



Category: Enterprise Risk Management	Responsible Owner: Linda Ford	Effective Date: September 12, 2024
Policy Number: 6.1	Approval Body: Board of Governors	Policy Name: Enterprise Risk Management (ERM) Framework Policy

A. POLICY:

PURPOSE/COMMITMENT: The ERM Framework Policy, established through the College’s Board of Governors, represents the principal foundations for designing, implementing, monitoring and continuously improving how risk management is practiced across the College while providing oversight and assurance on how key risks are managed. The objectives of this policy include the following:

- Assist in achieving the College’s overarching strategic objectives;
- Outline the roles / responsibilities while underpinning the importance of risk management in our day-to-day endeavors;
- Incorporate risk management practices as part of our decision making;
- Define the standards to understand the potential risks pertaining to activities / processes that the College is engaged in;
- Adopt a proactive approach in identifying, assessing, and mitigating risks and establish a risk-adept culture across the College.

SCOPE: This policy is applicable and governs all administrative, academic and research functions across the College, or on behalf of the College. It incorporates all types of risks that the College might be prone to including but not limited to strategic, operational, financial, compliance and reputational risks.

WHEN TO USE THE POLICY: This policy will be used during the devising and / or updating of the College’s strategic and operational objectives and plans, assessing current operational processes, responding to emerging and up-and-coming risks and in spreading awareness across both faculty and staff members.

DEFINITIONS:

The Board: Means the Board of Governors of Columbia College.

The College: Means Columbia College.

Enterprise Risk Management (ERM): ERM is an integrated enterprise-wide risk process established over time which links the management of strategic objectives to risk in order to improve and protect the College’s performance. It creates a formal process for identifying, evaluating and managing the significant risks an organization faces.

Objectives: The implicit and explicit goals/objectives that the College is trying to achieve. These can include (for example) strategic, reputational, operational, financial, human resources, reporting, and legal/safety/regulatory/contractual compliance objectives. Objectives exist at the College-wide level and at divisional, program, departmental, project, process, & other levels.

Risk: A potential action or event that could adversely affect the achievement of objectives if it occurs or does not occur. Measured as a combination of likelihood of occurrence of the event (or of failure of occurrence of the event), and impact (consequence) if it does occur (or fails to occur). Risks may occur in any one of the following categories: strategic, reputational, operational, financial, human resources, reporting, and legal/safety/regulatory/contractual compliance.

Inherent Risk (Gross Risk): The level of risk to the entity in the absence of any actions management is taking or might take to alter the risk's likelihood and/or impact.

Residual Risk (Net Risk): The level of risk to the entity given the actions management is taking (or might take, if considering potential residual risk) to alter the risk's likelihood and/or impact, considering the effectiveness of those management responses (i.e., processes and controls used to manage or mitigate the risks).

Impact (Consequence): Result or effect on outcomes from realization of a risk. There may be a range of possible impacts associated with an event.

Likelihood (Probability or frequency of occurrence): The probability that a risk will occur (or fail to occur), and/or the frequency of occurrence of the risk event.

Manage: To control or take charge of a risk to avoid or manage its likelihood and impact on the organization and/or to enhance its opportunity.

Mitigate: To lessen or minimize the adverse impact of a risk through specific management processes, internal control activities, insurance, or other controls. Risk mitigations can include actions that avoid the risk (such as by not undertaking the activity which gives rise to the risk, reduce likelihood and/or impact of occurrence of the risk, and that transfer the risk to other entities).

Optimize: To balance potential risks versus potential opportunities within the organization's stated willingness or appetite and capacity to accept risk. This may require an organization to increase or decrease the amount of risk relative to the potential opportunity.

Risk Acceptance: Risks can reasonably be accepted if, on a residual risk basis, they are within the organization's risk appetite and tolerance. Failure to identify, assess and adequately manage and mitigate risks results in risk acceptance by default, which default risk acceptance may be inappropriate as the risks may exceed risk appetite and tolerance (if articulated); such risk acceptance by default is not consistent with this policy.

