



AD HOC POLICY COMMITTEE
Report 23-082

07 December 2023

DRAFT POLICY P.143 GOV, RISK MANAGEMENT

Key Contact: Richard Sinclair, General Counsel, ext. 8232

PURPOSE:

1. To seek input on the draft Policy P.143.GOV Risk Management.

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 into 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.

Appendix A is a draft Policy P.143.GOV Risk Management that incorporates the comments received from the Committee at its 12 October 2023 meeting.

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 a 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; and
- 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. The draft policy attached as Appendix A aims at ensuring a risk-aware culture throughout the OCDSB governance levels, and clarifying the roles and responsibilities of not only the Board, but also the Audit Committee which oversees the Board's risk management, in accordance with [Reg. 361/10: Audit Committees](#) (O. Reg. 361/10, s. 9 (6)).

Staff is currently working on the development of implementation tools, such as procedures and training, that would facilitate the implementation of the proposed policy through:

- 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 the draft policy is approved.

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 draft policy will be shared on the District website and with the appropriate Advisory Committees to collect public feedback between December 01 and 29, 2023.

GUIDING QUESTIONS

- A. Did staff cover all equity considerations for this draft of the policy?
- B. Does this draft of the policy help you fulfill your role as stewards of public funds?

Richard Sinclair
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Director of Education

Appendices

Appendix A - Draft new Policy P.143.GOV Risk Management