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Enterprise Risk Management Policy

Office of Administrative Responsibility:	Internal Audit and Enterprise Risk Management
Office of Accountability:	Office of the Vice-President (University Services, Operations and Finance)
Approving Authority:	Board of Governors (Board Audit and Risk Committee)

Overview

In an environment of significant change and of increasing competition it is essential that the university recognizes the importance of assuming a reasonable level of **risk** to fulfill its vision, mission and strategic priorities.

Due to the diverse nature of the university's education, research and community engagement, and the fact that not all risks can be transferred to third parties, the management of risk at all levels of the organization is imperative.

Purpose

The purpose of this policy is to formally articulate the university's approach to **enterprise risk management** (ERM) and provide an overview of the related roles and responsibilities.

Definitions

The attached definitions table outlines the terms used in this policy and any specific rules of interpretation that apply.

Scope/Application

This policy applies to all members of the **university community** and all activities conducted by or on behalf of the university.

Policy

1. PRINCIPLES

   The university will utilize the International Organization for Standardization 31000 “Risk management — Guidelines” standard to:

   a. Establish and maintain an effective and efficient ERM program, including an ERM Framework, to support the university in achieving its mission, vision and strategic priorities.

   b. Integrate the ERM program into the university’s culture, strategic and operational planning and activities.

   c. Ensure a systematic, consistent, proactive, continuous and scalable approach to ERM is utilized throughout the university to support decision making and governance responsibilities.

   d. Identify, assess, evaluate, treat and monitor the risks within the university’s **risk appetite**. This may include, when appropriate and cost effective, sharing the risk with third parties through the use of insurance policies, waivers and contracts.

2. RISK APPETITE

   In alignment with the *University of Alberta Strategic Plan “Shape - A Strategic Plan of Impact (2023-2033)”,* the following is the university’s Institutional Risk Appetite Statement:

   Over the next ten years, the university is striving for deeper and more transformational impact and promotes doing things fundamentally different. It is understood that there is an element of risk in any decision or activity and all members of the university community are encouraged to responsibly manage risk by leading with purpose and making a lasting, positive impact that assists the university in achieving its mission, vision and objectives.

3. ROLES AND RESPONSIBILITIES

4. All members of the university community manage risk and work collaboratively to ensure an effective ERM program is in place.

   a. The Board has ultimate oversight of the ERM program and has delegated responsibility to the Board Audit and Risk Committee, who is responsible for keeping the Board abreast of key developments.

   b. The Vice-President (University Services, Operations and Finance) has the following roles and responsibilities:

      i. Primary responsibility to establish and execute the ERM program in collaboration with the President and Vice Chancellor and the President’s Executive Committee - Strategic.

ii. Authority to establish, approve and amend procedures, including the ERM Framework, necessary for the purpose of implementing this policy.

5. REVIEW

This policy will be reviewed by the Board, through the Board Audit and Risk Committee, at minimum every five years or as deemed required.

Definitions

Any definitions listed here apply to this policy document only with no implied or intended institution-wide use.	
Enterprise Risk Management	The coordinated activities to direct and control the university with regard to risk.
Risk	The effect of uncertainty on the university's objectives. An effect is a deviation from the expected that can be positive (commonly referred to as an opportunity), negative, or both.
Risk Appetite	The amount of risk the university is willing to accept in the pursuit of its objectives.
University Community	All employees, (including but not limited to academic staff, support staff, excluded staff and postdoctoral fellows as outlined and defined in the *Recruitment Policy (Appendix A and Appendix B: Definitions and Categories)*, adjunct professors, professors emeriti, lecturers, clinical staff; all students (including undergraduate, graduate and Continuing & Professional Education students); visitors, volunteers, contractors, and members of the Board of Governors.

Published Procedures of this Policy (UAPPOL)

- Enterprise Risk Management Framework

Related Links

- Internal Audit + Enterprise Risk Management (University of Alberta)
- ISO 31000:2018 Risk management - Guidelines (International Organization for Standardization)
- Strategic Plan "Shape - A Strategic Plan of Impact (2023-2033)" (University of Alberta)

For questions surrounding policy document interpretation or implementation, please contact the Office of Administrative Responsibility.

For the most recent version of this document, please visit https://www.ualberta.ca/policies-procedures/index.html