Risk Transfer: Transferring the responsibility of a risk to a third party (e.g. insurance, bonds, warranties, third party contracts).

Risk Avoidance: Deciding not to start or continue to pursue an activity or program as a result of the identified risk.

Risk Termination: avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk (wherever applicable).

Risk Assessment: A risk assessment process enables the organization to consider the extent to which potential events may have an impact on the achievement of organizational objectives.

Risk Identification: The process of identifying and understanding potential risks to the organization.

Risk Management Processes: The processes applied during strategy setting and divisional activities across the organization to identify, assess, and manage risks through risk management actions that avoid, reduce, transfer, or accept risk.

Risk Monitoring: The process of reviewing and evaluating the effectiveness of the action plan implemented through the risk management process and identifying opportunities to manage future reoccurrence of similar risk(s).

Risk Opportunity: The return which may be realized if risk is assumed but managed in a manner that may optimize its potential benefit.

Risk Appetite: The amount or level of risk an organization is prepared to accept in the pursuit of achieving its goals and objectives.

Risk Owner: An individual that has been given the responsibility and authority to manage a particular risk.

Risk Tolerance: The maximum amount of residual risk that is considered acceptable. Acceptable risk tolerance varies depending on the nature and level of the objective and is generally higher at the entity level than at divisional unit, program, project, process, and other levels.

Management Effort: The use of resources and implementation of processes to support the organization achieving its objectives.

B. POLICY STATEMENT

1. The College's Board of Governors has assigned the Principal and the Administration Team with the authority to oversee the operations of the College within an acceptable level of risk.
2. The Principal and the Administration Team are responsible for identifying and communicating any potential risks in order to allow the Board of Governors to monitor and gauge whether they are being managed within the Board's acceptable level of risk appetite / tolerance.
3. Mitigation / treatment plans are to be devised in coordination between the Principal and the Administration Team. On an annual basis, the Director of Finance will report to the Board and highlight the following:
 - 3.1. Risks assessed within the threshold of acceptable risks;
 - 3.2. Risks assessed as outside the threshold of acceptable risks;
 - 3.3. Assigned treatment plan(s) of either risk acceptance, risk avoidance, risk mitigation or risk transfer and the rationale behind the assessment.
 - 3.4. Where risks are associated with the Board of Governors, the Principal will work with the Board to propose changes that the Board or Society, through changes to bylaws, may make to mitigate said risk.

The College will establish and maintain an effective Enterprise Risk Management (ERM) program in order to facilitate the College in attaining their strategic properties along with their

overarching mission and values. The ERM program will be aligned with the nature of the College’s operations while also accommodate best practices and industry standards. Additionally, it will help the College in identifying, evaluating and managing risks within the thresholds set out by the Board. Emerging risks are also to be pinpointed and communicated to ensure they are adequately monitored periodically.

C. DEFINITION OF ENTERPRISE RISK MANAGEMENT

ERM will allow the College to undergo a comprehensive risk identification and assessment exercise that will allow it to systematically identify, evaluate / assess and prioritize strategic risks that significantly affect the College’s ability to achieve its vision, mission and strategic priorities. All identified risks are to be assessed and prioritized based on the likelihood / impact criteria that has been established to accommodate for the nature of the College’s operations and risk thresholds.

The ERM process will account for the existing processes / controls that are in place to reduce the impact of the associated risks while providing assurance that they operate within the risk appetite / tolerance levels of the College. Robust mitigation / treatment strategies are to be developed to manage the most significant / strategic risks to the College.

The ERM process will facilitate in identifying gaps between the College’s risk appetite / tolerance and risks that are either under or over mitigated. In turn, this will provide the College and the Board with the transparency required to reallocate resources if deemed necessary to areas where residual risk is lower than the College’s risk appetite.

