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| Board Policy Title | Governance of Risk |
| Policy Section | Operational Boundaries (Governance of Risk) |
| Approved by | Board of Trustees |
| Contact/Committee | Executive Committee |
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Policy Background

The Brescia University College Board of Trustees recognizes that risk is inherent in all academic, administrative, operating and business activities of Brescia University College (Brescia). Brescia seeks to foster a culture that is risk-aware without being risk-averse, pursuing opportunities that further strategic and operational priorities, while effectively minimizing risk. It is recognized that virtually all activities carry a degree of uncertainty and require Brescia to strike an appropriate balance between pursuing strategic opportunities and minimizing risks involved.

Brescia is committed to continuous quality improvement and risk minimization and will make choices that assess the opportunities and risks inherent with the commitment to continuously improve.

Brescia risks can take the form of issues, challenges, opportunities, and threats, and include, but are not limited to:

- Strategic risk (threats to the achievement of critical outcomes);
- Operational risk (Community member satisfaction, integrity, academic quality, and academic and business continuity);
- Financial risk (financial condition, asset protection, funding sources);
- Compliance risk (associated with institution compliance with applicable legislation and regulations);
- Reputational risk (trust in Brescia, transparency, communication); and
- Assets and Hazards risk (liability, property damage, natural or other catastrophes).

Purpose

The Brescia Board of Trustees (Board) is committed to thoughtful consideration and integration of risk in decision-making. This policy outlines the Board’s expectations for Brescia’s administration regarding risk management, in support of achieving Brescia’s outcomes and related strategic goals.

This Governance of Risk Policy does not replace but complements other Brescia internal risk controls. This policy represents the Board direction to the Brescia Risk Management Framework to be developed and implemented by the President, all staff and faculty at Brescia.

This policy applies to all academic units, operations, administration of Brescia, and to all faculty, staff, and administration.

Policy Statement

The President, faculty and administration will engage in a deliberative approach to risk assessment and treatment to avoid, mitigate, or manage risk in support of the achievement of Brescia's outcomes and strategic goals at least in the following five areas:

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| <i>Strategic</i> | Risks that are aligned with and support the advancement of Brescia's mission, vision, outcomes, and strategic goals. |
| <i>Operational</i> | Risks that are associated with ongoing academic, operational, and management processes, including those related to academic business continuity. |
| <i>Financial/Reporting</i> | Risks associated with sound financial practices, protection of Brescia's assets, and reliability of reporting. |
| <i>Compliance</i> | Risks associated with institutional compliance with applicable legislation and regulations. |
| <i>Reputational</i> | Risks that are associated with the broader community's confidence in Brescia and may be triggered by a serious event in any category. |
| <i>Assets and Hazards</i> | Risks that are related to Brescia assets including property, liability, and natural catastrophe. |

The President shall operate with practices, activities, decisions, programs, and organizational circumstances that are ethical, prudent, legal, and in compliance with commonly accepted academic and professional business standards.

The Board will further define operational risk boundaries and its risk tolerances in the Operational Boundaries section of the Board Policy Manual.

Policy Criteria

Given that Brescia engages in a deliberative approach to risk assessment and treatment to avoid, mitigate or manage risks, the Board expects the President to regularly evaluate risk including throughout the Brescia decision-making processes and to mitigate risk in order to maximize achievement of Brescia's outcomes and strategic goals.

The Board expects that the President and senior management will apply the following principles within Brescia's risk approach:

1. Identify the critical areas of risk at Brescia on an annual basis overall and on a continual basis as risks emerge over time. Specific risk areas include but are not limited to: treatment of students, treatment of staff, compensation and benefits, financial condition and activities, budgeting and financial planning, protection of assets (including reputation), communication and support to the Board, emergency succession and compliance with legislation.

2. Assess risks and opportunities against Brescia's risk assessment rating scale and level of tolerance including the likelihood of the risk occurring, the proximity of the risk in terms of timing, and the severity of risk should the risk occur (see Appendix 1).
3. Anticipate, assess and respond to social, environmental, and legislative conditions that influence Brescia's risks.
4. Manage risk with the goal of maximizing Brescia's outcomes and strategic goals achievement and minimizing the impact of risk through due diligence in decision-making (see Figure 1 below).
5. Document a framework within which risk is managed at Brescia including risk descriptions, risk rankings, relevant policies, and risk actions planned and taken and their effect.
6. Foster a culture of identifying, assessing, and mitigating risks throughout the Brescia community.

Risk Management Communication, Recording, and Reporting

The President will report a minimum of two times per year to the Board of Trustees regarding the risk profile at Brescia, the actions being taken, and their effect. This report will be in writing and include the Brescia Risk Framework.

The President is also expected to report to the Board regarding any significant emerging or escalating risks along with the strategy to mitigate such risks.

At the end of each year the year-end Brescia Risk Framework Report will be kept as a permanent Brescia record.

Definitions

Risk: Any condition, event, or action that may adversely affect Brescia's ability to achieve its outcomes and strategic goals.

Inherent Risk: Risk in the absence of any controls, actions, or risk mitigation to alter either the risk's likelihood or impact.

Residual Risk: The remaining level of risk after taking into consideration controls, actions, and risk mitigation measures intended to minimize either the risk's likelihood or impact.

Risk Management: The planned and systematic approach to the identification, evaluation, and control of risk to maximize opportunities and minimize losses.

Risk Tolerance: The willingness to accept or reject a given level of residual risk aligned with the level of risk Brescia is willing to accept in order to achieve its outcomes and strategic goals.

Risk Treatment: The process of selecting and implementing measures to manage the risk exposure through avoidance, reduction, transfer/sharing, or acceptance of risk.

Brescia Risk Management Framework (BRM):

This Framework includes an inventory of Brescia's critical risks, the risk assessment rankings, the methods and processes used to manage risk in general and specific risks. The Framework will also address opportunities related to the achievement of Brescia's outcomes and strategic goals.

Related Policy References: N/A

Required Approvals: N/A



Appendix 1 Brescia University College Risk Assessment Rating Scale

Brescia University College may use the following definitions in its Governance of Risk rating:

“**Likelihood**” – How likely is it that this risk will impact on Brescia?

“**Impact**” – If the risk does occur/impact Brescia, how significant would the impact be on Brescia and its ability to achieve its Ends, i.e. to be successful.

“**Proximity**” – If the risk was to impact Brescia, is it projected to impact in the near, middle, or long term?

| Value | Likelihood | Impact | Proximity | Scale |
|-------|------------------------------|---|---------------------|-----------|
| 1 | Unlikely to occur | Negligible impact | More than 36 months | Very Low |
| 2 | May occur occasionally | Minor impact on time, cost or quality | 12-24 months | Low |
| 3 | Is as likely as not to occur | Notable impact on time, cost, or quality | 6-12 months | Medium |
| 4 | Is likely to occur | Substantial impact on time, cost or quality | Less than 6 months | High |
| 5 | Is almost certain to occur | Threatens the success of the project objective(s) | Now | Very High |

Scoring Risk Rankings

To develop the Overall Brescia Risk Ranking for each risk identified the calculation is:

$$[1 \times \text{likelihood score}] \times [2 \times \text{impact score}] \times [1 \times \text{proximity score}] = \text{Overall Risk Score}$$

Appendix 2

The Brescia risk management high-level approach that may be used by the President is outlined in Figure 1. The process should be applied at all levels of the institution (i.e. at the university level as well as individual academic and administrative units).

Figure 1
Brescia University College Risk Management

