



# Enterprise Risk Management Policy

**Category:** Administrative;

**Jurisdiction:** Vice-President, Administration and Services; Audit Committee;

**Approval Authority:** Board of Trustees;

**Effective Date:** March 2018;

**Amendments:** March 2020; April 2024; June 2025

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## Purpose

The purpose of this Policy is to articulate the objectives, scope, accountabilities, and responsibilities for the University's framework for managing organizational risks, which is referred to as Brock University's Enterprise Risk Management (ERM) program.

## Scope

This Policy applies to Brock University's Enterprise Risk Management framework, which includes related processes, monitoring and oversight, and reporting.

This Policy shall be interpreted and applied in compliance with the University's obligations under any collective agreements. Nothing in this Policy shall be interpreted as limiting or amending the provisions of any collective agreement. In the event that any provision of the Policy is found to be inconsistent with the provisions of a collective agreement, the collective agreement will prevail, unless the Policy provision is required by law, in which case the Policy provision will prevail.

## Policy Statement

Brock University will identify and manage risks and opportunities in support of achieving its strategic objectives. The University does not seek to eliminate risk because doing so is neither

feasible nor beneficial. Rather, the University will identify acceptable risk tolerances and work towards mitigating existing and emerging risks in an appropriate manner.

Brock University's ERM framework will be designed to identify risks and opportunities that could impact the University's ability to achieve its strategic objectives. Through the ERM process, risks will be assessed against the University's risk appetite and tolerance to provide the University with reasonable assurance that stated objectives and goals are achievable.

To facilitate the effective management of risks across the University, Brock University will:

- Foster the development of a culture of risk management across the institution;
- Develop procedures for identifying, measuring, managing, and reporting risks;
- Consider the stated risk appetite and tolerance in its decision-making;
- Assess and actively monitor the Principal and emerging risks and ensure appropriate mitigation action plans are developed;
- Regularly review its ERM program to ensure alignment with changing University objectives, strategies, and tactics, and supporting organizational structure and processes; and
- Develop key risk indicators and monitor them on a regular basis.

### **Roles and Responsibilities**

The management of risk is a shared responsibility across all levels of the University.

The Board of Trustees, through the Audit Committee, are accountable for championing risk management practices on campus and overseeing the development and ongoing management of a robust ERM framework. Through the Audit Committee, the Board will receive assurance that the University is managing priority risks appropriately and that sound risk management practices are employed across campus.

Brock's Executive Leadership team is accountable for the overall design, implementation, and effectiveness of the University's ERM program. More specifically, they are responsible for:

- Overseeing the development of a sustainable and effective ERM framework that is designed, implemented, and resourced in an appropriate manner;

- Ensuring that the University's principal risks are regularly identified, reviewed, and reported; and
- Ensuring the ERM framework's standards and practices are incorporated in University decision-making processes across the University.

Brock University's Senior Administrative Council (SAC) is responsible for encouraging good risk management practices within their faculties, units, and departments.

Brock University's Enterprise Risk Management and Insurance unit is responsible for the day-to-day operation of the ERM Framework in:

- Ensuring that ERM activities are integrated into University operations and delivered consistent with this Policy and related framework and process documentation;
- Ensuring reporting of ERM activities to the University's Audit Committee of the Board of Trustees as per the Audit Committee Charter; and
- Ensuring the on-going relevance of this Policy and the continued alignment of the University's risk management approach against strategic objectives.

## Definitions

**Risk Impact** – Defined as the effect a risk can have over an organization, including financial and reputational impact. Events with a negative impact represent risks, which can prevent the University from meeting strategic objectives or realizing opportunities. Events with positive impact represent opportunities. Opportunities, which may carry a cost, are the possibility that an event will occur and positively affect the achievement of objectives.

**Enterprise Risk Management** is a structured and disciplined approach aligning strategy, processes, people, technology, and knowledge with the purpose of evaluating and managing risks within an organization. While acknowledging that it is neither desirable nor realistic to eliminate institutional risk, ERM seeks to strike an appropriate balance between the risk and reward inherent in existing and emerging risks and opportunities.

**Principal risks** are events that could have a significant impact on Brock University's financial, reputational or operating environment.

**Risk Appetite and Tolerance** is described as the level of risk the University is willing to accept in relation to a threat that may cause loss or an opportunity in the day-to-day business activities. The University's risk tolerance may be different for different events or activities. The University's risk tolerance and the alignment between its risk appetite and its objectives form part of the overall University strategy.

## **Policy Compliance**

This Policy is under the jurisdiction of the Board of Trustees. The interpretation and application of this Policy is the responsibility of the Vice-President, Administration. Final decisions related to this Policy will be made by the Board of Trustees, where required. Policy violations shall be reported to the Vice-President, Administration.

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**Review Period:** 3 years;

**Next Review Period:** 2028-2029;

**Related Policies and Policy Instruments:** ERM Framework;

**Required Consultations:** Audit Committee;

**Recommended Consultations:** TBD;

The University Secretariat manages the development of policies through an impartial, fair governance process, and in accordance with the Policy Management Policy & Procedures. Please contact the University Secretariat for additional information on University policies and policy related instruments and/or if you require this information in another format:

Open: Monday through Friday from 8:30 a.m. to 4:30 p.m.;

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