The College’s ERM program will be regularly reviewed on at least an annual basis with the aim of continuously improved our risk management processes and efforts while also adapting to changes in impending changes of the College’s internal and external risk environment along with emerging risks.

D. ROLES AND RESPONSIBILITIES RELATED TO ERM

In order to ensure that the College’s ERM program is effective in achieving its overarching purpose, active involvement across various stakeholders across the College is necessary. The following outlines the roles, responsibilities and accountabilities in ensuring key risks are identified, evaluated and managed effectively while also ensuring risks and risk responses are communicated to all risk owners and relevant staff across the College.

Role	Responsibilities
The Board of Governors	The Board of Governors retains the ultimate responsibility for risk management and for determining the appropriate level of risk that the Board is willing to accept in the determination and execution of the College’s strategy and in the conduct of it’s business activities. The Board will approve the College’s ERM policy and framework as well as the College’s risk appetite/tolerance statements (if formally developed). The Board will also receive and review the College’s ERM results, as well as regular reports on risk management activities through status updates in order to assess the effectiveness of the College’s risk management processes.

<p>The Finance Committee</p>	<p>The Board has formally delegated certain oversight responsibilities of the ERM program to the College’s Finance Committee (with reporting thereon to the full Board for acceptance or revision), including:</p> <ul style="list-style-type: none"> • The review of the College’s overall risk exposures and the processes around the management and monitoring of such risks, and the allocation of responsibilities for specific risk areas across the College’s management, the Board and Board committees. • Discussion with management regarding the College’s major strategic, reputational, operational, financial, human resources, reporting, and legal/safety/regulatory/contractual compliance risk exposures, and the steps management has taken to monitor and manage such exposures. • The review of this ERM policy annually with the Principal & the Director of Finance with any changes to be recommended to the Board of Governors for review and approval.
<p>The Principal & Administration Team</p>	<p>The Principal & Administration Team are responsible for overseeing the implementation and ongoing execution of risk management processes within their areas of responsibility, and for accurately reporting on the College’s consolidated enterprise-wide risks and the status of risk management at Columbia College to the Board (through the Finance Committee) on at least an annual basis, and more frequently as requested or desired. The Principal & Director of Finance will review this ERM policy annually with the Administration Team with any changes to be recommended to the Board of Governors for review and approval.</p>
<p>Director of Finance</p>	<p>The Director of Finance is accountable to the Principal and is the management owner of the ERM policy and framework. The Director of Finance is responsible for the implementation and maintenance the ERM policy and framework by:</p> <ul style="list-style-type: none"> • Developing, monitoring and revising the ERM policy as necessary. • Coordinating the risk identification, risk assessment, risk management and risk monitoring processes while updating the College’s risk register accordingly. • Preparing status updates at least once per year to the Principal on risk management activities, as well as if any significant risk related changes or issues arise.
<p>Department Heads</p>	<p>The College’s Department Heads are responsible for identifying, evaluating, managing, and internally reporting on risk within Columbia College, in accordance with this policy and the requirements of the Principal & Administration Team.</p>
<p>All Employees</p>	<p>The College’s faculty / staff have a general duty of care and are responsible for complying with requests from management in connection with the application of this policy. Through appropriate preventative and detective action, reasonable care should be taken to prevent or mitigate adverse impacts on Columbia College. Additionally, faculty / staff are to communicate with the Administration Team any additions, deletions and changes in facilities, systems, processes, regulations or operations that may add significant risk and/or significantly affect existing risk assessments.</p>
<p>Outsourcing and Third Party Risk Management</p>	<p>The Principal and Administration Team are responsible for overseeing the implementation and maintenance of the outsourcing and third-party risk management policy and framework. Managing operational resilience while</p>

	mitigating risk is a critical component in order to align with the fiduciary duty of the Board.
--	---

E. APPROACH TO ENTERPRISE RISK MANAGEMENT

Risk management is an integral part of the College's ERM framework and should be embedded across its practices and culture. Our risk management process should be continually improved and updated in order to align with the College's requirements and in responding to both its internal and external environment. Risks are to be identified, assessed, managed, monitored and reported in a systematic fashion in line with the procedures defined below with updates being made to the College's risk register.

