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Governance & Leadership of

Risk Management in

Ontario School Boards

Module 2 Toolkit: Finding the policy and procedure approach that fits your school board

This document that includes sample risk management policies and guidance that can be used by any Ontario School Board

Strategic Risk Management in Ontario School Boards – A joint project of OESC, CODE, COSBO/OASBO 2023

A Joint Project – Un projet commun de CODE-OESC-COSBO/OASBO

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# 1.0 SRM Policy Approach: Why does your Board want to manage risk effectively?

Surprisingly, the answer to this question varies within a board and from board to board across the Province of Ontario.

This is the starting point for leadership teams and trustees as they change and renew over time. Prepare to facilitate the discussion at the Leadership table and separately with the Trustees with this question.

Use the output from this discussion to inform the direction and purpose of the risk management policy approach.

Here are some suggestions as to what those possible reasons could be (a sample list of actual responses received from leaders within the K-12 Ontario Education Sector):

**Tool: What is our primary motivation to effectively manage risk as a school board?**

* To strengthen public trust and confidence in our school board
* To try to obtain the best possible information about uncertainty, consistently
* To help us focus finite resources on risks and opportunities that matter most to our strategy
* To help limit liability and litigation costs
* Informed risk-taking helps us to balance risks and benefits
* Taking a stronger risk management approach enables us to ask better questions, take better decisions
* Having the best risk information available helps leaders to feel more comfortable in taking risk and successfully lead the school board
* Risk information helps us to focus our leadership conversations and decisions consistently on our objectives and strategy
* We want to better anticipate, prioritize, and respond to emerging top risks and opportunities
* Risk management ensures we are as prepared and resilient as possible in the face of uncertainty within and surrounding our school board
* Is focused on the achievement of objectives and strategy
* Requires the active participation of senior management and staff across the school board
* Is driven by deliberate and dedicated communication and consultation activities
* Is driven by a common approach and application across the school board
* Your answer here: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tip: consider the Strategic Plan for your school board and discuss whether this motivation for managing risk would help or hinder the achievement of your strategy.

## 1.1 Sample Risk Management Policy Approaches

### 1.1.2 Risk Management Policy – Small School Board sample

Risk Management Policy Sample 1: Suitable for a small school board. Appended/added to an existing Governance policy. Covers most OESC policy elements including Policy Statement, Purpose, Principles, Responsibility. Does not specifically cover evaluation, related policy/legislation or contact person.

**Governance Policy**

1.0 Principles:

Trustees as representatives of the school board community must ensure that the mission of the Board is fulfilled. The following governance principles that have been set for the school board influenced by the Ministry’s Education Act.

The School Board Trustees will govern by:

* Developing a shared vision of the system that reflects and promotes the board’s mission;
* Promoting the welfare, well-being, and dignity of all in the educational community; Allocating human and financial resources to align with and support the board’s mission, vision, policies, strategic goals, system priorities and implementation plans;
* Hiring a Director of Education who embodies values in appropriately and effectively implementing government and board policy and curricular programs, exercising sound stewardship, and developing effective management and labour relation practices; and
* **Recognizing that the Board needs to take risks in pursuit of its objectives. The Board’s risk-taking attitude associated with achieving objectives will differ depending on internal and external factors and regulatory requirements. The Board will use the best possible information available about risks and opportunities to make decisions consistent with the governance structure.**

|  |
| --- |
| **POLICY NO.** |
| Adopted |  |
| Effective |  |
| Last Revised |  |
| Review Date |  |
| Policy Creator(s): |  |
| Policy Reviewer(s): | Senior Administration, Board Policy Committee |
| Approval By: | Board of Trustees |

### 1.1.3 Risk Management Policy – Medium-Size School Board sample

Risk Management Policy Sample 2: Suitable for a mid-size school board as a standalone policy. Covers all OESC policy elements. (To see an actual RM policy [RiskManagementPolicy.pdf (hdsb.ca)](https://www.hdsb.ca/our-board/Policy/RiskManagementPolicy.pdf))

**Risk Management Policy**

**Policy Statement**

[insert] School Board (The “Board”) is committed to achieving its stated objectives and, in pursuit of its objectives, ensuring that the best possible information about uncertainty is used to inform resource allocation and decision making.

**Purpose**

This policy sets the guiding principles to be followed in managing risk and uncertainty at the Board.

**Application and Scope**

This policy applies to our Board governance structure for all decisions that could impact the achievement of our strategic plan.

