
Enterprise Risk Management

Policy Number:	2112
Key Process Area:	Internal Audit & Risk
Owner:	VP FA
Current Approved Date:	Dec 16, 2019

POLICY STATEMENT

New Brunswick Community College (NBCC) is committed to building increased awareness and a shared responsibility for risk management throughout the organization. NBCC has adopted an Enterprise Risk Management (ERM) program that enables the entire organization to identify, manage and communicate risks. NBCC recognizes that a coordinated risk management approach is critical in the management of all aspects of uncertainty and to the achievement of its strategic and operational goals.

PURPOSE

The purpose of the risk management function is to assist in the identification, quantification, and assessment of NBCC's risks; to recommend options for managing them in order to protect the College's interest; as well as to increase the likelihood of achieving our strategic goals.

SCOPE AND LIMITATIONS

This policy applies to all operations of New Brunswick Community College.

1.0 DEFINITIONS

Enterprise Risk Management

- the process of planning, organizing, leading, and controlling the activities of an organization in order to minimize the effects of risk on an organization's objectives.

Impact

- the process of assessing the consequences or effects of risk events if they materialize. Impact is quantified as a number between 1 and 5. The higher the number, the greater the consequence.

Inherent Risk

- an assessed level of raw or untreated risk; that is, the natural level of risk inherent in a process or activity without doing anything to reduce the likelihood or impact.

Probability

- the measure of the likelihood that an event will occur. Probability is quantified as a number between 1 and 5. The higher the probability of an event, the more certain that the event will occur.

Residual Risk

- the remaining risk after actions have been taken to alter the risk's likelihood or impact.

Risk

- an uncertain event or condition that, if it occurs, has an effect on at least one project objective.

Risk Assessment

- risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed. Risks are assessed on an inherent and a residual basis.

Risk Appetite

- the amount and type of risk that an organization is willing to take in order to meet their strategic objectives.

Risk Mitigation

- the process by which an organization introduces specific measures to minimize or eliminate unacceptable risks associated with its operations. Risk mitigation measures can be directed towards reducing the severity of risk consequences, reducing the probability of the risk materializing, or reducing the organization's exposure to the risk.

Risk Tolerance

- the organization's readiness to bear the risk after risk treatments in order to achieve its objectives.

2.0 IMPLEMENTATION

NBCC's risk management process occurs at all levels of the College. Risk will be identified, assessed, managed, reviewed, and monitored in accordance with NBCC's Enterprise Risk Management Process.

Oversight of risk is provided by NBCC's Board of Governors, Board Audit Committee, and the President and CEO of NBCC through Board Policy # IV.C.18 Risk Oversight as represented by the Vice President of Finance and Administration.

An annual report will be submitted to the Audit Committee and to the Board of Governors. This report will be inclusive of annual progress on the risk management plan and the recommendations of risk adjustments based upon the outcomes of the mitigation plans. This report will be shared with the College community.

3.0 OTHER RELATED DOCUMENTS

Enterprise Risk Management Process (2112.4848)

Risk Oversight (Board Policy IV.C.18)