University"). To varying degrees, members of the University community are continuously involved in managing these risks.

University risk management is an important factor, for the setting of priorities and strategic decision-making in the best interests of the University. Risk management facilitates the identification of potential risks and opportunities that may significantly impact the ability of the institution to achieve its strategic goals, or maintain its operations. This policy outlines the scope, principles, and roles and responsibilities of University employees with respect to managing risks at the University.

### **Scope**

This policy applies to all administrative and academic units of the University and to all academic and administrative staff.

### **Definitions**

**Risk** is any event or action that may negatively impact the University's ability to achieve an administrative, academic, operational, or strategic objective. Risk is measured in terms of likelihood and impact.

**Risk assessment** is the identification of risks, and the evaluation of the quantitative or qualitative nature of risks as it relates to the impact it may pose to a specific area. Risk assessment is performed by means of tools developed by the University.

**Risk management** is the planned and systematic approach to the identification, evaluation, and management or mitigation of risk to maximize opportunities and minimize losses.

**Risk tolerance** is the level of risk the University is prepared to accept in order to achieve its administrative, academic, operational, or strategic objectives. Risk tolerance is considered prior to taking management or mitigation action necessary to manage risk.

**Senior Administration** includes the President and Vice Chancellor, the Vice President Administration, and Vice President Academic and Dean.

### **University Risk Management Framework**

The University will support a systematic approach to identifying, evaluating, and implementing effective controls to avoid, mitigate or manage risks in support of university activities. Risk and opportunity exist in all activities. Risk is not to be avoided or eliminated; rather, it must be identified and managed within acceptable risk tolerances.

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 the acceptable tolerance levels. Risk management is a continuous activity integrated into the culture, planning, and strategic decision-making of the University.

All employees are responsible for day-to-day risk management, control, and reporting within the scope of their employment responsibilities, and as directed by the President and Vice Chancellor (or their delegate) to whom they report.

### **Roles and Responsibilities**

The **Board of Governors**, and its Finance and Audit Committees, are responsible for support and oversight of the implementation of the University Risk Management Program including approval of the institution's risk tolerance statement.

The **Finance and Audit Committees** provide in-depth oversight of the University Risk Management Program on behalf of the Board of Governors and:

- Reviews this policy and recommends adoption to the Board of Governors;
- Receives annual University-wide risk assessments from Senior Administration;
- Receives an annual report concerning the institutional-level risk tolerance;
- Receives reports on non-compliance activity with this policy;
- Receives other reports regarding risk management and control from the University; and
- Reports to the Board of Governors per the Committees' charters and work plan.

Administration of the Risk Management Policy and processes is delegated to the **Vice President, Administration** who will coordinate risk management activities and procedures, monitor and report on risks and controls, as well as provide guidance and advice to those involved in the operational management of risk. The Vice President, Administration will report to the Finance and Audit Committees annually on the effectiveness of the University Risk Management Program and any non-compliance with this policy, if and when it arises.

**Senior Administration** is responsible for embedding risk management within the strategic and operational management processes of the University. This includes: (i) identification of strategic risks impacting the University; (ii) determining priorities; (iii) assessing risk tolerance; (iv) developing strategic risk management plans; and (v), monitoring progress and implementation of risk management plans.

**All Academic and Administrative Staff** are responsible for day-to-day risk management and activities within the scope of their employment responsibilities.

**Academic and Administrative Supervisors** are responsible for implementing effective management of risk. Effective risk management requires timely recognition and disclosure of potential risks, and should be incorporated into departmental operations.