Policy Title: **Risk Management**   Policy No. **2.05**

RATIONALE:

Effective risk management integrates and coordinates the activities of all members of the school community through strategic planning, school culture, policies and procedures. An effective risk management policy:
1. provides guidance on how to identify, assess, and manage risks;
2. is centred on the achievement of the school's objectives and charter mandate;
3. takes into consideration compounding and interrelating risks;
4. clarifies the approach to risk management; and
5. manages uncertainty through a continuous improvement process.

POLICY: All reasonable efforts are to be made to provide proactive, transparent, and consistent risk management.

PRINCIPLES:

Definitions:

Risk is an event or circumstance with a likelihood of exposure to loss, injury, or other adverse consequence.

Risk Management is the process of identifying, assessing, controlling, recovering, and monitoring risk.

Risk Register is a management tool used to capture and analyze the identification, assessment, control, recovery, monitor risk, and to maintain integrity of control and recovery systems.

PRINCIPLES

1. Risk Management is a responsibility shared by every member of our school community.

2. Effective Risk Management:
   o maximizes the ability to deliver on school objectives and the Charter mandate;
   o facilitates prudent decision making;
   o addresses the safety, security and well-being of all members of the school community;
   o contributes to the responsible use of public resources; and
   o is reasonable and practical, taking into consideration applicable legislative requirements and the assessment of Risk.

3. Risk Management applies to all aspects of school operations.

First Reading   June 14, 2016

Adopted   May 9, 2017

PROCEDURES:

1. As part of Risk Management, the Superintendent shall develop, maintain and monitor a Risk Register. **(See Appendix 4)**

2. The Superintendent is responsible for overseeing and updating the Risk Register and reporting at least quarterly to the Board.

3. The following Risk Management procedures will be followed:

   a) Identify the Risk

Technique	Brief Description
Describe the task, review scenarios and consequences to identify the Risks.	Identify what can happen and determine what the effect of uncertainty is on objectives.

Questionnaires and checklists	Use of structured questionnaires and checklists to collect information to assist with the recognition of the significant risks.
Reviewing best practices	Collection and sharing of ideas and discussion of the events that could impact the school objectives.
Inspections and audits	Physical inspections of premises and activities and audits of compliance with established systems and procedures
Flowcharts and analysis	Analysis of processes and operations within the organization to identify critical components that are key to success
Occupational Health and Safety audits	Using audits and recommendations to improve practice and make changes where required.
SWOT analysis	Strengths Weaknesses Opportunities Threats (SWOT) analysis offers a structured approach to Risk recognition

     b. Assess the Risk. Consequence x Likelihood = Risk. (How Bad x How Often)
          i) Consequence is the impact if an event were to occur

Threats Consequence/Impact Considerations					
Impact Category / **Impact Level**	**Academic/Ancillary and Business Development**	**Financial Legal Exposure**	**Brand**	**People**	**Operational**
Catastrophic 5	Total cessation affecting any 1 key or several educational/ancillary activities over 4 weeks; with continued disruptions over several weeks; Major and/or long term effect on program quality ; Major long term threat from competition; Major shift in strategy	Extreme environmental damage and/or clean-up costs; Loss of assets/ costs/ litigation >$10M; funding/ revenues >$10M Legitimate litigation <$2M	Long lasting damage to reputation; Ongoing negative nation-wide news coverage; Major long-term and/or widespread impact on external stakeholder relationships; Significant inconsistencies with mandate; Extreme breach in information management and/or privacy.	Multiple fatalities and/or injuries resulting in permanent impairment or disability of student(s), employee(s), or third parties; Loss of (2+) key (defined) Senior Leaders, faculty, operational personnel; Significant impact on staff or student welfare.	Extreme and widespread service disruption as a result of one or more major system failures (over 4 weeks with continued disruptions over several weeks); Major failure in project delivery expectations.
Major 4	Total cessation affecting any 1 or more key activities between 14-28 days; with continued disruptions over several weeks; Major long term effect on program quality or access; Significant and/or long term threat from competition; Some shift in strategy	Loss of assets/ replacement costs $2.5M and <$10M; funding/ revenues $2.5M and <$10M; Legitimate litigation against LC $500,000 and <$2M; Major environmental damage and/or clean-up costs.	Measurable damage to reputation; Negative front-page "Globe and Mail" type coverage. Negative audit or student outcome rating. Some inconsistencies with mandate; Significant and long-term impact on external stakeholder relationships; Major breach in information management and/or privacy.	Single fatality and/or injury resulting in long-term care of student(s), employee(s),or third parties; Long-term, unscheduled, absence of key employee(s); Serious impact on staff or student welfare.	Major service disruptions affecting any 1 or more key activities between 14-28 days; with continued disruptions over several weeks.
Significant 3	Total cessation affecting any 1(or key, identified) activity between 5-14 days; with continued disruptions over several days; Minimal impact on program quality; Some impact from competitors	Loss of assets/costs/ $100,000 and <$2.5M; funding or revenues $100,000 and <$2.5M; Legitimate litigation against LC $100,000 and <500,000	Measurable damage to reputation (localized); Negative national news-media coverage; Negative audit or student outcome rating; Minimal impact on stakeholder relationships; Significant breach in information management and/or privacy.	Major injury resulting in prolonged off-site medical attentions to student(s), employee(s),or third parties; Undefined (longer) absence(s) of any key employee(s); Moderate impact on staff or student welfare	Major service disruptions affecting any 1or more key activities between 5-14 days; with continued disruptions over several weeks
Moderate 2	Minimal impact on quality or access; Some impact to efficiency or effectiveness of programs	Loss of assets/replacement costs $5,000 and <$100,000; funding or revenues $25,000 and <$100,000; Legitimate litigation against LC $5,000 and <$100,000; Minor cost overruns	Minor setback in trust (internal); Some negative regional or provincial news-media coverage; Minimal impact on student and/or community satisfaction; Minimal breach in information management and/or privacy.	Minor injury requiring off-site medical attention to students, employee(s),or third parties; Short-term absence(s) of vital staff	Normal administrative difficulty; Minor unscheduled activity or service disruption (3-5 days) and continued disruptions over several days
Minor 1	Little or no impact to program quality or access	Loss of assets/replacement costs <$5,000; funding or revenues <$25,000); Legitimate litigation against LC <$5,000	No/minor impact on trust (internal); No/minor external or media attention (local news media coverage); Little or no impact on student and/or community satisfaction	Minor injury requiring on-site medical attention to students, employee(s),or third parties	Very low effects; Minor unscheduled activity or service disruption (<3 days); Very minor overruns; Minor delays in replacing staff; Very minor loss of data

