



Policy:	O-2.1
Approved By:	College Executive Team
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Amendment Date:	
Policy Holder:	VP Administration

COLLEGE-WIDE RISK MANAGEMENT

Purpose / Rationale

The purpose of this policy is to establish a coordinated approach to risk management and ultimately to establish a risk management culture at Camosun College. A coordinated approach to risk management will contribute to building a risk-smart decision making environment that allows for innovation and responsible risk-taking while ensuring legitimate precautions are taken to protect our key objectives and ensure due diligence.

Scope / Limits

The risk analysis process established in this policy will apply to decisions made by the College that could have a significant potential risk to the financial stability, reputation and quality of key College activities. This process will also be undertaken for all projects conducted by the College and sponsored by the College Executive. (The project charter has the risk analysis component embedded as part of the development.)

Principles

1. Camosun College recognizes that a coordinated risk management approach is critical to the achievement of its key objectives and strategic goals. To meet this goal, the College is committed to and has established a risk management approach to critical strategic and operational decision-making that is proactive in its method of identification, analysis, evaluation and treatment of potential risks, not to eliminate risk, but rather to ensure that existing and emerging risks are identified and managed in a balanced manner.
2. Managing risk is the role of all College management. The Risk Management Framework and its tools have been established to provide a coordinated and consistent means of managing College risk.
3. A *Risk Profile*, which will identify all significant potential risks, and a *Risk Treatment Action Plan* will be the basis for monitoring and reporting significant risks. Significant potential risks will be reviewed by College Executive as part of the quarterly review process.
4. Reports on key risks and mitigating strategies will be provided to the Board of Governors by the Chief Financial Officer.

A. DEFINITIONS

1. Risk

In essence, *risk* is anything that prevents or impedes an organization from achieving its key goals and objectives. Risk refers to the uncertainty that surrounds future events and outcomes. It is the expression of the likelihood of an event occurring, the consequences if the event should occur, and the influence the event would have on the achievement of goals.

2. Risk Management

Risk management is a process of identifying, analyzing, evaluating and developing management strategies to mitigate or deal with risk facing an organization.

3. Risk Registry

A *risk registry* is an electronic tool intended to capture information during a risk analysis session. It is used to graphically present levels of risk (extreme, high, medium, low).

4. Risk Analysis Session

A *risk analysis session* is a facilitated meeting that is designed to identify, analyze, evaluate and treat risks. The *risk analysis* session operates optimally with seven or fewer participants, the length of which is dependent upon the scope and complexity of the risk being analyzed.

B. RISK MANAGEMENT PROCESS

There are three stages of Risk Management: Planning, Analyzing, and Monitoring and Reporting.

1

PLANNING FOR A RISK ANALYSIS

Establish the Context for Risk Analysis

- What risk is being analyzed? (Strategic, program, project, service, unit, etc?)
- What is the scope of the Risk Analysis? What values or limits are in place?
- Who is best informed to assist in the analysis of this risk?

2

RISK ANALYSIS SESSION

Identify Risks	Analyze Risks	Evaluate Risks	Treat Risks
<ol style="list-style-type: none"> 1. Identify Risk 2. Determine Category of Risk. 	<ol style="list-style-type: none"> 1. Identify Current Controls (Mitigating Strategies) 2. Determine Likelihood and Consequences 3. Calculate Risk Level 	<ol style="list-style-type: none"> 1. Determine if controls are adequate 2. Determine tolerance for the Risk (Acceptable or Not) 3. What action will be taken (Treat or Not) 	<ol style="list-style-type: none"> 1. Develop Action Plan 2. Identify who will action, and by when

3

MONITORING AND REPORTING

1. Unit Leader Monitors Success of Risk Treatment
2. Prepares and Presents Risk Analysis and Treatment Impact at Quarterly Review

1. STAGE ONE: Planning

Establish Context (See link to the *Context Document Template*.)

Establishing the context sets the scope for the risk management process. Each individual risk assessment is unique and has limitations, goals, operating values, and key participants. The context is established, usually in a one-page document that guides the session and aids the facilitator to focus the discussion within the scope of the risk being analyzed.