**Principles**

1. The Board is committed to achieving its objectives and recognizes that it operates in a context with internal and external uncertainties.
2. The Board shall consider both threats and opportunities as a natural part of considering uncertainty or ‘risk’ in decision-making.
3. The Board needs to take risks in pursuit of its objectives. The Board’s risk [attitude]appetite towards considering uncertainly associated with achieving objectives will differ, depending on internal and external factors and regulatory requirements. The board is more willing to consider risks in pursuit of creativity, innovation, and learning, and less willing to consider risks for areas impacting safety, compliance, and regulatory requirements.
4. The Board is committed to a model of operational leadership which is consistent with the Education Act, Ministry of Education direction, and the principals of good governance, as described in the Board’s Operational Leadership Procedure.
5. Risk management is considered as a key part of the strategic, operational, and budget planning processes.

**Responsibility**

* Board of Trustees establishes the direction for risk management and risk appetite, fosters a culture of risk-informed decision making and understands significant risks and management’s assessment of their impact on strategic objectives.
* Audit committee oversees the risk management approach as delegated by the Board of Trustees including monitoring of significant risks, adequacy of insurance and Board reporting.
* The Director of Education establishes the Board’s approach for design and implementation of risk management across the organization, ensures a risk-aware culture and ensures the Board has the process, tools, and training to support implementation. The Director of Education monitors and reports on significant risks to the Audit Committee and Board of Trustees.

**Evaluation and Review:** this policy will be subject to the Board cyclical policy review process.

**Related Policies / References**

Board By-Law & Trustee Code of Conduct

Code of Ethics Policy

Audit Committee Governance Policy

Operational Leadership

Governance Procedure

Director’s Performance Review Policy

Governance Process Policy

School Board Multi-Year Plan

Privacy and information management

Education Act

Ontario Regulation 361/10: Audit Committees

**Contacts, supporting tools and resources**: [insert here any email address, name/link of related procedure]

### 1.1.4 Risk Management Policy – Larger-sized School Board sample

Risk Management Policy Sample 3: Suitable for a larger-sized school board as a standalone policy. Covers all OESC policy elements. (To view an actual example [Enterprise Risk Management Policy (tdsb.on.ca)](https://ppf.tdsb.on.ca/uploads/files/live/93/2271.pdf))

**Risk Management Policy**

**Policy Statement**

The Board of Trustees believes that Strategic Risk Management (SRM) is integral to both good management and good governance practice. SRM should form an integral part of the school board’s decision-making processes and be incorporated within strategic and operational planning to help inform resource allocation to consider both risk and opportunity.

The school board will maintain a SRM framework to ensure:

* Significant current and emerging risks and opportunities are continuously identified and understood in relation to the strategic plan
* That an appropriate response to the most significant risks and opportunities for the Board are developed and effectively implemented in how we allocate resources
* Reviews are conducted to evaluate the effectiveness of risk management board-wide
* Reports regarding adherence to this policy are produced on a regular basis.

**Purpose**

The purpose of this policy is to serve as the strategic risk management framework of the [insert] school board. Strategic risks that could impact the achievement of the strategic plan will be understood and addressed within the risk appetite and risk tolerance of the school board.

**Application and Scope**

This policy applies to every person within the school board governance structure. It applies to decisions we take at any level including strategic planning. Every effort should be made to understand, prioritize, and respond to risk appropriately, by maximizing potential opportunities and minimizing the adverse effects of risks in relation to our strategic plan. SRM enables the school board to consistently sense and respond to strategic, operational, financial, health and safety, and reputational risks, whether they are internally or externally driven.

**Principles**

The Strategic Risk Management Framework helps the Board to create value by consistently identifying opportunities and by protecting those we are responsible for/to including our role as stewards of public assets. The following principles will guide our consideration of risk in the decisions we take:

1. Our approach to managing risk serves our needs and has been customized to the nature, geography, and size of the school board
2. Our approach to considering risk in decision making will be structured, comprehensive, inclusive and generate the best available information about uncertainty for the decision maker(s)
3. We will consider human and cultural factors as uncertainty that drives both risk and opportunity
4. We will build on our existing strengths in managing risk, learning, and improving continuously from our experience in a dynamic way
5. We will ensure risk is integrated into the way we think, work, and make decisions

**Responsibility**

**The Board of Trustees is responsible for:**

* Setting risk appetite levels.
* Overseeing SRM activities of the school board.
* Understanding the nature and magnitude of significant risks to which the school board is exposed.
* Reviewing reports on the assessment of risk levels compared to established strategic risk targets.
* Annually reviewing risk management policies, including risk appetite, and strategies to ensure that risk exposures remain appropriate and prudent.