ii) Likelihood is the chance of something happening based on actual frequency of past events and circumstances.

Likelihood Measure
The probability of the risk event occurring.

Score	Likelihood	Description	Frequency
5	Almost Certain	**The event is expected to occur in most circumstances** High Frequency. Necessary factors that could cause loss are always present. Controls are needed at all times.	>95% chance of occurrence
4	Likely	**The event will probably occur in most circumstances** Medium – High Frequency. Necessary factors that could cause loss are always present. Controls and procedures are generally in place.	60% to 95% chance of occurrence
3	Possible	**The event should occur at some time** Necessary factors that could cause loss are present. Event is likely to occur at some point in the operational lifespan. Controls are in place; however, a single control failure would result in the loss.	30% to 59% chance of occurrence
2	Unlikely	**The event could occur at some time** Necessary factors may be present but the event is unlikely to occur. Controls are in place; however, multiple control failures would result in the loss.	5% to 29% chance of occurrence
1	Rare	**May occur in exceptional circumstances** Necessary factors not normally present. Event is so unlikely that it can be assumed the occurrence may never occur.	>5% chance of occurrence

The following Risk Profile Matrix will be used to assess the risk. Consequence x Likelihood = Risk

Risk Profile Matrix (Threats) – Linked to Risk Tolerance/Appetite

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Catastrophic (5)	5 Moderate 3 Manage and monitor	10 High 4 Considerable management required	15 Very High 5 Must manage and monitor	20 Very High 5 Extensive management required	25 Very High 5 Extensive management required
Major (4)	4 Low 2 Accept but monitor	8 Moderate 3 Manage and monitor	12 High 4 Considerable management required	16 Very High 5 Must manage and monitor	20 Very High 5 Extensive management required
Significant (3)	3 Very low 1 Accept but monitor	6 Low 2 Accept but monitor	9 Moderate 3 Manage and monitor	12 High 4 Considerable management required	15 Very High 5 Must manage and monitor
Moderate (2)	2 Very low 1 Accept risks	4 Very low 1 Accept risks	6 Low 2 Accept but monitor	8 Moderate 3 Manage and monitor	10 High 4 Considerable management and monitor
Minor (1)	1 Very low 1 Accept risks	2 Very low 1 Accept Risks	3 Very low 1 Accept risks	4 Low 2 Accept but monitor	5 Moderate 3 Manage and monitor

c) Control the Risk
   Controlling risk is an action to reduce risk exposure to an acceptable level.
d) Recovery
   Controls are in place to mitigate the severity of the consequences if a Risk occurs.
e) Maintain integrity of control and mitigation systems through continuous improvement activities such as reviews, audits and inspections.

Appendix 4 – Connect Charter Risk Register