

SAMPLE RISK MANAGEMENT POLICY

It is the policy of the School Board that risk management contributes to effective stewardship of public resources, administration of daily operations, and attainment of the School District's strategic objectives. The School Board is therefore committed to ensuring that risk management is used in its daily operations and activities.

Because risk is inherent in all of the academic, administrative, and operational activities that the School District undertakes, the School District engages in the ongoing process of risk management to identify risks and implement plans to address them. A consistent, structured process of risk management will be used across the district for identifying, assessing, prioritizing, and responding to opportunities and threats that affect the achievement of School District objectives.

The Board authorizes the Superintendent or his or her designee to develop procedures establishing responsibility for systematic and regular risk identification and analysis, planning for risk mitigation, and program management and oversight. The procedures shall require periodic reporting of the highest priority risks and the associated risk mitigation plans to the School Board.

SAMPLE RISK MANAGEMENT PROCEDURE

Pursuant to the Risk Management policy, this procedure lays the framework for the School District's risk management program by establishing responsibility for systematic and regular risk identification and analysis, planning for risk mitigation, and program management and oversight.

OBJECTIVES

The objectives of this procedure are to:

- a) Define the School District's approach to risk management;
- b) Provide a framework for the School District's risk management process;
- c) Ensure Board and senior management are in a position to make informed business decisions and strategic plans based on risk assessment;
- d) Ensure material risks are identified, assessed, prioritized and managed in an appropriate, coordinated manner;
- e) Ensure potential opportunities that benefit the district are identified and acted on, without exposing the district to unacceptable levels of risk; and
- f) Ensure School District resources (e.g. people, finance, property and reputation) are safeguarded against the financial and other consequences of loss.

GUIDING PRINCIPLES

In order to fulfill the objectives of this procedure and provide a strong foundation for the development of a risk management framework, this procedure outlines the following guiding principles:

- 1) The School District will integrate a risk management process into its strategic planning and financial projections by addressing the risks to attaining the long-term objectives in each of those areas.
- 2) The School District's risk management goals include:
 - a) Identifying opportunities for and threats to achieving School District goals;
 - b) Anticipating, recognizing, and planning for emerging risks;
 - c) Establishing a consistent basis for risk-based decision making and planning;
 - d) Complying with relevant legal and regulatory requirements;
 - e) Establishing cross-functional and organizational awareness of risks;
 - f) Enhancing the health and safety of students, staff and visitors.

- 3) Controlling uninsured and insured risks that contribute to the economic health of the School District. The district purchases insurance for various and changing types of risks based on cost benefit analysis. The cost of insurance and the cost of risk that is retained by the School District are costs that impact the School District and school budgets.
- 4) All Schools and Departments are encouraged to identify risks related to their operations, analyze risks, determine if the risk impact is material to the district, evaluate, and prioritize material risks against established risk criteria, and treat and monitor priority risks using appropriate tools. If the risk impact is greater than the School District can accept, then appropriate risk management techniques (such as risk avoidance, risk transfer, risk financing) shall be applied.
- 5) The School District's priority risks "will be reported periodically to senior management. Senior management "will assess the risks "with reference to the School District's strategic priorities, taking into account the likelihood of the risk occurring, its potential impact and the range of implications it may have for the School District.
- 6) Where senior management evaluates a risk as unacceptably high, the School Board will be informed of it and will be responsible for developing a risk mitigation plan and taking appropriate actions to address the matter.
- 7) High risks are only accepted in the long term where they are of rare likelihood (e.g., natural disasters), and then are reviewed periodically by the responsible managers. Contingency plans will be developed and tested to respond to their occurrence.

DEFINITIONS

The School District defines Risk Management as a consistent, structured process across the School District for identifying, assessing, prioritizing and responding to opportunities and threats that affect the achievement of district objectives.

ROLES AND RESPONSIBILITIES

It is the responsibility of every employee to identify, assess, and manage risks and opportunities relevant to their areas of responsibility. This role may range from identifying and reporting risks associated with their own functions to mitigating the risks to participation in the district risk management process. Managers at all levels are required to create an environment where managing risk is accepted as the responsibility of each employee of the School District.

Leadership Team

The Superintendent or his designee is responsible for ensuring that the risk management process is integrated with strategic planning processes and other management activities in accordance with this procedure. This process should involve senior management to set the tone/environment for risk management, provide risk direction, monitor compliance with this procedure, and ensure strategic, operational, financial and compliance risks are effectively identified, managed, and reported.

School Board

The School Board regularly reviews the status and progress of the key risk metrics and priorities determined by the Risk Management Committee (see below).

Risk Management Committee

The Risk Assessment Committee, made up of School District staff, acts as a cross-functional team of subject matter representatives to identify, evaluate and prioritize fundamental risks across the School District and to identify responsibility for managing and mitigating those risks. The activities of the Committee are reported to the School Board quarterly.

Risk Management Department

The Superintendent or his designee is responsible for the following:

- a. Establishing and managing the Risk Management Committee
- b. Incorporating a "school-wide" focus to managing risks, consulting with other departments, the Committee, and senior management to identify and select risk mitigation methods.
- c. Providing regular training opportunities for Risk Management Committee members, Senior Management, and other School District employees to build and maintain expertise in the practice of risk management. This training shall include principles of risk identification and analysis as well as various approaches to risk mitigation.
- d. Presenting the quarterly reports of Committee activities to the School Board.
- e. Developing and maintaining a central list of key performance metrics for risk reporting activities.