**The Director of Education is responsible for:**

* Recommending risk tolerance levels to the Board.
* Identifying, measuring, and evaluating significant strategic, business, and process risk exposures.
* Ensuring an appropriate level of resources are allocated in alignment with established risk appetite targets for assessing and managing risk.
* Mitigating of risk exposures through appropriate risk responses.
* Monitoring the application of risk responses and mitigation strategies.
* Reporting on SRM processes and findings, including the level and direction of risk exposures and extent of risk management activities.

**The Audit Committee is responsible for:**

* Reviewing management’s identification of the school board’s significant risks, in accordance with the SRM policy.
* Ensuring there are strategic enterprise risk management processes in place to measure, monitor, manage, and mitigate significant risk exposures, including appropriate policies, procedures, and controls.
* Overseeing the application of SRM practices and the ongoing identification of emerging risks.
* Reporting to the Board on risk exposure levels.

**Reporting**

Management will submit a report to the Audit Committee at least (**frequency TBD**). The report should provide appropriate information on:

* The nature and magnitude of significant risks and opportunities.
* Significant risks and those risks that exceed their acceptable risk levels.
* The time frame and status of any additional risk management activities that may be required to bring risks within approved risk levels.
* Any negative trends of higher risk areas and any changes to risk management activities.
* Any new significant risks including their risk assessment, risk response, and management activities.
* Any emerging risks.
* Any exceptions to the school board’s policies or limits for key risks.

The Audit Committee will report to the Board on its review of risk management activities, including the status of any significant current and emerging exposures and trends.

**Evaluation and Review:** this policy will be subject to the Board cyclical policy review process.

**Related Policies / References**

Board By-Law

Trustee Code of Conduct

Code of Ethics Policy

Audit Committee Governance Policy

Operational Leadership

Governance Procedure

Director’s Performance Review Policy

Governance Process Policy

School Board Multi-Year Plan

Privacy and information management

Education Act

Ontario Regulation 361/10: Audit Committees

**Contacts, supporting tools and resources**: [insert here any email address, name/link of related risk management procedure]

# 2.0 Strategic Risk Management Procedures: samples

Sample Elements of a Risk Management Procedure

* 1. Attitude to Risk Taking
	2. Risk Rating Approach
	3. Integrating Risk into our work-Risk in strategic planning
	4. Integrating Risk into our work- Risk in decision making
	5. Definitions
	6. Review & Continuous Improvement in how we manage risk

## 2.1 Understand Leadership and Trustee attitude to taking risk

Every leader understands how much risk they are willing to take. School Boards have different levels of leadership where the discussion of how much risk do we want/need to take needs to be clear, annually revisited/updated in-year as situations (e.g., politics, local events/circumstances) change. For school boards:

1. The senior leadership team and director will want to have this conversation
2. They will want to check their understanding of how much risk they want/need to take to achieve the strategic plan together with Trustees who have the ultimate accountability for your school board’s risk attitude.

See Appendix A for a tool that can be used to facilitate these discussions and samples of Risk Attitude Statements from other school boards that should result from a facilitated discussion.

## 2.2 Select and align a risk rating approach to your school board’s attitude for risk taking.

There are many methods for rating and assessing risks and opportunities. Appendix B provides several sample methods. Whichever method you choose, make sure its helpful and easy to use and most importantly, aligns directly to your Board’s risk-taking attitude. Understand that the primary role of rating risks is to establish which ones are the most significant and require additional effort to bring them within the desired attitude for risk taking.

Example: if your school leadership and trustees agree that they are unwilling to accept any risk when it comes to student safety, check your risk rating method to ensure that a student-related safety risk will be rated as a maximum level risk. Use this approach to compare your risk rating method, making the adjustment to align the rating method to the risk attitude. Be sure to check on the rating approach every year when the risk attitude is revisited.

Leaders understand that a zero-risk tolerance to some areas of operations cost money and take time: this is a necessary discussion.

## 2.3 Integrating Risk Management into school board work- Risk in Strategic Planning

Understanding your internal and external organizational setting enables you to clearly see the top risks and opportunities that could impact achievement of the strategic plan. There is no common strategic planning process in use across Ontario school boards but all boards do discuss uncertainties as they develop strategy. Appendix C provides examples of how some boards have developed their risk profile and used it as a lens to consider and adjust priorities and budgets to ensure the most significant risks and opportunities are addressed with best effort.

