
Enterprise Risk Management Policy

Policy Sponsor:	The Office of the President
Policy Contact:	Vice-President, Finance & Administration
Policy Number:	N/A
Effective Date:	October 26, 2012
Approval Group:	Governors of Athabasca University
Approval Date:	October 26, 2012, Motion # 179-2
Review Date:	an annual review by the end of November
Procedure:	Procedures for Management of Risk

Purpose

The success of Athabasca University (AU) is dependent upon the effective management of those activities that support the key strategic initiatives outlined in the Strategic University Plan. AU acknowledges that all activity has associated with it an element of inherent risk.

Risk can either be transferred to third parties, through risk sharing, insurance, contracts or waivers; it can be mitigated by implementing internal risk management strategies; or it can be ignored. However, it is imperative to assess risks at all levels of the organization in order to effectively identify and appropriately address them. Risk management is everyone's responsibility.

The critical process in Enterprise Risk Management (ERM) is to identify the types of risks, establish AU's risk appetite as to "How willing is AU to accept risk related to each key initiative" and prioritizing and managing related risks.

Establishing the ERM Policy will guide employees in their actions and ability to accept and manage risks. It will also assist in decision making processes that support risk avoidance, risk reduction and risk acceptance, improving the management of existing uncertainty and the approach to new opportunities, thereby helping AU achieve its vision and mission and to maximize utilization of AU's available resources.



Definitions

Impact	The outcome of an event, expressed qualitatively or quantitatively. There may be a range of possible outcomes associated with an event, depending upon the severity of the event.
Inherent Risk	Those risks that exist by virtue of an organization's existence and the industry/market it is in. Inherent risks are generally those risks that are related to any similar post-secondary institution.
Likelihood	The probability or frequency of a risk occurring within a defined timeframe and in the case of AU, the defined timeframe is 24 months.
Residual Risk	The risk that is left after it has been assessed with current controls and mitigation strategies in place.
Risk	The chance of something happening that will have an impact upon an entity's objectives which is measured in terms of likelihood and impact.
Risk Acceptance	An informed decision to accept the likelihood and impact of a risk occurring.
Risk Analysis	A systematic use of available information to determine how often specified events may occur and the magnitude of their impact on the entity.
Risk Appetite	AU's willingness to accept risk in pursuit of its objectives; the amount of risk that AU is willing to take.
Risk Avoidance	An informed decision to not become involved in a risk situation.
Risk Management	The process of identifying, assessing and developing management strategies to deal with risk(s) facing an organization.
Risk Mitigation	That part of risk management which involves the implementation of policies, standards, procedures and physical changes to eliminate, minimize or manage risk.
Risk Reduction	A selective application of appropriate techniques of management principles to reduce either the likelihood of an occurrence of the risk, or the impact, or both.
Risk Sharing	Sharing the responsibility for a loss to another party through legislation, contract, insurance, waivers, or other means.

Policy Statements

AU is committed to building increased awareness and a shared responsibility for risk management at all levels of the organization. The policy is intended to assist in decision making processes that



will minimize potential losses, and improve the management of uncertainties and approach to new opportunities.

ERM at (AU) is a continual and cyclical process that includes ongoing risk identification, risk analysis and implementation of mitigating strategies and controls, where appropriate.

The methodology used at AU will be supportive of and closely linked to the Strategic University Plan, as it will take into account both the inherent and residual risks to AU; use a common language to assess the risks; document the current risk mitigations in place; and document potential future risk mitigations.

AU will accept and manage risk in support of AU achieving its vision, mission and strategic priorities and, when appropriate and cost effective, will also seek to employ Risk Sharing with third parties. This will protect both the AU community and its assets and will maintain a proactive, long-term and sustainable ERM strategy as articulated in the Risk Management Framework.

A risk management framework provides management with an explicit view of institutional risks and allows for the current and future mitigation of those risks. Management will conduct an annual review of the enterprise risk management framework and will provide regular updated reports. This ongoing maintenance will provide assurance that risk is being proactively managed within AU.

Applicable Legislation and Regulations

[Financial Administration Act](#), Chapter/Regulation: F-12 RSA 2000

[Government Accountability Act, Chapter/Regulation: G-7 RSA 2000](#)

[Post-Secondary Learning Act](#), Chapter P 19. 5 2003, Banking and Investment, 75(3)

Related References, Policies, Procedures and Forms

[Procedures for Management of Risk](#)

[Athabasca University Policy Manual](#)

[ERM Governance Structure](#)

[ERM Risk Tolerance Statement](#)

[ERM Framework](#)

[RMT Terms of Reference](#)

[ERM Risk Identification Form](#)

[ERM Risk Management Report\(s\)](#)

[ERM Risk Register](#)

[Policy Development and Maintenance at Athabasca University](#)

History

Governors of Athabasca University, October 26, 2012, Motion # 179-2 (Approved)