

Parent Policy: Enterprise Risk Management Policy

Enterprise Risk Management Framework

IMAGINE: Transforming Lives, Transforming Communities provides the University Community with an overall vision, mission and strategic imperatives to guide present and future actions. Transformation on this scale requires a comprehensive and strategically aligned planning roadmap and implementation strategy; one that also aggregates and integrates the priorities, risks, dependencies, and resource requirements for initiatives and projects associated with this transformation journey.

Instead of being on the margins, risk management is central to our planning strategy, and will be enterprise-wide in its application. Along this transformative journey, Athabasca University will undertake calculated risks and path-finding approaches as it continues to strive for lean-systems management, increased efficiencies and improved service delivery for our learners. To this end, Athabasca University's Enterprise Risk Management Framework is based on and aligned with ISO 31000 Risk Management Standard and Guidelines¹ which inform and guide applicable University processes and policies.

Refreshing Enterprise Risk Management

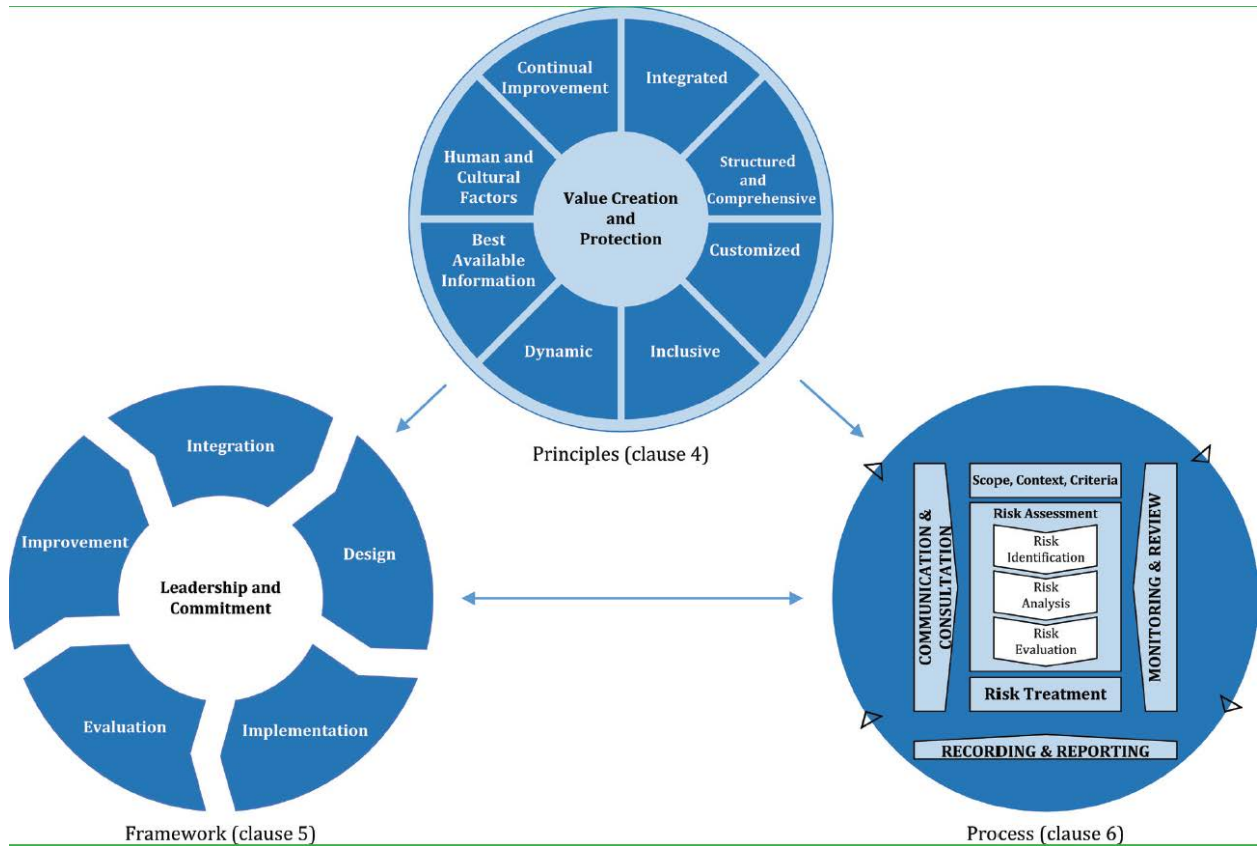
The University's Enterprise Risk Management Framework facilitates information about institutional risks derived from integrated risk management processes to be adequately reported and used to support evidence-based decisions and accountability to our funders and learners. While striving for continuous process improvement and a focus on financial sustainability, Athabasca University boldly charts its course as Alberta's 100% digital technologies-based learning environment.

