ENTERPRISE RISK MANAGEMENT POLICY

This document is the parent policy for any College or Divisional procedures. Questions regarding this policy are to be directed to the identified Policy Administrator.

Functional Category:	Operations
Approval Date:	June 1, 2022
Effective Date:	June 1, 2022
Policy Owner:	Vice President, Administration and Chief Financial Officer
Policy Administrator:	Manager, Compliance

Objective:

This policy is intended to support the entrepreneurial spirit that is essential to all areas of the college in order for them to meet their objectives through the identification, assessment, response to, and monitoring of enterprise risk.

Building enterprise risk management into existing processes increases the college-wide awareness of risk and helps create a culture where both positive and negative aspects of risk are proactively assessed and responded to.

The objective of enterprise risk management at NorQuest College is to: identify the most significant risks to the achievement of NorQuest College's most important business and strategic goals; assess the impact and likelihood of these risks; respond to these risks; and monitor these risks over time.

This policy outlines the requirements for enterprise risk management within NorQuest College and it ensures that established practices are sound and consistent with industry leading methods commensurate with an institution of NorQuest College's nature and complexity.

Authority to establish this policy is derived under the authority of the Board of Governors, Board Policy No. 3 Board Roles, Organization and Processes which ensures that there is an enterprise risk management approach in place and Board Policy No. 5, which delegates authority to the President and CEO to establish policies and procedures for the college's management and operation.

Policy:

NorQuest College will establish and maintain an enterprise risk management program and framework. The enterprise risk management program and framework will be informed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework. The enterprise risk management program and framework will ensure that it:
- Creates value and contributes to the accomplishment of NorQuest's objectives;
- Provides input into the strategic and business planning processes;
- Allows for a consistent methodology to assess and report on risk;
- Propagates common terminology on enterprise risk management;
- Categorizes risks into categories such as: Financial, Operations, Students, People, Regulatory, and Reputation; and
- Ensures that college-wide risks outside of risk appetite levels are addressed with appropriate risk responses.

RESPONSIBILITY

Enterprise risk management is a shared responsibility. All NorQuest employees have a responsibility to ensure that risks that are observed, are

identified and communicated to their supervisor. Additional responsibilities for certain employees are listed below.

Board of Governors

The Board Finance and Audit Committee and Board of Governors have ultimate oversight to ensure that NorQuest College has an adequate enterprise risk management program. The Board will receive a report thrice annually that includes, at a minimum, an overview of the recorded strategic risks facing NorQuest College, highlighting risk control activities being undertaken.

Executive Team

The Executive team members will be responsible for advocating against risk complacency, aligning risks to the strategic plan and business objectives, and reviewing the risk register and related reports. The Executive will review strategic and operational risk on a bimonthly basis, in line with business reviews.

Divisional Head

Divisional Heads are designated as Risk Managers. Divisional Heads will be responsible for entering and ensuring that the information in the risk registers are current and accurate for the purposes of overseeing and reporting on risk.

Compliance

The Compliance team is responsible for developing risk talent; preparing and updating the enterprise risk management program and framework; facilitating enterprise risk identification, assessment, prioritization, and response; preparing and submitting reports to the Board; and monitoring the program's effectiveness.

Non-Compliance

As per the Code of Conduct Policy, employees are expected to demonstrate a high standard of personal conduct at the college. This includes upholding the law and following college policy and procedure. Consequences of noncompliance will be in accordance with the college policy and procedure, and/or as required by legislation.

Definitions:

Divisional Head: means anyone who manages a division or multiple divisions. Division Head is responsible for a division(s) reporting directly to an executive and normally includes Deans and Directors but may also include an executive or senior manager.

Enterprise Risk Management: The culture, capabilities, and practices, integrated with strategy-setting and its performance, that organizations rely on to manage risk in creating, preserving, and realizing value.

Enterprise Risk Management Framework: a set of components that provides the foundations and organisational arrangement for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.

Inherent Risk: the risk to an entity in the absence of any actions management might take to alter either the risk's likelihood or impact

Residual Risk: the risk remaining after management's response to the risk.

Risk: The possibility that events will occur and affect the achievement of strategy and business objectives. This includes both negative and positive impacts.

Risk Event: a risk that has a potential negative outcome against the achievement of a college goal or objective.

Related NorQuest College Information:	• Enterprise Risk Management Framework & Implementation Plan • Strategic Risk Register and Dashboard • Portfolio Risk Register and Dashboard
Related External Information:	N/A
Next Review Date:	June 2026
Revision History:	January 2012: new August 2013: update for document links and branding May 2018: Policy Owner/Administrator change and objective/policy changes August 2019: Compliance Office template & reorganization update June 2022: adjustments to the policy based on ERM Framework improvements, using the COSO Framework to restructure the ERM program, and update definitions.