

FANSHAWE COLLEGE BOARD OF GOVERNORS' POLICY MANUAL

CATEGORY D – EXECUTIVE LIMITATIONS

TITLE: RISK MANAGEMENT

POLICY NUMBER: D-18
EFFECTIVE DATE: 2021 02 25
REFERENCE: 54501, 56501, 58203

BACKGROUND INFORMATION:

The Board must take risk into account in its decision making in order to protect the assets and long-term health of the College. Management typically leads the development, implementation, and integration of the College's risk management systems and processes to identify risks, assess their probability and impact, determine appropriate risk management strategies, and monitor their effectiveness. The Board's role in risk management is to ensure that the College has such a framework in place, that the College manages its risk effectively, that Board members understand key risks facing the College as a whole, and that the Board has determined its own Risk Attitude (see statement below) to guide the College with its approach towards risk management (Enterprise Risk Management).

RISK ATTITUDE STATEMENT:

The Board understands that risk is inherent in everything that the College does and that the acceptance of a certain degree of risk is essential for the College to boldly pursue opportunities that allow it to be innovative, competitive and sustainable. Balanced against the need for the College to pursue and seize opportunity, the Board recognizes that certain risks, including the College's financial health, compliance with legislative and regulatory requirements, health and safety, quality, and reputation, may require a heightened level of attention – both in terms of identification and appropriate mitigation. As such, the Board accepts a range of risks, from Very Low to High, depending on the object. A Risk Tolerances Table will be reviewed annually by the Board.

THE POLICY:

- 1) The President shall not fail to:
 - a. Operate the College consistent with the legislative, regulatory, and policy frameworks of Ontario colleges.
 - b. Inform the Board of the College's overall approach to risk management, including its strategies, assessments, and mitigation processes.

- c. Identify, assess differential impacts of, and mitigate the College's top risks (where "top risks" are those considered to be most significant by a majority of College leaders).
- d. Identify and assess potential significant risks with all proposals at the time they are presented to the Board for consideration.
- e. Communicate to the Board in a timely manner any perceived significant risks that emerge between monitoring reports.

MONITORING:

The President shall annually prepare and present a report to the Board, demonstrating compliance with this Policy.

The President will provide an update, at each meeting of the Board Process Committee, on any change to the College's risk profile. The full Board will also review changes to the College's risk universe at its annual Workshop.