



PROCEDURES

Policy Name	Enterprise Risk Management		
Policy #	502-G	Category	General Administration
Policy Sponsor	Associate Vice-President, Strategy	Previous Revision Date	June 22, 2012
Policy Approved by	Board of Directors	Revision Date	TBA
Procedures Approved by	President & CEO	Review Date	See Policy Review Date or As Required

See the related [POLICY](#).

DEFINITIONS

Control Record – a document that defines each risk, assigns ownership, and contains the risk score (both impact and likelihood). It also contains the list of existing risk controls, the risk appetite and tolerance and key performance indicators.

Enterprise Risk Management (ERM) – the methods and processes used by the organization to manage risks and seize opportunities related to the achievement of goals and objectives.

Impact – the effect and consequence the risk will have on the organization.

Likelihood – the chance of a risk happening, whether defined, measured or determined objectively, subjectively, qualitatively or quantitatively.

Risk – the effect of uncertainty on the achievement of objectives.

Risk Appetite – the level of risk that an organization is prepared to accept in pursuit of its objectives, and before action is deemed necessary to reduce the risk.

Risk Controls – the processes used to monitor and minimize the probability and impact of unfortunate events.

Risk Management – the coordinated policies, procedures and activities to direct and control Saskatchewan Polytechnic with regard to risk. This includes: identifying, analyzing, evaluating, treating, monitoring and reporting risks.

Risk Owner – a person or entity with the accountability and authority to manage a risk. All risks in the risk register are owned by a single named individual with the understanding that it may take shared responsibility to mitigate or manage the risk successfully.

Risk Register – a record of information about identified risks.

Risk Score – identifies the magnitude of a risk and is expressed in terms of the product of likelihood and consequences.

Risk Tolerance – the readiness to bear a risk in order to achieve objectives.

PROCEDURES

Saskatchewan Polytechnic will implement a Risk Management program based on the International Standards Organization's Risk Management Principles and Guidelines.

1. Risk Register

- a. The ERM Register must be reviewed and updated regularly to anticipate and respond to changing internal and external realities.
 - i. The review should include the identification of new and emerging risks and should also include a Risk evaluation process that leverages the ERM Impact and Likelihood matrices included in Appendix A and B. All evaluated enterprise Risks should be heat mapped according to the Risk scoring and treatment key included in Appendix C.
- b. A comprehensive review of the Register should occur annually. The timing of the annual ERM Register review should be integrated into the strategic planning and execution cycle.
- c. All risks identified on the Register should be assigned an Owner.
- d. All Risks in the Risk Register should have a Control Record that identifies the Risk and the Owner.

2. Risk Reporting and Communication

- a. ERM reports should be prepared and tabled quarterly with the Senior Management Council, the Audit Committee of the Board of Directors and the Board of Directors.
 - i. Quarterly reports should provide management and the Board of Directors with the confidence the ERM program is implemented as designed.
- b. Clearly defined roles and responsibilities for staff, management and the Board of Directors should be established.
- c. An ERM communication and cascading strategy should be developed and implemented to support a Culture of Risk Management.

RESPONSIBILITIES

ERM is an integrated activity embedded in the strategic planning, execution and operations of the organization. It is not a standalone activity separate from the main activities and processes of the organization. Specific accountabilities for ERM are as follows:

1. Saskatchewan Polytechnic Board of Directors

The Board of Directors is responsible for:

- a. Influencing the culture of ERM at Saskatchewan Polytechnic;
- b. Approving the ERM policy;
- c. Monitoring Saskatchewan Polytechnic's ERM program to ensure it is being implemented as designed;
- d. Establishing Risk Appetite and Tolerance levels in conjunction with management;
- e. Reviewing the nature and magnitude of significant risks to which Saskatchewan Polytechnic is exposed.

2. Audit Committee of the Board of Directors

The Audit Committee of the Board of Directors is responsible for:

- a. Regular reporting to Board of Directors on the management of Risks including emerging Risks; and
- b. Ensuring management has developed and implemented appropriate Risk Management policies and procedures.

3. Senior Management Council

Senior Management Council (SMC) is responsible for:

- a. Influencing the Culture of ERM at Saskatchewan Polytechnic;
- b. Integrating Risk Management into strategic and operational decision-making;
- c. Assigning Risk Management to senior managers; and
- d. Regularly reporting to the Audit Committee of the Board of Directors on the management of Risks including emerging Risks.

4. ERM Steering Committee

The ERM Steering Committee is responsible for:

- a. Monitoring and sustaining the ERM policy and program; and
- b. Endorsing and visibly supporting the implementation of ERM throughout Saskatchewan Polytechnic.

