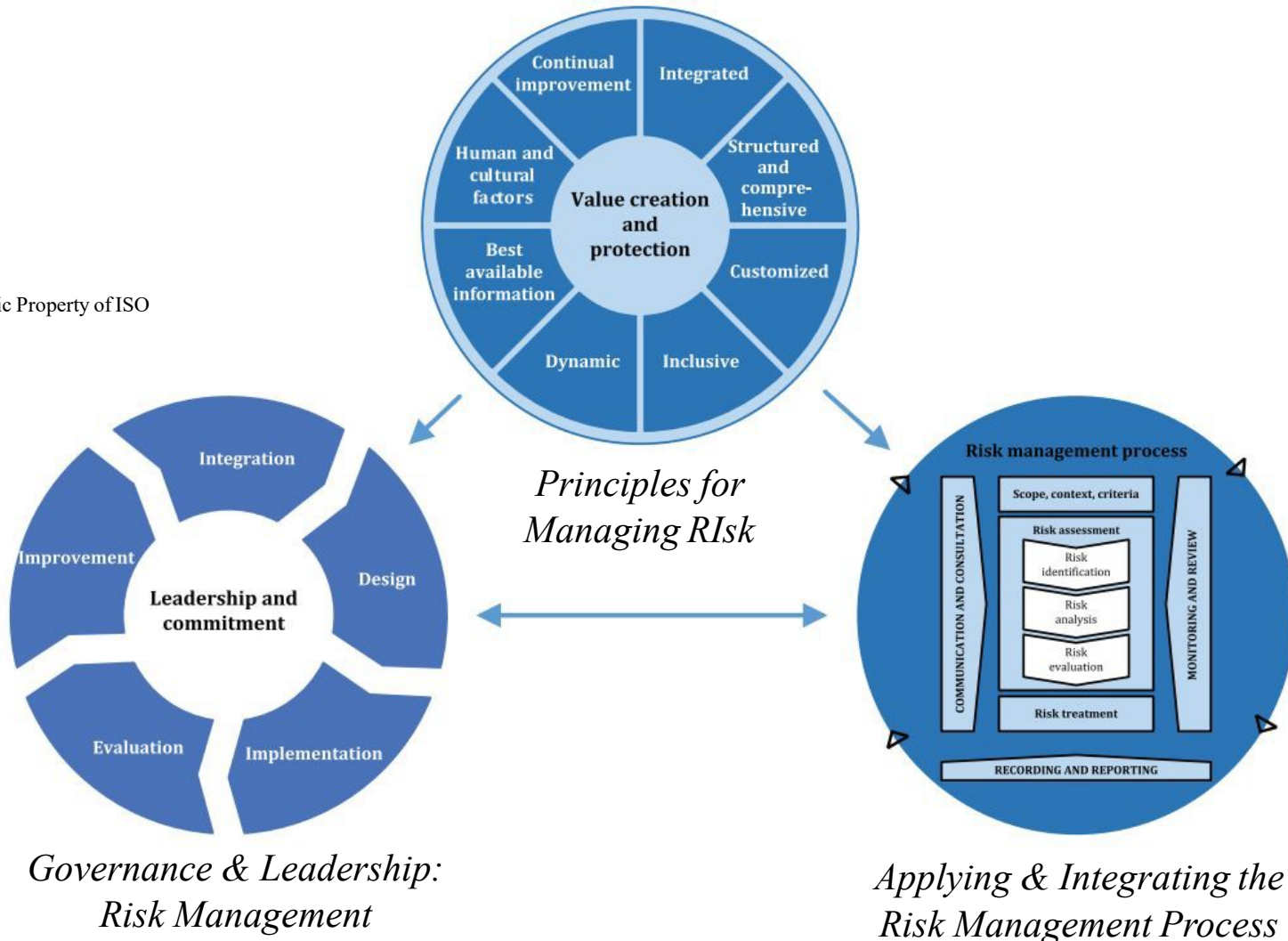# Strategic Enterprise Risk Management

Phase 1 – Readiness Assessment Results

May 2019

Three Readiness Assessment Areas:
Based on ISO 31000: 2018 Expectations

Graphic Property of ISO

Principles for Managing RIsk

Governance & Leadership: Risk Management

Applying & Integrating the Risk Management Process

Findings: *Governance & Leadership: Risk Management*

Strengths

✓ Some accountabilities for certain types of risks are clear: Policies such as Board Governance, Audit Committee, Privacy, Computer Network Security, Spending & Signing Authority, Tendering, etc. set out specific roles