1. **Risk Identification:** Within the form of risk identification workshops, generates a comprehensive list of risks based on events that could potentially create, enhance, prevent, degrade, accelerate or delay the achievement of the College's strategic priorities, goals and objectives. The risk identification should ideally be updated at least on annual basis.
2. **Risk Evaluation:** Involves assessing the identified risks based on their overall impact and likelihood against the College's acceptable risk tolerance. Deviations beyond the defined risk tolerance thresholds warrant risk treatment / mitigation to reduce the risk exposure to within the College's risk tolerance.
3. **Risk Treatment / Mitigation:** Risk treatment / mitigation plans are to be devised for risks where their exposure goes beyond the College's risk tolerance. Risk treatment / mitigation strategies include risk acceptance, risk transfer, risk avoidance or risk termination.
4. **Risk Monitoring and Reporting:** Risks, along with their devised risk treatment / mitigation plans, are to be reported to the College's Board of Governors via the Principal / Administration Team / Committees in order to provide a status on risk movements, progress on implementation of treatment / mitigation plans and the effectiveness of the controls instilled to reduce the likelihood / impact of these risks. Reporting should be conducted at least once every year. Periodic monitoring and reporting allow the instillation of accountability across risk owners to adequately accept ownership of their risks and ensure they are treated, mitigated and managed appropriately. It additionally provides the College's Board of Governors and Principal with additional assurance that key / strategic risks are continually managed within the College's risk tolerance levels.

F. POLICY REVISION

Based on changes to the College's requirements along with its' internal and external environment, revisions to this policy could be undertaken and come into effect upon review and approval by the College's Board of Governors.

LINKS TO SUPPORTING FORMS, DOCUMENTS, WEBSITE:

[Policy Form.](#)

REFERENCE TO EMPLOYMENT AGREEMENT CLAUSES:

The Employment Agreement must be reviewed to determine if there are any clauses that contradict the policy.

REFERENCE TO BYLAWS:

The Columbia College bylaws must be reviewed to determine if there are any clauses that contradict the policy.

RELATED ACTS AND REGULATIONS:

None

RELATED POLICIES:

n/a

APPROVALS:

IF APPLICABLE:

Chair Finance Committee Lisa Poole	Signed by: <i>Lisa Poole</i> 8EADD01D4EC84A6...	9/13/2024
--	---	-----------

APPROVAL FOR ALL POLICIES:

Responsible Owner: Linda Ford - Director of Finance	DocuSigned by: <i>Linda Ford</i> 0E0C8416B43246F	9/13/2024
Principal or Designate: Matt Wadsworth	Signed by: <i>Matt Wadsworth</i> 4E77F4AD64D94DC	9/13/2024
Chair, Board of Governors: Ana Culibrk	Signed by: <i>Ana Culibrk</i> B28AABA914CC4FF	9/24/2024

Proposed Review Date: September, 2025	Dates(s) revised:	Replaces Policy Number: N/A
---	--------------------------	---------------------------------------