* Establish what the uncertainties are that have been or are being discussed during the strategic planning development process (e.g., through use of SWOT or Pestle analysis or other methods)
* Develop a full picture of all uncertainties facing the school board by consulting internally, reviewing key documents of the Board, records of Human Resource trends (absenteeism, recruiting/retention, disability, etc.), litigation/claim trends, facility condition reports, IT security strategies and business continuity plans, etc. Gather a sense of the breadth of uncertainties the Board faces for the current and upcoming planning cycle. Describe each risk and each opportunity briefly in a risk register if that’s helpful.
* For each risk and opportunity consider and note the people, processes, and systems in place today to prevent the risk from occurring (or minimize its impacts) or optimize the likelihood and impact of an opportunity being realized. To help, refer to the outgoing list of priorities and budgets noting where the money is going (risks and opportunities being addressed).
* Use that information to calibrate the budget and staffing strategy to ensure resources are allocated to help respond to the top risks and opportunities
* Operational plans and budgets should also be able to demonstrate how and if they are helping to also respond to the top risks and opportunities of the Board

## 2.4 Integrating Risk Management into school board work - Risk in decision making

This procedure helps Boards make decisions based on the best possible information about uncertainties associated with a specific decision. See the Decision Support Tool at Appendix D.

Helps to communicate across leadership teams with a common decision-making approach

Presenting and Using risk information

The purpose of this step in the SRM procedure is to develop a decision rationale that considers the net benefits and risks of a decision. The Decision Support Tool generates the best available information for decision making at a point in time. That information informs where or if resources should be adjusted or reallocated. An example of how risk information can be summarized and reported up and out from a decision maker follows.

*Summary:*

We recommend that this decision be approved/reviewed/delayed by the Board because:

* It directly supports the following objectives in our Multi Year Plan **(insert)**
* It provides net positive potential impact on the following stakeholders **(insert)**
* We have considered the risks and opportunities associated with this decision and the decision as proposed falls within our attitude for risk taking as a Board with minor resource adjustment as below.

*Risk Assessment Summary:*

During the **(period or date), (x-number)** of staff helped to identify (Number) threats and (number) opportunities associated with this decision of which only (number) are evaluated as the top risks and opportunities.

Resource adjustments needed to bring the decision within our risk attitude:

1. That the budget be risk-adjusted to **($ or % amount)** to help address the top risks associated with this decision.
2. That staffing be risk-adjusted to help address the top risks as proposed as follows **(+/- staff).**

*Implications of this decision on competing priorities:*

To move forward with the proposed decision recommendation, the following item(s) will no longer be a priority for the School Board. [**Insert affected former priorities]**

## 2.4 Definitions

A suite of definitions is shown in Appendix E. Select the terms that are meaningful for the risk management approach for your school board.

## 2.5 Review and Continuous Improvement of Strategic Risk Management

In development

# Appendix A: Sample Risk Management Procedure

Strategic Risk Management Procedure

1. Understand Leadership and Trustee attitude to taking risks

Every leader understands how much risk they are willing to take. School Boards have different levels of leadership where the discussion of how much risk do we want/need to take needs to be clear, annually revisited/updated in-year as situations (e.g., politics, local events/circumstances) change. For school boards:

* 1. The senior leadership team and director will want to have this conversation
	2. They will want to check their understanding of how much risk they want/need to take to achieve the strategic plan together with Trustees who have the ultimate accountability for your school board’s risk attitude.

See Appendix A for a tool that can be used to facilitate these discussions. See Appendix B of sample Risk Attitude Statements from other school boards that should result from a facilitated discussion.

1. Select and align a risk rating approach to your school board’s attitude for risk taking.

There are many methods for rating and assessing risks and opportunities. Appendix C provides several sample methods. Whichever method you choose, make sure its helpful and easy to use and most importantly, aligns directly to your Board’s risk-taking attitude.

Example: if your school leadership and trustees agree that they are unwilling to accept any risk when it comes to student safety, check your risk rating method to ensure that a student-related safety risk will be rated as a maximum level risk. Use this approach to compare your risk rating method, making the adjustment to align the rating method to the risk attitude. Be sure to check on the rating approach every year when the risk attitude is revisited.

1. Use the Decision Support Tool – Integrating Risk Management into school board work
2. Risk in strategic planning: understanding your internal and external organizational setting to enable you to clearly see the most top risks and opportunities that could impact achievement of your plan
* Use that information to calibrate the budget and staffing strategy to ensure resources are allocated to help respond to the top risks and opportunities
* Operational plans and budgets should also be able to demonstrate how and if they are helping to also respond to the top risks and opportunities of the Board
1. Risk in decision making: to help Boards make decisions based on the best possible information about uncertainties associated with a specific decision.
	* Helps to communicate across leadership teams with a common decision-making approach

See the Decision Support Tool at Appendix D.

1. Presenting and Using risk information

The purpose of this step in the SRM procedure is to develop a decision rationale that considers the net benefits and risks of a decision. The Decision Support Tool generates the best available information for decision making at a point in time. That information informs where or if resources should be adjusted or reallocated. An example of how risk information can be summarized and reported up and out from a decision maker follows.