Areas of Improvement

❑ Formulate and clarify leadership messaging on why OCDSB manages risk: currently, the `why` is unclear and unstated

❑ Discuss and approve risk criteria to guide consistent assessment of risk entity-wide, aligned to executive risk attitude (appetite): at the moment, risk is identified but the assessment of risk and any criteria used for that assessment are not clear or evident

❑ OCDSB has not yet designed its framework for managing risk but rather has a variety of discrete processes the include consideration of risk (see above - Strengths)

❑ OCDSB does not yet understand its principal risks in pursuit of its objectives

❑ Improvement Areas to consider:

❑ Unknown internal messaging re `risk is everyone`s business`

❑ Governance of risk in the organization exists but is not yet coherent and could be improved

Findings: *Applying & Integrating the Risk Management Process*

Strengths

✓ Strategic Planning: Uncertainty, threat and opportunity are explicitly considered as part of its 2019 strategic planning activity (SWOT & PESTLE analysis)

✓ Decision making:

- OCDSB has 3 dedicated risk management resources that provide risk assessment advice, review of waivers or contract documents including negotiation support, also issuing memos on risk assessment recommendations associated with a decision about a specific activity being considered or undertaken

- Formal risk discussions occur at Audit Committee, including, financial, operational, hazard and reputational risk. Records of these discussions are in the committee minutes but do not always show decision rationale.

- Risks are also discussed at Budget Committee, Board meetings, Director Executive Council (DEC) meetings, School Operations meetings, Manager's Council meetings, departmental meetings but not necessarily with a conscious risk lens in mind or with a consistent way of identifying and assessing risk.

✓ Monitoring identified risks occurs implicitly organization-wide

Areas of Improvement

❑ The risk management process itself is applied implicitly usually always, seldom explicit, even with significant decisions the Board takes

❑ Risk information developed across the Board is not always centered in relation to OCDSB objectives and can be

❑ The Board has an inherent risk averse culture: this means opportunities may not always be considered when decisions are made

❑ Various risk management processes exist and should be seen as part of OCDSB's overarching risk management process: OPHEA Guidelines, OSBIE field safety risk management, IT security risk assessment, etc.

❑ The output of risk management processes applied across the board varies widely and can be enhanced for improved organizational coherence (e.g. OCDSB objectives, OCDSB risk attitude & rating approach, etc)

Findings: *Principles for Managing RIsk*

Strengths

✓ Inclusive: Extensive internal and external consultation processes exist with implicitly and sometimes explicitly discuss risk

✓ The Board often makes efforts to develop the best possible information in decision making

✓ Human and cultural factors are generally always considered in decisions

Areas of Improvement

❑ Structured & comprehensive: not always

❑ Integrated: Managing risk is not usually integrated
  ❑ With other relevant key business processes (e.g. strategy)
  ❑ In relation to the Board's top risks

❑ Dynamic & Customized: Managing risk is not always dynamic (previously identified risks may not be revisited in light of new developments) nor customized (scaling the risk management process to the significance of a Board decision)

❑ Continual improvement: the Board learns from the past implicitly, sometimes explicitly

❑ Discuss and agree on the number and or order of principles that will apply

❑ Discuss proposal for how principles can be practically applied during the risk management process

OCDSB SERM Implementation Plan 2019-20 - Draft

Gap (P=Proposed/□=No action taken yet)	Target Outcome	Board Measure	2018-19		2019-20			
			Q3	Q4	Q1	Q2	Q3	Q4
A. Governance & Leadership: Risk Management □ Gap 1: Clarify &formalize why OCDSB manages risk (policy or policy statement or? □ Gap 2: confirm risk rating approach & appetite □ Gap 3: confirm governance & accountabilities for risk management at OCDSB □ Evaluation & Continuous Improvement			P P P					□
B. Integrating & Applying the risk management process □ Gap 1: develop a Board-wide understanding of its principal risks for use in strategic planning & budgeting-resourcing □ Gap 2: Risk in decision making-apply the risk management process to Decision A □ Gap 3: Risk in decision making-apply the risk management process to Decision B □ Gap 4: Develop-adapt existing training & tools			P □ □		□	□	□	
C. Principles for Managing Risk □ Gap 1: prioritize or select principles tailored to the Board □ Gap 2: apply principles to risk assessments that support key decisions (see Gaps 1-3 above)			P □					