Policy Name: Risk Management
Originating/Responsible Department: Office of the President
Approval Authority: Senior Management Committee
Date of Original Policy: November 2008
Last Updated: November 2013
Mandatory Revision Date: November 2018
Contact: Vice President (Finance and Administration)

Policy:
The risk management policy of the University is to adopt best practices in identifying, evaluating and mitigating both operational and strategic risks to ensure that these risks are avoided, controlled or transferred.

Purpose:
The management of the University recognizes that risk management is an integral part of the University’s governance framework and its operating environment and is committed to establishing an environment that ensures risk management is a fundamental part of all University activities.

The purpose of the policy is to encourage the integration of risk management into all levels of management within the University. Risk management assists all levels of academic, research and administration by supporting a systematic approach to identifying, evaluating and mitigating the risks which could prevent the University from achieving its strategic and operational goals.

In supporting the achievement of the University’s strategic and operational goals, the objective of the policy is to raise awareness of risk management. More specifically, the policy provides a framework for all levels of management, which promotes:

- awareness of the business risks that are associated with the operations of the University;
- applying due diligence in decision-making;
- exercising an appropriate level of due care in daily operations;
- pursuing new ideas and encouraging innovation by taking calculated risks; and
- regarding legal and statutory compliance as a minimum standard.

Scope:
This policy is applicable to all University departments and units.
Responsibility for identifying and managing the risks of the University, as in any organization, lies with the management of the University. Heads of Faculties and Administrative Services are responsible for ensuring compliance with University policies and applicable legislation and regulation... They also have a responsibility to identify, evaluate and manage strategic and operational risks and bring emerging institutional risks to the President’s attention.

The Manager, Risk and Insurance plays an important role in developing the risk management processes of an organization and advocating for their continued improvement, including the annual Enterprise Risk Assessment. Furthermore, the Manager, Risk and Insurance assist Operational Departments in the creation of risk mitigation strategies.

The role of Internal Audit is to evaluate the risk management processes of the University. It also provides support in risk identification by determining the effectiveness of internal controls and identifying risks presented by controls which are ineffective. Internal Audit also uses the annual Enterprise Risk Assessment as a tool to identify areas which should be examined.

**Procedure:**
The risk assessment process followed by the University can be described as a risk-based approach to managing the University, integrating concepts of strategic planning, operations management, and internal control. The process evolves to address the needs of various stakeholders, who want to understand the broad spectrum of risks facing the University to ensure they are appropriately managed. The aim of the process is to identify the major risks facing the University, the mitigating activities for those risks and those accountable for the mitigating activities.

As stated, risk management at Carleton is undertaken at both the Enterprise and Operational levels.

The enterprise risk management process is linked directly to the University’s strategic planning process. The general approach taken to conduct the annual risk assessment involves three steps:

- identification of risks;
- analysis of the risks identified (in terms of estimating their significance and assessing the likelihood of occurrence); and
- reporting on action taken or that is required to manage the identified risks.

The detailed process, including risk analysis and reporting templates are contained in the University’s Risk Management Framework, which can be requested from the Manager, Risk and Insurance.

On an operational level, it is the responsibility of all academic and administrative departments to manage day to day risk effectively. To assist managers in the operational risk management process the University has prepared a Risk Management Manual.
The Risk Management Manual outlines the detailed procedures to be followed to mitigate or transfer the risk associated with the most common activities undertaken by the University. Before initiating any significant event or activity (e.g. extracurricular, off campus, entering into contractual arrangements, etc.) the Manual should be consulted to ensure proper procedures are followed. Should the event or activity being contemplated not be covered in the Manual, the Manager, Risk and Insurance should be contacted for assistance. The Manual can be found on the Department of Finance website at http://www5.carleton.ca/financialservices/risk-management/

Contacts:
Assistant Vice-President, Financial Services

Links to related Policies:
http://www5.carleton.ca/financialservices/risk-management/