ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management (ERM) is an integrated enterprise-wide process established over time which links the management of risk to strategic objectives to improve the Division's performance. It creates a formal process for managing the myriad of risks the Division faces. While ERM is not the same as a risk assessment, the assessment of risk is an integral part of an ERM process. A risk is an internal or external event, activity or situation that impacts the ability of the Division to achieve its foundational statements, goals, and strategic plan.

ERM is designed to identify potential events/risks that may significantly affect the Division's ability to achieve its foundational statements, goals, and strategic plan. Through the ERM process, identified risks are to be assessed based on likelihood and impact. Management processes and controls are to be used to provide reasonable assurance that significant risks are sufficiently mitigated to support the achievement of the Division's objectives.

The Board will identify and manage its enterprise risks in support of its foundational statements, goals, and strategic plan. The Board cannot eliminate risk; rather, it will identify and communicate existing and emerging risks, and effectively manage them. Risk management practices are to be embedded into key processes and operations to drive consistent, effective, and accountable actions, and decision making in management practice and Board governance.

ERM assists to assess the Division's appetite for risk (risk tolerance) and identifies gaps where identified risks are either over or under mitigated. This leads to identification of opportunities and strategies to either close gaps where residual risk is higher than risk appetite or to reallocate resources from areas where residual risk is lower than risk appetite.

The product of ERM includes a ranked risk register used in developing the annual strategic plan and budget. ERM is an ongoing process with procedures and outcomes revisited and reported at least annually.

The Division's ERM framework contained in Policy 19 Appendix, is consistent with the practices suggested by generally accepted global ERM standards frameworks and is consistent with a common framework endorsed by the Saskatchewan Schools Boards Association (SSBA), the Saskatchewan League of Educational Administrators, Directors and Superintendents (LEADS), and the Saskatchewan Association of School Business Officials (SASBO).

Specific Board Responsibilities:

1. Approve the division ERM framework and any amendments thereto.
2. Annually review and approve Director's recommended risk appetite/tolerance levels.
3. Annually review and approve Director's recommended risk register and risk assessment results for the Division's top enterprise-wide risks.
4. Approve Director's recommended action plans to address risk mitigations and opportunities identified as high priority.

5. Include consideration of the ERM risk register and related approved action plans in the development of the annually revised Strategic Plan and the approval of the Operational and Capital budgets.
6. Review annually ERM status updates and resulting recommendations.

Specific Director Responsibilities:

1. Ensure the ERM framework approved by the Board is implemented.
2. Champion risk management within the division to ensure the division remains focused on risk management.
3. Integrate ERM into the strategic, business, and operational planning and decision-making.
4. Ensure effective risk identification, risk assessment, risk management and risk monitoring processes are implemented within the Division.
5. Consult, as required, with the Division's employees or external consultants to effectively manage all aspects of risk.
6. Provide ERM status updates to the Board on risk management activities, and any significant risk changes.

References: Enterprise Risk Management Framework SSBA, LEADS, SASBO, 2017
Enterprise Risk Management User Guide SSBA, LEADS, SASBO, 2017

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