*Summary:*

We recommend that this decision be approved/reviewed/delayed by the Board because:

* It directly supports the following objectives in our Multi Year Plan **(insert)**
* It provides net positive potential impact on the following stakeholders **(insert)**
* We have considered the risks and opportunities associated with this decision and the decision as proposed falls within our attitude for risk taking as a Board with minor resource adjustment as below.

*Risk Assessment Summary:*

During the **(period or date), (x-number)** of staff helped to identify (Number) threats and (number) opportunities associated with this decision of which only (number) are evaluated as the top risks and opportunities.

Resource adjustments needed to bring the decision within our risk attitude:

1. That the budget be risk-adjusted to **($ or % amount)** to help address the top risks associated with this decision.
2. That staffing be risk-adjusted to help address the top risks as proposed as follows **(+/- staff).**

*Implications of this decision on competing priorities:*

To move forward with the proposed decision recommendation, the following item(s) will no longer be a priority for the School Board. [**Insert affected former priorities]**

1. Definitions

Refer to Appendix E for a range of relevant terms and definitions. Select the ones that are useful to your policy and procedure approach.

# Appendix B: Clarifying Leadership Attitude to Risk Taking

Every board needs to take risk however each Trustee, Director or leadership team member bring their own specific experience, skills, or perspectives on ‘how much risk’ they are willing to accept in pursuit of the board’s strategic plan.

The Tool below can be used to help school board leadership and Trustees clarify their collective attitude to Risk Taking. When clarified, it is included in the Risk Management Procedure for your school board as, unlike the risk management policy, risk attitudes can change over time and require annual review.

Area by area, each leadership team member self-assesses their own willingness to accept risk/pursue opportunity. Note areas where there is alignment: discuss the areas where you are less aligned. Ultimately, the decision of how much risk is acceptable is borne by the Board with extensive input from the leadership team who contribute firsthand skills and experience.



Risk Attitude Sample 1 suitable for a small to mid size school board



Risk Attitude Sample 2 suitable for a mid or large size school board

The **[name of school board]** is committed to creating and protecting value for its stakeholders through the achievement of its strategic and operational plans. The Board of Trustees understands there are always risks in the activities that are undertaken, and that risk-taking must occur if the school board is to be innovative. However, the school board is committed to intelligent risk-taking, where risks will be identified, assessed, and managed within the SRM framework. This will ensure that the risks are understood and managed effectively.

The school board faces a range of potential risks that may affect the:

* Organizational reputation.
* Organizational performance, as measured against strategic priorities.
* Integrity of decisions and processes.
* Safety and well-being students.
* Workplace safety, security, and health of employees.
* Relationships and/or contracts with stakeholders, which may create additional financial or obligatory risks.

The **risk appetite** is referred to as the level of uncertainty the school board is willing to accept in pursuit of its objectives. It also serves to determine which risks will not be tolerated.

The school board accepts a very low appetite for risks in areas that may have an adverse impact on high quality education. These include:

* Staff and student safety.
* Safeguard of confidential and personal information.
* Business continuity management.
* Fraud and corruption.
* Compliance with legislative, regulatory requirements, and ethical matters.

To foster a culture of innovation and continuous improvement, the school board accepts a higher level of risk within its tolerance levels for the pursuit of opportunities that create additional benefits in areas such as:

* Teaching and learning opportunities to improve student outcomes.
* Workplace innovation.
* Relationships with business partners and communities to build capacity.

The school board will neither compromise its reputation for student success, nor its public image. To that end, the school board will adopt sound and ethical governance and business practices and strive to remain financially and fiscally responsible.

# Appendix C – Sample Risk Rating Approaches

A reminder that there are over 100 ways to assess risk. The following pages provide a simplified and more detailed way to assess the likelihood and impact of specific risks and opportunities occurring.

Use the rating approach – whether this one or any other – that is helpful. The only bad risk assessment approach is one that is not used or is used inconsistently. ISO 31000 assumes a minimum of likelihood and impact on objectives but is not prescriptive, realizing that many methods exist. The important result of all risk assessment is to consider what the most important risks and opportunities are that could impact the realization of Board strategy. Pick one, use it as consistently as possible.[[1]](#footnote-1)

Simplified risk rating approach: use with the risk attitude for your school board. The two (attitude and risk rating) must align to each other prior to use in identifying, assessing, and prioritizing risks and opportunities.