Note: When a risk management session is undertaken for projects, the project charter acts as the context document. For the annual College-wide analysis of strategic risk, this policy operates as the context document.

2. STAGE TWO: Risk Analysis

(a) Identify Risks (See links to the *Risk Analysis Worksheet*, *Risk Register Spreadsheet*, & *Risk Categories*.)

There are two steps in Risk Identification: first identify the risk; second, categorize the risk.

In order to achieve an effective session, participants are provided with the following: the *Context Document Template* which describes the goals, scope and any limitations to the session; the *Risk Analysis Worksheet* to be completed by the participants prior to the session; and the list of *Risk Categories* to help participants categorize the risk.

Risk identification requires the participants to specify the distinct risk that hinders a specific objective by stating the “cause + effect” and using a joining word such as “causes,” “leads to,” “prevents,” “hinders,” etc.

The *Risk Register Spreadsheet* permits the facilitator to document the risks and categories during the session.

(b) Analyze Risks (See link to the *Risk Analysis Measurement Tool*.)

Analyzing risk involves three steps: identifying current controls, determining likelihood and consequences of identified risk, and calculating the level of risk.

The participants identify the current controls in place to mitigate the risk.

The participants determine the likelihood of an identified risk occurring and the consequences of the risk, should it occur, keeping the current controls in mind. The *Risk Analysis Measurement Tool* provides descriptors for likelihood and consequences to enable participants to more accurately identify the likelihood and consequences of the identified risk.

The likelihood and consequences are weighted and ranked resulting in a visual identification of the level of risk (extreme, high, medium or low).

This process is conducted through general consensus of the participants and is completed using the *Risk Register Spreadsheet*.

(c) Evaluate Risk

Risk Evaluation involves three steps: determining if the controls are adequate; defining tolerance for the risk; and deciding if action will be taken to further mitigate the risk.

Having identified the level of risk, and knowing the current mitigating strategies, the next step is to determine the adequacy of the controls: Are they adequate, weak or excessive?

To determine the tolerance for the risk simply means identifying if the risk levels are acceptable, unacceptable, or acceptable with treatment. The final step is to determine if the risk will be treated or not.

Once these determinations have been made, the participants are in a position to identify risk treatments for those risks that need treatment.

(d) Treat Risks (See link to the *Risk Treatment Action Plan Template*.)

To treat risks is to identify new action(s) that will be undertaken to mitigate the key risks. The focus is on mitigation of extreme or high risks that, to date, have not been sufficiently mitigated. There is benefit in identifying treatments during the Risk Analysis session; however, a full action plan should be developed by the organizational unit following the session. The *Risk Treatment Action Plan Template* should include the action to be taken, by whom and by when.

3. STAGE THREE: Monitoring and Reporting (See links to the *Risk Profile Template & Risk Treatment Action Plan Template*.)

Once the Risk Analysis session is complete, the responsible administrator is able to establish a *Risk Profile* and *Risk Treatment Plan*. SLC will report on key risks during the quarterly review process. A *Risk Profile* and *Risk Treatment Action Plan* will be used as the basis for the review.

C. REFERENCES

1. BC Ministry of Finance, Enterprise-wide Risk Management (ERM)
2. City of Winnipeg, Integrated Risk Management (IRM)
3. Australia/New Zealand Standard (ERM)
4. SIAST (ERM)
5. Treasury Board of Canada (IRM)
6. BC Pension Corp. (IRM)

D. LINKS TO SUPPORTING DOCUMENTS AND RELATED POLICIES

Supporting Documents

[O-2.1.1 Context Document Template](#)

[O-2.1.2 Risk Analysis Worksheet](#)

[O-2.1.3 Risk Categories](#)

[O-2.1.4 Risk Register Spreadsheet](#)

[O-2.1.5 Risk Analysis Measurement Tool](#)

[O-2.1.6 Risk Treatment Action Plan Template](#)

[O-2.1.7 Risk Profile Template](#)

Related Policies

[O-2.2 Project Management Framework](#)

[O-4.1 Financial Responsibility and Accountability](#)