Enterprise Risk Management Policy

Policy Section: Governance Process	Policy Number: GP-21	Approved By: Council
Regular Council Policy Review Frequency: Every 3 years	Date Approved: June 10. 2019	Date Reviewed/Revised:

Introduction:

The College of Registered Nurses of Manitoba (College) uses an enterprise-wide approach for the management of key business risks. The Enterprise Risk Management (ERM) approach provides uniform processes to identify, measure, mitigate, and report on key risks. It supports the Council's governance policy direction and the due diligence responsibilities of the CEO/Registrar and the Leadership Team. It engages all staff in strengthening risk management activities. We recognize that every member of the organization has a role to play in managing risk and that the application of this policy rests with all of us. The College's risk approach also demonstrates commitment to identifying and mitigating risk to stakeholders.

Purpose:

The purpose of the policy is to:

- Establish and maintain an effective College wide Enterprise Risk Management framework to support the College in achieving its mandate and reflecting its values.

- Facilitate a consistent approach to risk management to support governance, innovation, policy development and responsible risk-taking that balances the cost of managing risk with the anticipated benefits.

- Support college wide risk communication and monitoring.

Policy:

Approach and Commitment to Risk Management

The College's approach and commitment to risk management includes the following:

- Applies to the entire organization, aligns with, and supports its core purpose, values, and strategic priorities.

- Is integral to and aligned with all key planning, governing, and operational polices and processes.

- Activities, accountabilities and authorities for managing risk within the organization are defined.

- Provides demonstrable value to all staff and programs in the organization by enabling better decisions in the ongoing operations of the College.

- Reflects and supports compliance with the applicable laws, regulations and governance policies.

- Guides decision making to ensure the development of plans and the pursuit of opportunities fit within the organization's tolerance for risk.

- Is reviewed, and where appropriate, renewed on a regular basis to ensure alignment with the evolving needs and requirements of the organization.
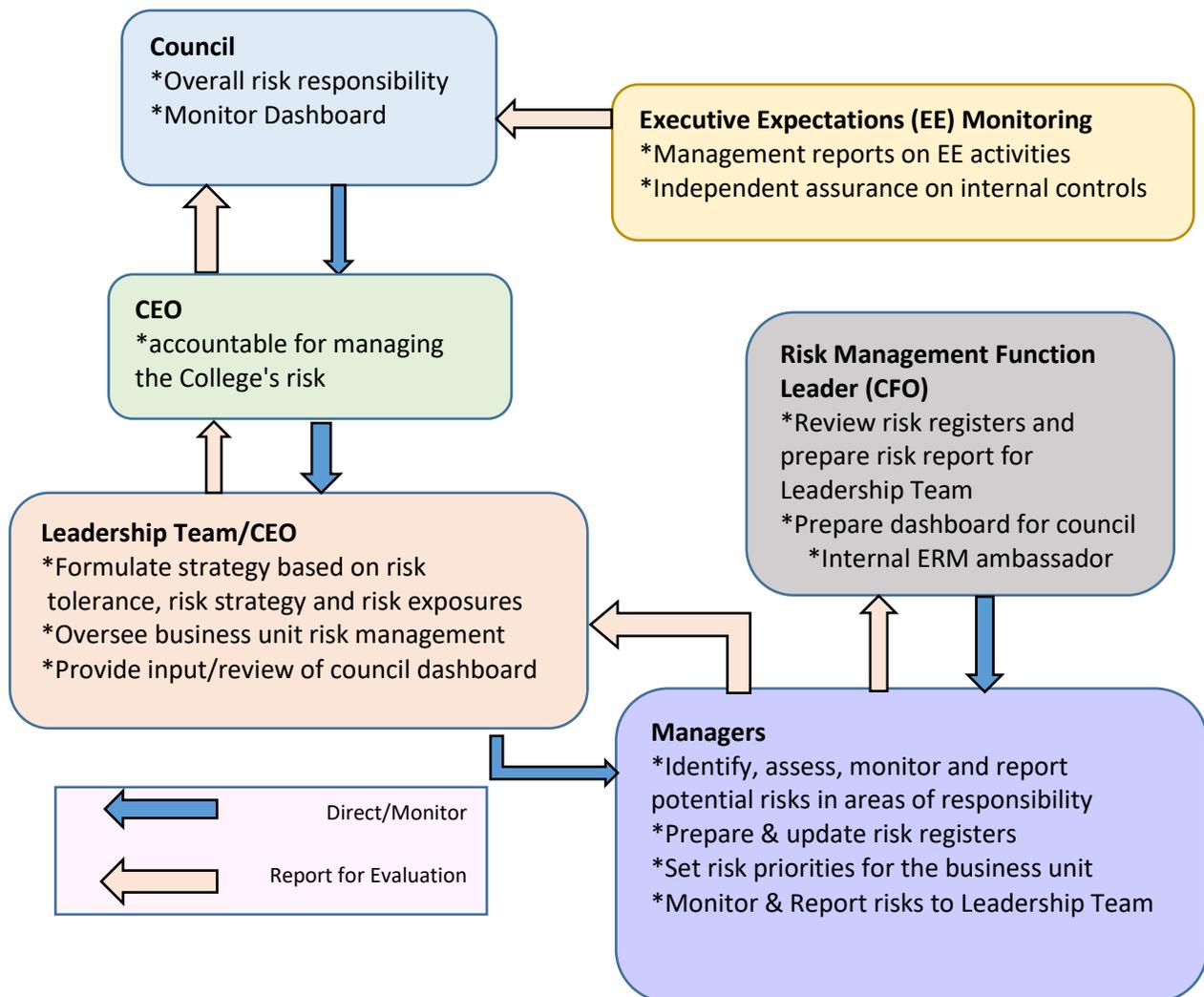
Risk Strategy

The College recognizes that taking reasonable risks is inherent to its work. Risk cannot be eliminated, nor should it be. Taking risks can drive opportunity and growth. Yet risk needs to be managed. Key stakeholders, whether it is from the Council, the Leadership Team, staff, registrants, or the public, must have confidence that the actions taken will support the College's mission to protect and serve the public interest through quality registered nursing regulation.