|  |
| --- |
| **Simplified Threat/Opportunity Likelihood Scale** Consider the impact a risk/opportunity may have to different areas of the school board’s key performance measures: *Reputation, Student Achievement, Financial, Human Resources, Program and Service Delivery and Continuity, Legal and Compliance, and Health, Safety and Wellbeing.* |
| **Score** | **Likelihood** | **Risk** | **Opportunity** |
| 1 | Minor | Risk will have a minor impact on the school board’s ability to achieve its intended objectives and outcomes.No additional action required to treat the risk | Opportunity has low organizational benefit and impact on the school board’s ability to achieve its intended objectives and outcomes.No additional action required to realize the opportunity. |
| 2 | Moderate | Risk will have a moderate effect on the school board’s ability to achieve its intended objectives and outcomes.Some actions may be required to treat the risk. | Opportunity has moderate organizational benefit and effect on the school board’s ability to achieve its intended objectives and outcomes.Some actions may be required to help realize the opportunity. |
| 3 | Serious | Risk will significantly impede the board’s ability to achieve its intended objectives and outcomes.Actions required to treat the risk | Opportunity has substantial organizational benefit and will significantly increase the board’s ability to achieve its intended objectives and outcomes.Actions required to help realize the opportunity. |
| 4 | Major | Risk will reduce the capacity of the board to achieve its objectives and expected outcomes in a meaningful way.Additional Action required to treat the risk | Opportunity has significant organizational benefit and will increase the board’s capacity to achieve its objectives and expected outcomes in a meaningful way.Additional action required to help realize the opportunity. |

**Detailed Impact Scale**

This scale can be used to spur thinking and discussion about the impact a threat may have to different areas of the school board’s key performance measures: Reputation, Student Achievement, Financial, Human Resources, Program and Service Delivery and Continuity, Legal and Compliance, and Health, Safety and Wellbeing.

| RISK IMPACT SCALE |
| --- |
| **Organizational Outcomes** | **Minor - 1** | **Moderate - 2** | **Serious - 3** | **Major - 4** |
| **Reputation**School board’s reputation and credibility with its school community and business (external) stakeholders and the public. | Unfavourable media attention unlikely.Stakeholder trust and public confidence not affected. | Limited negative media attention.Minor setback in stakeholder trust and public confidence.  | Significant negative media attention. Criticism from stakeholders and public. Enrolment metrics begin to show decline. | Sustained negative media attention.Significant loss of stakeholder trust and public confidence. Substantial change in enrolment metrics. |
| **Student Achievement**Ability to focus on delivering educational programs that foster high levels of student achievement. | Inconsequential impact on academic programs and/ or student achievement.Slow progress achieving strategic goals. | Student achievement metrics begin to show a decline.Progress stopped on one strategic goal. | Stakeholders raise concerns about student achievement.Progress stopped on more than one strategic goal.  | Inability to satisfactorily deliver curriculum or achieve board/provincial benchmarks. Severe criticism from stakeholders and public. Reverses progress on one or more strategic goal. |
| **Financial**Ability to allocate sufficient financial resources to programs and services. | Financial fluctuation less than 0.25% of operational budget.  | Financial fluctuation more than 0.25% but less than 1.0% of operational budget. | Financial fluctuation more than 1.0% but less than 5% of operational budget. | Financial fluctuation of more than 5% of operational budget and financial recovery plan closely monitored by the Ministry. |
| **Human Resources**Ability to create a work environment that fosters student achievement. | No impact on employee metrics for:Engagement.Safety-wellbeing.Recruitment-retention.Development. | Limited impact on employee metrics for:Engagement.Safety-wellbeing.Recruitment-retention.Development. | Significant impact on one or more employee metrics. Arbitrations exceeding acceptable limits. | Sustained impact on one or more employee metrics.Arbitrations consistently preoccupy the school board. |
| **Program and Service Delivery and Continuity**Ability to ensure program, service delivery and continuity in support of student achievement and stakeholder expectations. | Inconvenience but no interruption to programs and services. | Limited disruption to programs and services but manageable.Minor setback in achieving expected results.  | Significant disruption to programs and services.Some under- achievement of expected results.  | School board is unable to provide program and services. Crisis management, critical system failure |
| **Legal and Compliance**Ability to comply with applicable laws, regulations, and policies, and with contractual obligations. | No regulatory consequence.Minor audit findings. | Minor non-compliance.Caution issued, and corrective action taken,Moderate audit findings. | Non-compliance with likely regulatory consequence in the form of a sanction or fines.Ministry scrutiny likely.Audit findings require important system/ program changes.  | Breach of legislation, contract or policy leading to substantial costly legal action and sanctions or fines/damages.Ministry intervention. |
| **Health, Safety and Wellbeing**Ability to maintain a safe, ethical, and inclusive school environment for students, staff, and the public. | No impact on health, safety, and wellbeing metrics.No health and/or safety concerns. | Limited impact on health, safety, and wellbeing metrics.Minor health and /or safety concerns.Minor legal liability exposure.Possible WSIB exposure. | Significant impact on health, safety, and wellbeing metrics.Stakeholders raise concerns about health and safety concerns.Serious legal liability exposure.WSIB exposure. | Sustained impact on health, safety, and wellbeing metrics.Catastrophic injuries and/or violent incidents. Costly action and widespread impact on the school board and/or senior staff.Severe legal liability exposure.WSIB exposure. |

