

### Enterprise Risk Management

#### Background

The District is required to maintain an Enterprise Risk Management (ERM) program that supports and advances the School District's strategic priorities as well as its mission and values. The ERM program will support and enable the application of risk management processes in strategy setting and in business activities across the District. The District cannot seek to eliminate risk; rather, it will provide that existing and emerging risks are identified, evaluated, communicated, and effectively managed and monitored in order for the District to achieve its objectives within acceptable risk tolerances.

The purpose of the Enterprise Risk Management ("ERM") guidelines and framework are to set out Vancouver School Board's ("VSB's" or "the School District's") general approach strategy to manage its risks, and to set out related roles and responsibilities. The objectives of these are to:

- increase the probability of achieving VSB's objectives;
- increase the probability of achieving student outcomes;
- recognize the importance of risk management to VSB's governance and management responsibilities;
- support reasoned risk taking;
- support the continuous application of risk management practices in decision making; and,
- establish clear responsibilities for risk management within VSB.

#### Procedures

- 1.0 ERM is intended to enable identification of potential events/risks that may significantly affect VSB's ability to achieve its vision, mission and strategic priorities. Through the ERM process, identified risks are assessed, considering probable likelihood and impact.
- 1.1 Management processes and controls are used to provide reasonable assurance that significant risks are understood and accepted if within the School District's risk appetite and tolerances or are sufficiently mitigated to be within acceptable risk tolerances, to support the achievement of VSB's objectives.
- 1.2 ERM assists to assess VSB's appetite and tolerance for risk and helps identify gaps where identified risks are either under or over mitigated. This leads to identification of opportunities and strategies to either close gaps where residual risk is higher than risk appetite or to reallocate resources from areas where residual risk is lower than risk appetite.

1.3 ERM is an ongoing process with policy and outcomes revisited and reported on at least annually.

2.0 Roles and Responsibilities related to ERM

2.1 The roles, accountabilities and responsibilities for the Districts ERM includes;

2.1.1 Identifying and evaluating key risks;

2.1.2 Documenting and managing the response to key risks;

2.1.3 Facilitating appropriate risk/reward decisions at all levels of management; and,

2.1.4 Communicating risks, and management’s risk responses and risk management priorities to all relevant staff.

2.2 The roles and responsibilities for governance and management of ERM are as follows:

Role	Responsibilities
The Board of Education	The Board of Education through its delegated authority to the Superintendent will be made aware of the District’s key risks.
Superintendent	The Superintendent retains the ultimate responsibility for risk management and for determining the appropriate level of risk that the District is willing to accept in the determination and execution of VSB’s strategy and in the conduct of VSB’s business activities. The Superintendent will also receive and review the District’s ERM results, as well as reports on risk management activities through status updates in order to keep apprised of what the top risks to the VSB are and what mitigation strategies are in place. The Superintendent will inform the Audit Committee of the updates and mitigation strategies as necessary in order to inform the Board.
The Internal Risk Management Working Group	The Internal Risk Management Working Group will have certain oversight responsibilities of the ERM program. The Internal Risk Management Working Group shall be responsible for the following activities: <ul style="list-style-type: none"> <li>• approve the design of the Districts enterprise-wide risk management framework, including supporting methods, risk policies, risk inventories, and the risk ranking methodology, as they relate to financial, educational, operational, strategic, compliance risks;</li> <li>• review and advise SMT on the risk impact of strategic business decisions and assess strategic alignment with the Districts risk appetite;</li> <li>• review significant risk concentrations and other escalations</li> </ul>

Role	Responsibilities
	<ul style="list-style-type: none"> <li>• report to Senior Management on the Districts most significant risks, risk trends, as well as related risk response strategies and the performance of the Districts risk management capabilities;</li> <li>• oversee the implementation of and adherence to corporate risk procedures, processes, and other risk guidance;</li> <li>• review any public disclosure of risk information and risk management practices</li> </ul>
The Senior Management Team	The Senior Management Team are responsible for overseeing the implementation and ongoing execution of risk management processes within their areas of responsibility, and for accurately reporting on VSB's consolidated enterprise wide risks and the status of risk management at the VSB to the Board (through the Internal Risk Management Working Group) on at least an annual basis, and more frequently as requested or desired.
The Director of Enterprise Risk	<p>The Director of Enterprise Risk &amp; Privacy Compliance is accountable to the Secretary-Treasurer and is the management owner of the ERM policy and framework. The Director of Enterprise Risk &amp; Privacy Compliance is responsible for managing the implementation and maintaining the ERM policy and framework by:</p> <ul style="list-style-type: none"> <li>• Developing, monitoring and revising the ERM guidelines as necessary.</li> <li>• Coordinating the risk identification, risk assessment, risk management and risk monitoring processes.</li> <li>• Preparing status updates at least once per year to the Secretary-Treasurer on risk management activities, as well as if any significant risk-related changes or issues arise.</li> </ul>
Principals/Vice Principals & District Managers/Supervisors	The School District's Principals/Vice Principals & District Managers/Supervisors are responsible for identifying, evaluating, managing, and internally reporting on risks within VSB, in accordance with the administrative procedure and guidelines and the requirements of the Superintendent, Secretary Treasurer and the Senior Management Team.
All Employees	VSB's employees have a general duty of care and are responsible for complying with requests from management in connection with the application of this procedure. Through appropriate preventative and detective action, reasonable care should be taken to prevent or mitigate adverse impacts on VSB. Additionally, employees are to communicate with the District Management, Principals/Vice Principals, of any additions, deletions and changes in facilities, systems, processes, regulations or operations that may add significant risk and/or significantly affect existing risk assessments.

### 3.0 Approach to Enterprise Risk Management

Risk is to be identified, assessed, managed, monitored and reported in a thorough and systematic fashion in accordance with the risk management procedures outlined below. The District's ERM approach has four main stages:

#### 3.1 Risk Identification

Processes will be applied to identify and document reasonably foreseeable risks to the achievement of VSB's explicit and implicit objectives, considering the strategic priorities, goals and objectives. The risk identification is to be updated at least annually.

#### 3.2 Risk Evaluation

Processes will be applied and documented to evaluate identified risks by considering their likelihood and impact and the applicable levels of acceptable risk tolerance (if formally developed). The risk evaluation is to be updated at least annually.

#### 3.3 Risk Treatment / Mitigation

Risk management plans will be developed, documented and implemented for risks that exceed acceptable risk tolerance levels. Risk management plans are to be monitored for execution and updated at least annually.

#### 3.4 Risk Monitoring and Reporting

Identified and assessed risks will be reported to the District Leadership Team and will be reviewed and re-assessed at least annually. A summary of risk management activities is to be reported on at least an annual basis to the Senior Management Team, to the Board (by or through the Superintendent). Additionally, the Risk Assessment Framework is to be reviewed and evaluated annually to help ensure risk assessment criteria are relevant and in-line with VSB's current strategic and operating environment.

Reference: Financial Health Working Group *Financial Governance and Accountability School Districts of British Columbia, 2017/2018*

Adopted: February 5, 2020