



AD HOC POLICY COMMITTEE
Report 23-062

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NEW RISK MANAGEMENT POLICY

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PURPOSE:

1. To elicit input from the Ad Hoc Policy Committee into the content of a prospective risk management policy.

STRATEGIC LINKS:

2. A new risk management policy is intended to minimize the risk exposure of the District and the Board, reduce uncertainty, and maximize opportunities for staff and students. This will eventually improve the overall governance and decision making and enhance our ability to achieve the strategic objectives of the 2023-2027 Strategic Plan through reducing business interruptions and enhancing business continuity.

CONTEXT:

3. Risk Management has been consistently integrated to system-level decisions made across the District in compliance with the International Standards Organization (ISO) 31000. However, there is a need to ensure that all processes involved in risk management are followed by every decision maker in a unified way. A policy would be crucial to raise awareness about a culture of risk management and clarify the Board's principles that will guide implementation.

This report is intended to elicit input from the Trustees on a future risk management policy in order to inform the draft of the new policy.

KEY CONSIDERATIONS:

4. A System-wide Challenge

According to the [Strategic Enterprise Risk Management \(SERM\) Framework for Ontario School Boards](#), School boards currently manage risk in wide variety of ways, such as through:

- People, processes and systems;
- Actions that aim to comply with policies and regulations;
- Accountability and responsibility structures; and
- Operations, projects, and priority-setting actions.

However, the current approach has certain challenges, such as the following:

- It is difficult to have a coherent, organization-wide view of risk
- The link between risks and objectives can be unclear.
- The term "risk" has a negative connotation.
- There may not always be confidence in the completeness of information about uncertainty that is provided to decision makers.
- The terminology and approaches between school boards vary widely, making it challenging to readily share ideas and leading practices in managing risk.
- Boards of Trustees do not have a framework to address risks identified in internal audit reports in a strategic manner, aligned with strategic goals and governance policies.
- Knowledge of specific risks or risk trends is not currently easily identifiable across school boards.
- Accountabilities for risk management are often unclear.
- The way risks are rated, the risk appetite and the tolerance for risk and risk monitoring practices can vary widely within a school board and across school boards.

5. Why a New Risk Management Policy

When making decisions regarding resource allocation and priorities, the Board should have the best possible understanding of associated risks (threats and opportunities) in relation to the strategic objectives. An OCDSB-specific policy is needed to:

- ensure a risk-aware culture throughout the OCDSB governance level;
- clarify the roles and responsibilities of not only decision makers, but also the Audit Committee which, according to [Reg. 361/10: Audit Committees](#) (*O. Reg. 361/10, s. 9 (6)*) has a critical role in overseeing of the Board's risk management issues , reviewing the Board's risk assessment and

management policies, and assessing the steps taken to manage such risks.

Staff anticipates a new strategic management policy and the development of implementation tools, such as procedures and training, would yield a number of benefits including,

- better future decision-making that can mitigate either internal or external risks;
- being proactive to future significant risks or opportunities; and
- making better informed decisions that efficiently allocates resources in alignment with the Strategic Plan and the community expectations.

RESOURCE IMPLICATIONS:

6. Risk Management is integral to a socially responsible leadership and therefore must be appropriately resourced to manage and mitigate top risks faced by the OCDSB. Financial resources will be required to continue to implement and train District staff and Trustees on risk management once a new policy is in place.

COMMUNICATION/CONSULTATION ISSUES:

7. Previous work was undertaken with Risk Management staff, the Ontario School Board Insurance Exchange (OSBIE) and Consultant Jan Mattingly toward implementing a Strategic Enterprise Risk Management (SERM) framework. The work included the development of the District's risk attitude, development of a risk register, development of a risk rating approach, identification of the District's top risk (threats and opportunities), and alignment to the District's Strategic Plan. Further work has been undertaken in recent weeks to revisit the risk attitude statement, and a revised decision making tool will be brought forward soon.
8. As a Tier 3 policy, and in accordance with [PR 501 GOV - Policy Development And Management](#), the input collected from the Ad Hoc Committee will inform the initial draft of the policy, which will be shared on the District website and with the appropriate Advisory Committees to collect public feedback. Collected feedback will inform a revised draft of the policy that will be shared with the Ad Hoc Committee around January of the new year for an approval before the final approval of the Board.

GUIDING QUESTIONS

- A. What do you believe should be considered when drafting a risk management policy?
- B. What equity considerations we need to contemplate when drafting a risk management policy?
- C. How can a risk management policy help you fulfill your role as stewards of public funds?

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