**Detailed Opportunity Impact Scale**

| **OPPORTUNITY IMPACT SCALE** |
| --- |
| **Organizational Outcomes** | **Minor – 1** | **Moderate– 2** | **Serious – 3** | **Major – 4** |
| **Reputation**School board’s reputation and credibility with its school community and business (external) stakeholders and the public. | The opportunity would only have a minor impact on increasing trust and credibility in the school board.Minor improvement in enrolment and retention.  | The opportunity would only have a moderate impact on increasing trust and credibility in the school board.Moderate improvement in enrolment and retention. | The opportunity could result in improved trust and credibility by the school community, the public, and external stakeholders.Significant improvement in enrolment and retention. | The opportunity could result in the School board regarded for its excellence by its school community, the public, and external stakeholders.Meet or exceeds enrolment and retention goals.  |
| **Student Achievement**Ability to focus on delivering educational programs that foster high levels of student achievement. | The opportunity would have little effect on helping to meet board and provincial Student Achievement targets.Minor progress or impact on achieving strategic goals.  | The opportunity would have a moderate effect on helping to meet board and provincial Student Achievement targets.Moderate effect on achieving on one or more strategic goals.  | The opportunity could result in meeting most board and provincial Student Achievement targets.Significant effect on achieving on one or more strategic goals. | The opportunity could result in all board and provincial Student Achievement targets met.Fulfills strategic goals. |
| **Financial**Ability to allocate sufficient financial resources to programs and services. | The opportunity would generate little revenue or savings.  | The opportunity could generate moderate revenues or savings. | The opportunity could generate substantial revenues or savings. | The opportunity could generate significant revenues or savings. |
| **Human Resources**Ability to create a work environment that fosters student achievement. | The opportunity would have a nominal effect on our human resources targets for:Engagement.Safety-wellbeing.Recruitment-retention.Development. | The opportunity could help improve in some of our human resources targets for:Engagement.Safety-wellbeing.Recruitment-retention.Development. | The opportunity could help improve in most of our human resources targets for:Engagement.Safety-wellbeing.Recruitment-retention.Development. | The opportunity could help meet or exceed all our human resources targets for:Engagement.Safety-wellbeing.Recruitment-retention.Development. |

# Appendix C: Integrating Risk Management – Risk In Strategic Planning

In development

# Appendix D: Integrating Risk Management – Decision Support Tool

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| ***Establish the Decision Context***  |
| 1. Clarify the decision to be made
2. Does the decision fall within our mandate?
3. Which strategic outcome is most affected by the decision?
4. What role would our Board play in this decision? (Lead, supporter, sponsor, etc.)
5. How significant is the decision in relation to our strategic outcomes?
6. Which of our internal and external stakeholders could be impacted by the decision? (See below)

**Internal Stakeholders External Stakeholders****□** Trustees **□** Students**□** Senior Executive **□** Parents**□** Principals **□** Regulators**□** Educators **□** Contractors**□** Educator Support **□** Suppliers**□** Management **□** Communities**□** Staff**□** Other school boards (precedent setting implication) **□** Interest Groups |
| ***Identify, Assess & Prioritize the Associated Threats and Opportunities***  |
| 1. What are the threats that might arise from the decision: consider the existing people, processes, and systems in place already to help prevent the threat or its impact
2. What are the opportunities that might results from the decision: consider the existing people, process, and systems in place today to help realize and optimize identified opportunities?
3. Look across all risks and opportunities identified: consider the attitude for risk taking at your school board
4. What are the top threats and opportunities associated with the decision that need further action to bring them within the attitude for risk taking?
 |
| ***If further action is required to respond to Top Threats & Opportunities***  |
| 1. Look at the operational plan, projects, and priorities: what actions could you take within your existing commitment to help respond to the top threats and opportunities identified
2. What additional action should be taken?
3. If additional action (resources, time, and budget) is required to respond to the top threats and opportunities, what existing adjustments should be made to the existing plans, projects, or priorities?
4. If your school board knows them, what Top Corporate Threats or Opportunities are impacted?
5. How does this decision affect/displace the existing priorities previously agreed? Describe the competing priorities.
 |
| ***Escalate, Monitor, Communicate & Consult as Appropriate***  |