5. Senior Managers and Supervisory Personnel

Senior managers and supervisory personnel are accountable for:

- a. Implementing this policy within their respective areas of responsibility;
- b. Owning and managing Risks that fall within their respective areas of responsibility;
- c. Incorporating Risk Management into their planning processes and management activities;
- d. Reporting on the status of Risks as required; and
- e. Endorsing and visibly supporting the implementation of ERM throughout Saskatchewan Polytechnic.

6. Strategy Office

The Strategy Office is accountable for:

- a. Facilitating the development and implementation of the ERM policy and program including maintaining the Risk Register and coordinating reporting;
- b. Providing advice on and recommending (as appropriate) best practices and enhancements to the ERM policy and program;
- c. Communicating, delivering training and mentoring related to ERM; and
- d. Facilitating the identification, assessment, evaluation, treatment and communication of risks.

7. All Employees

All employees are responsible for the effective Management of Risk. This includes the identification, assessment, evaluation and treatment of Risks within their realm of responsibilities.

Appendix A: Saskatchewan Polytechnic ERM Impact Matrix

No	Description	Definition	Consequences					
			Environment Life / Safety	Financial Loss	Interruption of Services	Reputation and Image	Mission Impairment (teaching, learning, research)	Stakeholders (External and internal)
5	Extreme	A critical event that would lead to permanent or long-term damage to the ability of SaskPolytech to achieve its objectives.	Death or severe permanent disabilities, irreversible severe environmental damage that violates law or regulation	Greater than \$25 million	Greater than one month and financial loss is extreme	Substantiated, public embarrassment, very high multiple impacts, high widespread news profile, third party actions	Termination of accreditation from accreditation agency or termination of funding from granting agencies as a result of serious and continuing non-compliance.	Loss of confidence and support by multiple whole segments of stakeholders or multiple significant/high profile stakeholders
4	Major	A critical event that with the proper management can be endured by SaskPolytech.	Extensive injuries, reversible environmental damage causing a violation of law or regulation	Between \$5 million and \$25 million	One week to one month and financial loss is major	Substantiated, public embarrassment, high impact, high news profile, third party actions	Placed on probation by accrediting agency or assigned penalties by compliance agency.	Multiple whole segments of stakeholders, multiple significant/high profile stakeholders adversely impacted
3	Moderate	A significant event that can be managed under normal circumstances by SaskPolytech. The impact would mean that the activity would be subject to significant review or changes to operations.	Sustained medical treatment, mitigatable environmental damage no violation of law or regulation restoration accomplished	Between \$500 thousand and \$5 million	Full day to one week and financial loss is moderate	Substantiated, public embarrassment, moderate impact, moderate news profile	Failure to meet one or more accreditation standard or compliance requirement that might trigger a letter of warning.	Whole segment of stakeholders, significant/high profile stakeholder adversely impacted
2	Minor	An event, the impact of which can be absorbed but management effort is required to minimize the impact.	Medical treatment, minimal environmental damage not violating law or regulation	Between \$100 thousand and \$500 thousand	Half day to full day and financial loss is minor	Substantiated, low impact, low news profile	Weakness in meeting one or more accreditation standard or non-continuing non-compliance with requirements.	Minor adverse impact on one to many stakeholders
1	Negligible	An event, the impact of which can be absorbed through normal activity.	First aid treatment, no environmental damage	Less than \$100 thousand	Less than half day and financial loss is negligible	Unsubstantiated, low impact, low profile, or no news items	Little or no effect	Little or no effect

Appendix B: Likelihood Table

The likelihood that a risk would occur:

No.	Likelihood	Description
5	Almost Certain	Expected to occur in most circumstances (e.g. more than once per year)
4	Likely	Will probably occur (e.g. at least once per year)
3	Possible	Might at some time (e.g. at least once in five years)
2	Unlikely	Could occur at some time (e.g. at least once in 10 years)
1	Rare	May only occur in exceptional circumstances (e.g. less than once in 15 years)

Appendix C: Risk Scoring and Treatment Key

Likelihood and Impact Matrix					
Likelihood Label					
5 Almost Certain	Normal	Elevated	Elevated	High	High
4 Likely	Low	Normal	Elevated	High	High
3 Possible	Low	Normal	Elevated	Elevated	Elevated
2 Unlikely	Low	Normal	Normal	Normal	Elevated
1 Rare	Low	Low	Normal	Normal	Normal
	1 Negligible	2 Minor	3 Moderate	4 Major	5 Extreme
Impact Label					

Risk Treatment Key	
Red – High	Detailed planning and potential Board and Ministerial communication may be required to provide maximum feasible mitigation strategy or maximum efforts to capture opportunity.
Orange – Elevated	Senior Management Council (SMC) attention and management responsibility specified.
Yellow – Normal	Managed by specific monitoring or response procedures.
Green – Low	Managed by routine procedures; unlikely to need specific application of resources.