Athabasca University distinguishes itself from place-based universities and operates in an environment where learners of all ages and stages seamlessly interact with learning experiences asynchronously or synchronously, online or offline, mobile and in-place. This environment creates unique, potential risks and uncertainties that must be factored into strategy and planning, IT, leadership and governance, HR, compliance, quality, health and safety, business continuity, crisis management and security, through a systematic approach.

The ISO 31000: 2018 Standard states that the success of risk management will depend on the effectiveness of the management framework providing the foundations and arrangements that will embed it throughout the organization at all levels, illustrated by Figure 1.

¹ ISO 31000: 2018

Figure 1



Guiding Principles

Enterprise Risk Management (ERM) is defined as a set of coordinated activities to direct and control an organization with regard to risk. The University recognizes and values ERM practices and undertakes to ensure:

- Consistent application and integration of risk management practices into the University's strategic planning and operational processes;
- Continuous assessment of the University's risk management strategies and risk tolerance levels to assure they remain current with regulatory, legal and operational requirements, and;
- Establishment of university-wide measurement methodologies for quantifying (where appropriate), benchmarking and prioritizing risks, and help to build risk awareness thinking across the University Community.

Framework Components

The ERM Framework consists of the following six components:

1. Leadership and Commitment

The Governors of Athabasca University demonstrates its leadership and commitment to the ERM Framework by guiding its Standing Committees (as appropriate) and its Executive Team towards the adoption of a systematic risk management approach across the University.

2. Integration

Enterprise Risk Management is an integral component of all institutional activities, and risk mitigation is actively managed in all areas of the University. Additionally risk management awareness is an expectation of all members of the University Community.

3. Design

Accountabilities for risk management are assigned to appropriate institutional roles responsible for achieving organizational objectives and implementing operational requirements. The University may also engage external stakeholders or investigate outside knowledge resources, to better understand the external context with regard to its risk management approaches.

4. Implementation

The pursuit of any positive opportunities to promote efficiencies on behalf of the University must be balanced by risk mitigation. These are intentional aspects of institutional decision-making. To this end, every initiative and project undertaken by the University Community will adopt ERM business processes where applicable.

5. Evaluation

In accordance with Athabasca University's Policy Framework, all ERM procedures will be reviewed regularly to ensure currency and relevance to assure the achievement of quality outcomes.

