



# Enterprise Risk Management

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Contact:	Vice-President (Finance and Administration) ext. 2205

## Introduction

This policy applies to all First Nations University of Canada (FNU) members. An Enterprise Risk Management framework is designed to assist management identify, analyze, evaluate, and treat potential Risks that may affect FNU's ability to achieve its strategic goals or maintain its operations. These risks are assessed against FNU's level of risk tolerance, providing reasonable assurance to the Board of Governors and other stakeholder that the university's objectives will be achieved. FNU is committed to establishing an institution that ensures risk management is an integral part of all university activities and a core capability.

FNU's objective for enterprise risk management include:

- Integrating risk management into the culture and strategic decision-making of the university,
- Anticipating and responding to changing social, environmental, and legislative conditions,
- Managing risk according to best practice and demonstrating due diligence in decision making,
- Regarding legal compliance as a minimum standard,
- Balancing the cost of managing risk with the anticipated benefits, and
- Raising awareness of the need for risk management.

## Definitions

**Enterprise risk management:** a rigorous process applied across FNU for assessing and addressing risks from all sources that could impact the achievement of the university's strategic objectives.

**Risk:** chance that an event or trend, either positive or negative, that will have a significant impact on university operations and/or fulfillment of the university's strategic objectives.

**Risk appetite or tolerance:** described as the level of risk FNU is willing to accept in relation to a threat that may cause loss or an opportunity in the day-to-day business activities. The risk tolerance of an organization may be different for different events. FNU's risk tolerance and the alignment between its risk appetite and its objectives form part of the overall university strategy.

**Risk register:** official record (often prioritized) of the known risks facing FNU.

**Risk Treatment:** management actions that either avoids, accepts, transfers, or reduces various risks.

## Policy

FNUUniv's methodology for risk management is shown on the Enterprise Risk Management Framework and is simply a flow chart expression of the risk management activities. The process is continuous and should be applied at both the University (enterprise) level or at an individual academic and administrative unit level. The Enterprise risk management Framework also documents the roles and responsibilities of the various stakeholders. Further, FNUUniv provides appropriate training and resources to its members to manage risk.

FNUUniv's principles for managing risk are:

- The Board of Governors and Executive oversee risk management within the University.
- The Board of Governors and Executive adopt an open and receptive approach to solving risk problems.
- The Executive supports, advises on, and implements policies approved by the Board of Governors.
- The Executive makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks and opportunities.
- Directors, managers, and department heads encourage good risk management practices within their units.
- Key risk indicators are identified and monitored on a regular basis.

## Role and Responsibilities

The Vice President Finance and Administration is responsible for the development and maintenance of an Enterprise Risk Management framework, which will include facilitating and coordinating the process of identifying, reviewing and ranking risks; and reporting to the Board of Governors through the President the highest risks facing FNUUniv.

The Vice Presidents may develop, for approval by the President or Board of Governors (as appropriate), policies and procedures and risk management strategies within their areas of responsibility.

The Executive is responsible for the implementation of this policy, and associated policies and procedures within their areas of responsibility. They shall:

- Delegate responsibilities to the appropriate program or unit and program officer; and
- Require program units to prepare Risk Management plans and reports consistent with the requirements of the Enterprise Risk Management framework.

All staff members of FNUUniv are responsible for the effective management of risk including the identification of potential risks.

### **Audit, Finance and Risk Committee**

The Audit, Finance and Risk Committee is accountable for the Enterprise Risk Management program as defined in its terms of reference, and approved by the Board of Governors.

## Processes

### Reporting

The Vice President Finance and Administration will co-ordinate regular due diligence reporting to the Board of Governors, through the President, on the Enterprise Risk Management Framework, including the risk register (with the risks prioritized), as well as on statutory requirements and the mitigation strategies for those areas deemed to be of significant risk to the institution.

## Consequences for Noncompliance

Failure to comply with this policy may affect FNUUniv and/or academic and administrative unit from achieving its strategic and operational objective.

## Related Information

- Enterprise Risk Management Framework (to be developed)