

POLICY ON ENTERPRISE RISK MANAGEMENT

Effective Date: September 17, 2014

Originating Office: Board of Governors

Supersedes /Amends: April 21, 2011

Policy Number: BD-14

SCOPE

This policy applies to all units and employees of the University.

PURPOSE

The purpose of this policy is to articulate the University's approach to risk management, and to set forth the roles of the Board of Governors, the administration, and their various committees.

DEFINITION

For the purpose of this Policy, the following definitions apply:

"Risk" means any event whose occurrence could have a significant impact on the university's ability to attain its objectives.

"Enterprise Risk Management" means a coordinated approach to be used by the University to identify, assess, respond to and monitor risks.

POLICY

1. The University will establish and maintain an Enterprise Risk Management ("ERM") program.
2. ERM will be carried out systematically, with a view to supporting and facilitating the achievement of the University's strategic, operational and financial objectives, by identifying, analyzing, evaluating, treating and monitoring risks on an ongoing basis.
3. ERM will serve not as an independent activity but as a valuable source of information to assist administrators in making informed, consistent decisions throughout the University.
4. The University will promote an administrative culture of risk management and will seek to evaluate and anticipate risk at the planning stages of initiatives and projects.

POLICY ON ENTERPRISE RISK MANAGEMENT

Page 2 of 3

5. The University will decide with respect to each identified risk whether to transfer, accept, mitigate or avoid that risk. As appropriate, the University will seek to prevent or mitigate the impact of losses occasioned by negative risks, while encouraging the informed and controlled undertaking of positive risks, having regard to the University's strategic objectives and operational commitments.
6. In addition to its regular reports, the University will maintain a formal register of key risks, indicators and other data derived from its ongoing ERM activities.
7. All ERM-relevant information will be gathered and consolidated for accurate, timely and up to date compilation, interpretation and intervention including financial information relating to the transfer, acceptance, mitigation or avoidance of risks by the University. All financial information relating to the materialization of events will be segregated.
8. For this purpose, members of the University community are requested to declare all ERM-relevant information to their Unit Heads who shall, in turn, declare this information to the Office of the Treasurer in a timely manner.
9. All costs relative to the University's decisions to transfer, accept, mitigate or avoid a risk will form part of the University's regular budgeting processes.

Responsibilities

10. ERM is the responsibility of the President and Vice-Chancellor and is overseen by an ERM Committee appointed by the President and Vice-Chancellor, with reporting responsibility to the Board of Governors through the Audit Committee.
11. The Audit Committee monitors and, having regard to current best practices, recommends improvements to the University's overall approach to risk management.
12. The ERM Committee exercises oversight for the successful incorporation of ERM principles and activities into the University's administration. Regular reports of all ERM activities will be provided to the President and Vice-Chancellor and to the Audit Committee.
13. The ERM Committee and its representatives, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted

POLICY ON ENTERPRISE RISK MANAGEMENT

Page 3 of 3

access to any and all University records, physical property, and personnel pertinent to carrying out any risk assessment. All employees are required to assist the ERM Committee in fulfilling its roles and responsibilities. The ERM Committee will also have free and unrestricted access to the Audit Committee via the President.

14. The ERM Committee's work of identifying, analyzing, evaluating, treating and monitoring risks will not in any way relieve Unit Heads of responsibilities assigned to them.
15. The ERM Committee will oversee and report on the following risks:
 - a. Operational;
 - b. Financial;
 - c. Compliance;
 - d. Fiduciary;
 - e. Reputational; and
 - f. Strategic.
16. The Office of the Treasurer, Financial Services, is designated as the unit responsible for supporting the ERM Committee in the accomplishment of its responsibilities.