# Appendix E: Definitions

The following basic definitions are applicable in the context of the SRM Framework and Application Guide.Definitions marked with an asterisk (\*) are consistent with the terms used in ISO GUIDE 73:2009(E/F) Risk management — Vocabulary.

|  |  |
| --- | --- |
| **Term** | **Definition** |
| **Strategic Risk Management (SRM)** | SRM is the process of planning, organizing, leading, and controlling the activities of a school board. It is a structured and continuous process affected by an organization’s governance body, management, and other personnel. It aligns strategy, processes, people, technology, and knowledge with the purpose of evaluating and managing the opportunities, uncertainties, and threats that an organization faces as it creates value. It involves integrating risk management effectively across the school board’s risk universe. The goal of SRM is to minimize the effects of risk associated with all aspects of the organization, including strategic, operational, financial, and reputational considerations. SRM identifies, analyzes, assesses, monitors, and communicates risk issues and events. This systematic approach manages uncertainty and helps the school board achieve successful organizational outcomes. |
| **\*Control** | Measure that is modifying risk. |
| **SRM Framework**  | Set of components that provide the foundation for designing, implementing, monitoring, reviewing, and continually improving risk management in a coordinated way throughout the organization. |
| **\*Event**  | Occurrence or change of a particular set of circumstances. |
| **Heat Map** | A Heat Map is one way of visually representing risks and their priority ranking. It often takes the form of a two-dimensional grid, with the possibility or likelihood on one axis and impact or severity on the other axis. The risks that fall in the high probability/high impact quadrant are given priority attention in risk management.  |
| **Inherent Risk** | The level of risk that remains after considering existing controls and treatments. |
| **\*Level of Risk** | Magnitude of a risk or combination of risks, expressed in terms of the combination of consequences and their likelihood. |
| **\*Likelihood** | Chance of something happening. |
| **Operational Risk** | The risk of loss arising from daily tactical business activities. This risk results from inadequate or failed internal processes, the human element, systems, or external events. |
| **\*Residual Risk** | Risk remaining after risk treatment.  |
| **Risk** | Risk isthe effect of uncertainty on objectives.Note 1: An effect is a deviation from the expected – positive or negative.Note 2:Objectives can have different aspects and can apply at different levels.Note 3: Risk is usually expressed in terms of risk sources, potential events, and their likelihood.  |
| **\*Risk Analysis** | Process to comprehend the nature of risk and to determine the level of risk. |
| **Risk Appetite** | The level of uncertainty the school board is willing to accept to achieve its objectives, as it creates value. It is the school board’s willingness to accept risk in pursuit of its outcomes.  |
| **\*Risk Assessment** | Overall process of risk identification, risk analysis, and risk evaluation. |
| **\*Risk Identification** | The qualitative and quantitative determination of significant risks that can potentially impact the school board’s achievement of organizational objectives. It is a process of finding, recognizing, and describing risks. |
| **\*Risk Management** | Coordinated activities to direct and control an organization regarding risk. |
| **\*Risk Management Framework** | (See also SRM Framework) Set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing, and continually improving risk management throughout the organization. |
| **\*Risk Management Process** | Systematic application of management policies, procedures, and practices to the activities of communicating, consulting, establishing the context, and identifying, analyzing, evaluating, treating, monitoring, and reviewing risk. |
| **\*Risk Matrix** | Tool for ranking and displaying risks by defining ranges for consequence and likelihood. |
| **\*Risk Owner** | Person or entity with the accountability and authority to manage a risk. |
| **Risk Position** | A guiding statement that defines the acceptable risks an organization will avoid or accept, the measures it will take to control the risks it accepts, and the level of loss it will accept. |
| **Risk Prioritization** | The ranking of risks on a scale, such as frequency and/or severity.  |
| **Risk Probability** | The likelihood that a given event will occur, expressed as an event occurrence expected within a given period. |
| **\*Risk Profile** | Description of any set of risks. |
| **Risk Severity/Impact** | Severity/Impact is the result of, or effect of, an event. The impact of an event can be positive or negative, relative to the organization’s strategic objectives. There can be a range of possible impacts associated with any single event, from minimal impact on an organization to an inability to continue operations.  |
| **Risk Tolerance** | The stated amount of risk that the school board is willing and able to bear in executing its strategy or its activities. It reflects the school board’s capacity to bear the risk, after treatment, to achieve desired outcomes.  |
| **\*Risk Treatment** | Process to modify risk. |



1. For more information on the variety of risk assessment methods go to [www.iso.org](http://www.iso.org) and locate ISO 31010-Risk Assessment Methods. Note that every method in use has both strengths and weaknesses. [↑](#footnote-ref-1)