Appendix A – Risk Assessment Impact Guidelines

Risk Category	Description	Severity of Impact				
		1. Negligible/Insignificant	2. Minor	3. Moderate	4. Major	5. Extreme/Catastrophic
Strategic / Reputation	Impacts the College’s reputation and/or ability to execute on current and/or future strategic directions.	No adverse publicity. The strategic direction, and/or the nature and/or activities of the College, may be forced to change in an undesired but negligible way, or be prevented from changing in a desired but negligible way. Potential outcomes remain within risk tolerances.	Minor adverse publicity. The strategic direction, and/or the nature and/or activities of the College, may be forced to change in an undesired but minor way, or be prevented from changing in a desired but minor way. Potential outcomes remain within risk tolerances.	Localized adverse publicity. The strategic direction, and/or the nature and/or activities of the College, may be forced to change in an undesired moderate way, or be prevented from changing in a desired moderate way. Potential outcomes may or may not remain within risk tolerances.	Adverse publicity in national media. The strategic direction, and/or the nature and/or activities of the College, may be forced to change in an undesired major way, or be prevented from changing in a desired major way.	Sustained adverse publicity in national media. Potential outcomes are highly unacceptable. Existence of the College in recognizable form may be terminated.
Financial Resources	Impacts the College’s financial resources.	Loss of less than \$100K of the College’s financial resources. Potential outcomes remain within risk tolerances.	Loss of between \$100K-\$500K of the College’s financial resources. Potential outcomes remain within risk tolerances.	Loss of between \$500-\$1.5M of the College’s financial resources. Potential outcomes may or may not remain within risk tolerances.	Loss of between \$1.5M-\$5M of the College’s financial resources. Potential outcomes are outside risk tolerances.	Loss of more than \$5M of the College’s financial resources. Potential outcomes are highly unacceptable. Existence of the College in recognizable form may be terminated.
Human Resources	Impacts the College’s achievement of a high performance, safe work environment that results in satisfactory employee involvement, development, and engagement.	No impact on employee engagement, retention, performance or other Human Resources objectives. Potential outcomes remain within risk tolerances.	Limited impact on employee engagement, retention, performance or other Human Resources objectives. Potential outcomes remain within risk tolerances.	Significant impact on employee engagement, retention, performance or other Human Resources objectives. Potential outcomes may or may not remain within risk tolerances.	Substantial impact on employee engagement, retention, performance or other Human Resources objectives. Potential outcomes are outside risk tolerances.	Sustained impact on employee engagement, retention, performance or other Human Resources objectives. Potential outcomes are highly unacceptable.
Operational Efficiency & Effectiveness (includes IT-related risks)	Impacts the College’s ability to achieve operating efficiencies while maximizing student and stakeholder satisfaction.	The College is able to deliver its services with no disruption. Potential outcomes remain within risk tolerances.	The College is able to deliver its services with limited disruption. Potential outcomes remain within risk tolerances.	The College is able to deliver its services with significant disruption. Potential outcomes may not remain within risk tolerances.	The College is unable to deliver significant aspects of its services. Potential outcomes are outside risk tolerances.	The College is unable to deliver its services. Potential outcomes are highly unacceptable.
Compliance (Regulatory / Safety/ Legal / Contractual)	Impacts the College’s ability to comply with relevant applicable laws and regulations, and/or with the College’s contractual obligations.	No regulatory/legal consequence or injury risk. Outcomes remain within risk tolerances.	Limited regulatory/legal consequence and minor reversible injury risk. Potential outcomes remain within risk tolerances.	Significant regulatory/legal consequence and major reversible injury risk. Potential outcomes may or may not remain within risk tolerances.	Substantial regulatory/legal consequence and irreversible injury or death risk. Potential outcomes are outside risk tolerances.	Substantial regulatory/legal consequence and irreversible multiple injury or death risk. Potential outcomes are highly unacceptable.

Appendix B – Risk Assessment Likelihood Guidelines

Ranking and Response Framework: The following provides guidance on the College’s response to risk rankings

4 Extreme	Threatens organizational strategies, objectives or goals to the extent that the College may not meet its legal or regulatory requirements or remain viable.	2 Moderate	May affect results or performance but will not create a lasting impairment or materially impact the College’s strategies and objectives.
3 High	Threatens fulfillment of the College’s strategic goals, objectives or ability to meet its performance requirements, or has a lasting impairment on results our performance.	1 Low	May affect optimal performance or attainment of objectives but does not affect the College as a whole.

