

RISK MANAGEMENT POLICY

Effective Date: 2019-06-14

Prepared by: Vice-Principal Finance and
Administration

Policy Number: VPFA-01-2019

Approved by: Board of Governors

1. PURPOSE AND LEGAL FRAMEWORK

The purpose of this Risk Management Policy is to outline the process for identification and management of risks that may have implications for decision-making. Different Acts require Universities to carry out risk assessment in various spheres of activities such as but not limited to: procurement, health and safety, information technology. This Risk Management Policy is applicable to all Faculty, Managers and Staff.

This policy proposes a framework for an integrated management of risks at the University.

2. SCOPE

This Policy applies to all activities performed at, by or for Bishop's University that could affect its operations, tactics or strategic objectives. This Policy applies, without exception, to every individual who carries out duties within Bishop's University or performs work for its benefit.

3. DEFINITIONS

The following terminology is used in the Policy and whenever the legislative, regulatory or ministerial provisions apply.

3.1. RISK MANAGEMENT

A framework that provides methods and processes to identify, assess and prepare for any dangers, hazards and other potential for disaster, physical and virtual, that may affect Bishop's operations, reputation and strategy. It will also provide a coordinated approach to monitor risks.

3.2. RISK

Effect of uncertainty on the University's ability to attain its objectives. Risk resulting from people, inadequate or failed internal processes and systems, or from external events. It includes legal risk, reputational risk and financial risk.

3.3. RISK APPETITE

Amount and type of risk that Bishop's is willing to pursue, retain or take in order to meet its strategic objectives.

3.4. RISK ASSESSMENT

A systematic process of evaluating events that have the potential to cause harm to individuals, assets or the environment, and making judgments on the tolerability of the risk on the basis of a risk analysis while considering influencing factors.

3.5. RISK CATEGORY

The main risk areas identified are:

- Affiliated entities: Foundation, independent organizations, student and alumni organizations, commercial partners
- Athletics: Facilities, graduation rates, injuries and resulting medical care, U Sports compliance, spectator control, trademarks and licensing
- Brand and reputation: Academic excellence, academic freedom, alumni relations, constitutional challenges, free speech and expression, relationship with key supporters, naming of University facilities
- External: Produced by a non-human source and are beyond human control (hurricanes, earthquakes, tornadoes, floods, eruptions, lightning, fire, diseases, environmental hazards, civil disruptions)
- Facilities: Physical damage, depreciation and obsolescence, inadequate design, buildings and grounds maintenance
- Financial: Budgeting, capital sufficiency, construction management, contracts, deferred maintenance, economic conditions, energy availability and cost, food crisis, fundraising, grant procurement and compliance, infrastructure, investment management, liquidity, tuition, financial aid, government financial support, sponsored research, tax
- Human resources: Code of conduct, diversity, employee productivity, employee benefit management, workplace safety and injury, labor disruption, volunteers, wage and hour compliance
- Operational: Auxiliary business such as conference, residences, bookstore and publishing, library and art collections, premises, transportation, travel, student health services
- Project: Any kind of project, including research
- Public safety: Active shooter and terrorism, building access and security, crime, security of minors on campus
- Legal and Governance: Compliance with laws and regulations
- Strategic: Failed business decisions, or lack thereof
- Technology: Access, business continuity, changing technology, governance, mobile devices, performance capacity, security and cyber liability, system design

3.6. RISK RESPONSE

Measures used to modify risks in order to come within Bishop's risk tolerance. A global risk response includes accept, mitigate, transfer or avoid the event, trend or course of action.

3.7. RISK REGISTER

Repository for all risks identified, including additional information about each risk: category, owner, probability, impact, score, risk responses and related action plan.

3.8. RISK TOLERANCE

More precise than the risk appetite, the risk tolerance depicts the acceptable level of a category of risk in matter of numbers, dollars and percentages.

3.9. UNIVERSITY

Bishop's University.

4. GUIDING PRINCIPLES

The interpretation and application of this Policy are governed by the following risk management principles:

- Enables proactivity,
- Is a shared responsibility at all levels of the University,
- Must be holistic and coherent with the University's strategy,
- Provides direction and guidance to management, and
- Requires examination of all risks regarding the University's risk appetite.

5. RISK APPETITE

The University acknowledges that the effective development of business opportunities, investment in innovative research and the commercialization of knowledge require the University to accept levels of risk that are commensurate with the expected opportunities and benefits.

However, the University's tolerance is low for risks related to:

- The health, safety and welfare of faculty, staff, students and visitors,
- athletic activities,
- Its brand and reputation,
- Its financial stability,
- Its regulatory compliance,
- Its academic integrity, and
- the environment.

6. ROLES AND ENFORCEMENT RESPONSIBILITIES

6.1. BOARD OF GOVERNORS

The Board of Governors adopts a Risk Management Policy and ensures compliance with it.

6.2. AUDIT COMMITTEE

The Audit Committee monitors and, having regard to current best practices, recommends improvements to the University's overall approach to risk management. The Audit Committee annually reports strategic risks to the Board of Governors.

