



**Policy Title:** Risk Management Policy

**Issued by:** Administration

**Approved by:** Council of Trustees

**Effective Date:** June 26, 2007

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**PURPOSE:**

The main objectives of risk management policy are to assist the College in achieving its strategic objectives, to safeguard the College's assets (people, financial, property and information), and to create an environment in which all employees assume responsibility for risk management.

**SCOPE:**

The policy will be applied to decision-making through all levels of the College and in relation to any function or activity likely to have significant impact on the College's operations, irrespective of the level of financial exposure.

The policy is applicable to all areas of the College-controlled entities and entities that are derived from the College's legal status.

All staff and faculty members of the College must comply with this policy.

The College shall apply the Risk Management Policy:

- in planning and making decisions for events, procedures and transactions including but not limited to the following:
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  - contracting (whether for goods, services or research) with a consideration in excess of \$10,000;
  - capital procurement including strategic IT initiatives;
  - outsourcing, partnering or shared service arrangements of functions;
  - new academic partnerships, staffing, programming;
  - community events held on College property or those sponsored by the College;
  - the undertaking of College business in public places;
  - co-operative research agreements and commercial and/or research arrangements with third parties;
  - conducting clinical research and other clinical work;
  - commercialization of intellectual property;
  - relationships with community organizations; and
  - compliance with all government regulations, and
- when developing new strategies and procedures, policies and programs;
- when reviewing existing strategies and procedures, policies and programs;
- when introducing significant change; and
- In the management of sensitive issues

## **POLICY:**

The College recognizes that risk management is an integral part of good management practice. It is committed to achieving best practice in the area of risk management, and will apply principles and practices of risk management throughout the College.

## **PROCEDURE:**

Risk management requires forward thinking, a proactive approach to the management of potential risk, and the achievement of balance between the costs of managing a risk and the anticipated benefits. The subsequent sections provide information on the main components of the risk management process.

### **1. DEFINITIONS**

- **Consequence:** The outcome of an event or situation, expressed qualitatively or quantitatively, being a loss, injury, disadvantage or gain.
- **Likelihood:** A qualitative description of probability or frequency.
- **Risk:** The chance that an event will occur that will impact negatively upon the College's objectives. It is measured in terms of consequence and likelihood.
- **Risk assessment:** The process used to identify, analyze, treat or avoid, monitor and review risks and to determine risk management priorities. The creation of a Risk Register is one means of performing this task.
- **Risk management:** The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the College environment.

### **2. APPROACH**

#### **2.1 Model**

To manage risk and compliance the Council of Trustees will adopt the risk assessment model outlined in Supporting Document II. In addition to the risk assessment model, risk management will include communication, consultation and reporting within the risk management process. To be most effective, risk management should be integral to the day-to-day operations of all sectors of an organization; it must be part of the organizational culture, and not viewed as a separate activity.

The Council of Trustees will appoint a Risk Management Team to monitor all aspects of the risk management process and report back to Council of Trustees on a regular basis.

Six major risk areas are identified:

- duty of care;
- strategic goals & objectives;
- service delivery;
- managing resources;
- managing relationships; and
- compliance.

## 2.2 Risk Acceptance

For each of the risks identified, sufficient analysis will be undertaken to assign a risk to the risk management matrix in Figure 1. The Risk Management Team will set parameters for the classification of combinations of loss and probability (e.g., what is, 'extreme', 'high', 'moderate' or 'low').

**Figure 1. Risk Management Matrix**

Likelihood	Consequences				
	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	M	H	H	E	E
Likely	M	H	H	H	E
Moderate	L	M	M	H	H
Unlikely	L	M	M	M	H
Rare	L	L	L	M	M

### Legend:

- E Extreme risk: must be managed by senior management with a detailed plan
- H High risk: senior management attention is required and management responsibility specified
- M Moderate risk: manage by specific monitoring or response procedures
- L Low risk: manage by routine procedure

## 3. PROGRAM OF IMPLEMENTATION

### 3.1 Risk Registers

The Risk Management Team will identify those departments, committees, and major activities and projects whose operations and activities create a likelihood of risk. Each of these units will be required to create and maintain a risk register, and a designated individual from that unit will report regularly to the Risk Management Team. The Risk Management Team will include information on risk registers in its annual report to the Council of Trustees.

### 3.1 Risk Mitigation

Risks identified by the Risk Management Team for active mitigation will require the appointment of a management representative to take active responsibility for the design and implementation of the mitigation plan, and regular reporting to the Risk Management Team.

#### **4. INFORMATION COLLECTION**

The Risk Management Team will execute a process that identifies the risk environment of the College. This process will include a review of the potential risks by the Council of Trustees through the Executive Committee. The process will be reviewed on at least an annual basis to identify emerging risks that result from either a change of operations, change of operating environment or change of information. It is important that this process explicitly recognizes the need for fresh review of risks so as to avoid the possibility of familiarity with the previous review(s) clouding the judgment of those involved.

#### **5. INCIDENT ANALYSIS**

Any serious incidents, or frequent minor incidents that signal the existence of a systemic risk, will be reviewed in a debriefing process by the Risk Management Team. This process will include a causal analysis, and a review of the risk management structure related to the incident. The resulting report to the Council of Trustees will include recommendations for changes to the risk management structure that emerge from incidents, which indicate a systematic failure.

#### **6. COMPLIANCE**

Compliance with the implementation and management of risk mitigation policies will be audited and reported to the Council of Trustees through the Executive Committee.

#### **7. EFFECTIVENESS**

On the fifth year anniversary of the implementation of this policy Council will determine whether to commission an external review of the Risk Management process.

#### **8. THE COUNCIL OF TRUSTEES ROLE**

The Council of Trustees has the following responsibilities related to the approval and oversight of the risk management model and policy:

1. appoint the Risk Management Team to undertake detailed risk management tasks on behalf of the Council of Trustees;
2. approve the context of risk analysis;
3. review an annual report on the management of identified risks at Brescia;
4. review the risk management process on a bi-annual cycle.

#### **9. RESPONSIBILITIES**

Responsibilities for risk management are specified in Supporting Document III.