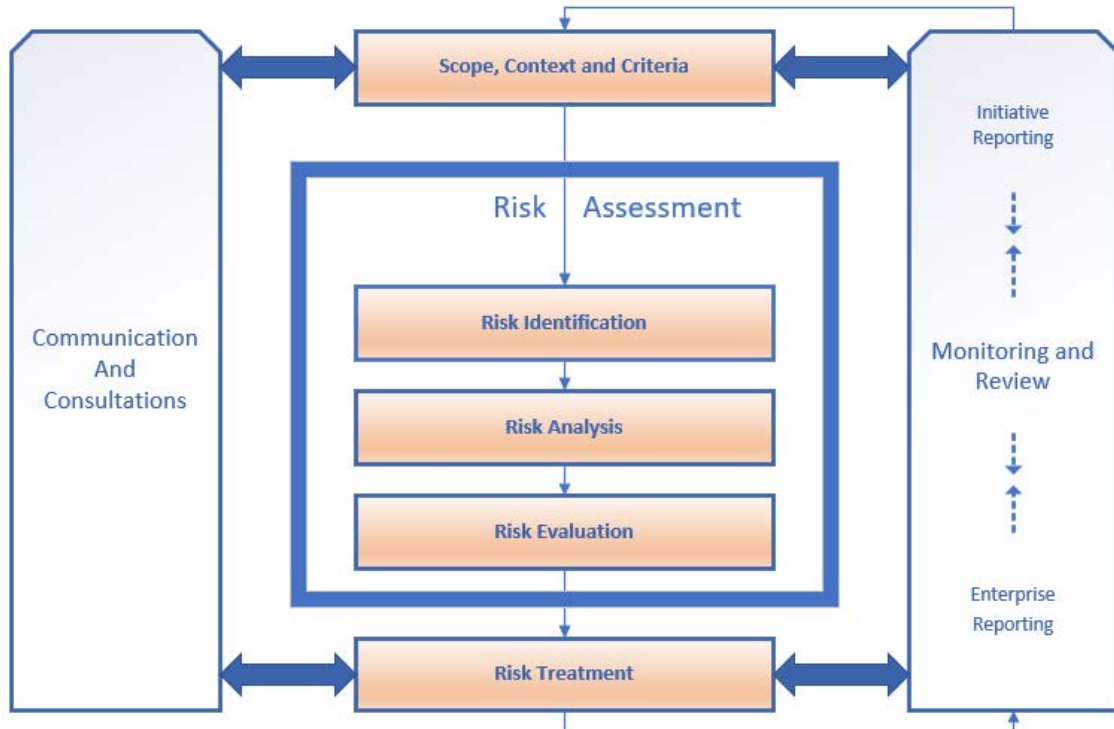
6. Improvement

The University's risk management processes will be dynamic – continuously improving and evolving in their application to existing practices.

ERM Business Processes

ERM business processes at the University are iterative and cyclical as illustrated by Figure 2:

Figure 2



Scope, Context and Criteria

The University has identified at the institutional level a set of strategic objectives and operational priorities to which the risk management process is being applied (scope), has undertaken an environmental scan and understands the internal and external context in which the University operates (context). As well, the University Community understands ERM is being applied across the University, what the goal of the ERM program is and the criteria to be used to evaluate the significance of risk (criteria).

Risk Assessment

The University has processes in place that enable it to undertake a risk assessment including these sub-processes:

- Risk Identification;
- Risk Analysis to determine the likelihood and impact of any identified risks, and;
- Risk Evaluation based on risk analysis to identify which risks require mitigation or harm reduction.

Risk Treatment

Where required, the University has processes to implement actions to modify or reduce the risks, to determine whether residual risks are tolerable and if not, identify new risk treatments in accordance with its established Risk Tolerance levels.

Monitoring, Review and Reporting

The University has processes that enable the ongoing review of all aspects of the risk management process including review of existing controls, mechanisms to analyze and learn from events, detecting changes in the internal and external environments and the ability to identify emerging risks. The University has a process for regular reporting to management and the Board on the status of risk management strategies.

- Initiative Reporting – initiative and project team leads are responsible for reporting on risk mitigation approaches to better examine the application of ERM Business Processes.
- Enterprise Reporting - Routine examination and reporting on risk management associated with the University's strategic objectives and operational priorities.

Communication and Consultations

Throughout the ERM cycle and as needed, the University has mechanisms to communicate and consult with key internal and external stakeholders for the purposes of identifying and understanding risks, their impacts and the measures being taken to manage the risks. Communication and consultation with appropriate internal and external stakeholders should take place within and throughout all of the above enterprise risk management business processes.



The ISO 31000 Standard and its guidelines are a well suited foundation for Athabasca University's Enterprise Risk Management Framework, enabling the University Community to identify and understand fully potential impacts and risks, as well as developing and implementing mitigation tactics to alleviate negative risks.