6.3. VICE-PRINCIPAL FINANCE AND ADMINISTRATION (VPFA)

The VPFA ensures that the various departments and services of the University and individuals working within the University or for its benefit enforce and comply with the Policy. The VPFA is responsible for the maintenance of the risk register following the Risk Management Policy process, annually reports strategic risks to the Audit Committee and escalates any important risk in a timely manner.

6.4. HEADS OF UNITS

The duties and responsibilities of the Heads of Units include the following:

- Ensuring continuous risk management,
- Reporting on the management of significant emerging or residual risks.

7. PROCESS

Subject to anything specifically stipulated below and in accordance with the nature of the activities, Heads of Units must follow the process set out in this policy.

7.1. IDENTIFYING RISKS

The Head of Unit needs to be continuously aware of emerging risks. When a new risk is identified it is recorded in the risk register, and analyzed.

7.2. ANALYZING RISKS

Requires determining consequences and likelihood of all identified risks. Using this information and current controls that are in place, each risk is compared to the risk appetite to determine which need further treatment using risk responses. All risks identified that have impacts beyond the ability or authority of the Head of Unit must be reported to the VPFA.

7.3. IMPLEMENTING RISK RESPONSES

Where required, the University has taken actions to modify or reduce the risks, decided whether residual risks are tolerable and if not, identified new risk treatments. The risk treatments are recorded in the risk register, along with the staff responsibility for carrying out the actions. When these actions are carried out, the risk must be analyzed again to determine if it still needs further treatment.

7.4. MONITORING PERFORMANCE

VPFA monitors the effectiveness of the University's risk management activities. It can propose corrections and adaptations concerning key risks and risk management practices. The achievement of the strategic objectives is reinforced by the use of key risk indicators.

8. REFERENCES

Regulation respecting supply contracts, service contracts and construction contracts of bodies referred to in section 7 of the Act respecting contracting by public bodies, RSQ, chap. C-65.1.

Directive concernant la reddition de comptes en gestion contractuelle des organismes publics

Directive concernant la gestion des contrats d'approvisionnement, de services et de travaux de construction des organismes publics, 13 juillet 2015

APPENDIX 1 – RISK PROBABILITY

Score (level)	Interpretation
High (5)	Similar events have occurred at the University at a rate of at least once every five years or at Canadian Universities at a rate of at least once every two years or any university with a rate of at least one (or more) events every year.
Major (4)	Similar events have occurred at the University at a rate of at least once every 10 years or at Canadian Universities at a rate of at least once every five years or any university with a rate of at least once every two years.
Moderate (3)	Similar events have occurred at Canadian Universities at a rate of at least once every 10 years or any university with a rate of at least once every five years.
Minor (2)	Has not occurred at a Canadian university within the last 10 years or any university within the last five years
Negligible (1)	Has not occurred at any university in the last 10 years

REFERENCE(S):
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APPENDIX 2 – RISK IMPACT

Score (level)	Reputation	Financial	Operational	Public safety	Strategic
High (5)	Intense negative attention in local, national & international news/social media for more than two weeks	A loss greater than \$2,000,000	Unable to perform normal activities for more than a hundred people for a period of more than one month	One or more fatalities	One or more major institutional commitments unachievable
Major (4)	Negative attention in local, national & international news/social media for more than two weeks	A loss between \$750,000 and \$2,000,000	Unable to perform normal activities for fewer than a hundred people for a period of less than one month	Permanent disabling injury to one or more individuals	One or more institutional commitments unable to be achieved in planning timeframe
Moderate (3)	Negative attention in local & national news/social media for one to two weeks	A loss between \$500,000 and \$750,000	Unable to perform normal activities for less than thirty people for a period of less than two weeks	Serious injuries to one or more individuals	A key strategic goal underlying an institutional commitment cannot be attained without significant revision and delay of over a year
Minor (2)	Negative attention in local news/social media for up to one week	A loss between \$100,000 and \$500,000	Unable to perform normal activities for less than thirty people for a period of less than one week	Minor injury to one or more individuals	One or more strategic goals not attainable and must be revised
Negligible (1)	Brief negative attention in local news/social media	A loss of less than \$100,000	Unable to perform normal activities for fewer than a dozen people for a period of less than one week	No health effect on any individual	Achievement of a strategic goal delayed within FY

REFERENCE(S):

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APPENDIX 3 – CONTROL EFFECTIVENESS

Score (level)	Interpretation
High (80%)	Controls have been refined to a level of good practice based on results of continuous improvement.
Major (60%)	Management monitoring and compliance measures appear to work effectively. The controls are constantly improving and offer good practice.
Moderate (40%)	Controls have been standardized, documented and communicated across the University. These controls must be respected. It is unlikely that non-compliance will be detected in a proactive way.
Minor (20%)	Controls are in development and are left to individuals to implement.
Negligible (10%)	Ad hoc controls are applied on a case-by-case basis.
None (0%)	There is nothing done.

REFERENCE(S):

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