Managing risk is not simply reporting risk; it is also about making risk-informed decisions about the College's future and anticipating and mitigating risks. The College's overall approach makes the identification, review, and evaluation of both short and long-term risk a key component of the planning and operations at all levels in the organization. It is integral to and aligned with key business functions and processes to ensure a coordinated, consistent and comprehensive approach to the mitigation of risk throughout the organization.

Risk Management Responsibilities, Accountabilities, and Structure

- The Council monitors the organization's risk philosophy and tolerances through its Public Benefit policy, Governance Process policies and Executive Expectations policies.

- The CEO/Registrar has accountability for managing the organization's risks. The CEO/Registrar has specific accountability for ensuring the enterprise risk management processes are actively utilized and documented.

- The Leadership Team provides management oversight of the College's risk register and the organization's risk management processes. This team provides direction on the evolution of these processes and identifies priority areas of focus for risk assessment and mitigation.

- Each member of the Leadership Team has specific accountabilities for managing risks in their portfolios within the College's risk tolerance statement. On an annual basis, each is also expected to formally report and demonstrate that program risk management processes are in place, operating effectively and are consistent with this policy.

- Managers are responsible for managing risks within the scope of their authority and accountability. Risk assessment and mitigation decisions will be made within the risk tolerance statement.

![College of Registered Nurses of Manitoba]

- The Chief Financial Officer (CFO) provides risk management support to the CEO/Registrar, Leadership Team, Managers, and staff. This support includes ongoing development of risk management policies, frameworks and processes, coordinating corporate risk reports, maintaining the organization-wide risk registry, and coordinating the annual organization-wide risk review. The CFO will coordinate use of external risk resources and consultation as required.

Council
*Overall risk responsibility
*Monitor Dashboard

Executive Expectations (EE) Monitoring
*Management reports on EE activities
*Independent assurance on internal controls

CEO
*accountable for managing the College's risk

Risk Management Function Leader (CFO)
*Review risk registers and prepare risk report for Leadership Team
*Prepare dashboard for council
*Internal ERM ambassador

Leadership Team/CEO
*Formulate strategy based on risk tolerance, risk strategy and risk exposures
*Oversee business unit risk management
*Provide input/review of council dashboard

Direct/Monitor

Report for Evaluation

Managers
*Identify, assess, monitor and report potential risks in areas of responsibility
*Prepare & update risk registers
*Set risk priorities for the business unit
*Monitor & Report risks to Leadership Team

Risk Protocols

1. Enterprise risk management is a comprehensive, disciplined, and continuous process at the College in which risks are identified, analyzed, monitored, and consciously accepted or mitigated within approved risk tolerances. It is everyone's responsibility to bring risks to the attention of management. The CEO/Registrar will be notified at the time of identification of all new significant risks.

2. Enterprise risk management is part of the College's strategic planning, operational planning, process management, project management, and financial planning.

3. Each College department/team is expected to undertake a risk assessment and update its Risk Register on no less than an annual basis. The risk register will identify the inherent risk, the likelihood and impact of the risk, the controls in place and the residual risk. These will be plotted on a heat map. Risk registers should be completed in coordination with the ERM Function Leader (CFO) in order to support the risk priority focus for the next year and annual reporting to Council.

4. Risk Registers will be upwardly consolidated for leadership team review and translated to a dashboard for Council review.

Risk Appetite and Risk Mitigation

The College acknowledges that there is an element of risk in any decision or activity and encourages intelligent risk taking when the risk is appropriately managed.

The Enterprise Risk Tolerance Statement details the College's risk measurement and mitigation requirements. All significant risks will be measured and monitored in accordance with the tolerance statement.

Risk Aware Culture

Risk management is everyone's responsibility, from the Council to each individual employee. Each is expected to understand the risks that fall within their accountabilities and is expected to manage these risks within approved tolerances and risk boundaries. Each individual should be alert to unidentified or new risks.

The College will manage its significant risks through both an organization-wide and a portfolio approach that optimizes the trade-offs between risk and return across all operating functions. This ensures that the organization takes on the appropriate level of risk to meet its objectives.

Allocation of resources

The College's annual budgeting and long-term planning processes will include the allocation of resources for risk management activities. All projects will include risk management resources as required to mitigate risks that fall outside of the risk tolerance statement.

Risk management learning

The College will ensure that Council and all staff members participate in a risk management learning session annually.

References:

A Structured Approach to Enterprise Risk Management (ERM) and the Requirements of ISO 31000, AIRMIC, Alarm, IRM, 2010

Enterprise Risk Management Toolkit for Charities and Institutions of a Public Character (IPCs), KPMG, Charity Council, NUS Business School, 2017