



SUBJECT: Enterprise Risk Management	CATEGORY: Governance – High Risk Decisions	NO. G-4.11
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PREAMBLE

Risk exists in all activities. An established enterprise risk management system provides a framework to identify potential risk or threat that may significantly impact, either positively or negatively, the strategic goals or operations of an enterprise. SIAS is committed to identify, manage and implement strategies to mitigate its risks in support of its mission, vision and values.

Managing risk is an integral part of the role of the SIAS board of directors and senior management. Risk management is also a shared responsibility at all levels within the organization. Faculty, staff and management all have a responsibility for maintaining good internal procedures, policies and controls to manage and mitigate risk.

POLICY

In accordance with the SIAS Enterprise Risk Management Framework:

1. The SIAS board of directors will annually assess and prioritize existing and emerging risks as identified by SIAS senior management.
2. SIAS senior management council will:
 - Implement methodologies and strategies to monitor, mitigate and/or manage risk
 - Annually identify and report to the SIAS board of directors on current and anticipated organizational risk
 - Annually report to the SIAS board of directors on past, present and future risk mitigation and management efforts undertaken in relation to each prioritized risk identified by the board of directors and senior management
 - Annually report to the SIAS board of directors on related measurable outcomes as a result of risk mitigation and management efforts
 - Disseminate enterprise risk management information and best practices across SIAS for the benefit of the entire organization.

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3. The SIAST community will:
- Maintain good internal procedures, policies and controls to manage identified organizational risks
 - Apply due diligence in mitigating and/or managing risks that may affect core functions or services, or negatively impact the academic integrity and reputation of SIAST
 - Identify emerging or new risks to senior management.

PROCEDURES

The SIAST Enterprise Risk Management (ERM) Framework is attached as Schedule "A".

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**SIAST
Enterprise Risk Management (ERM)
Framework**

ERM next steps:

To further develop SIAST's ERM coordination, assessment and reporting methodology. A methodology that is:

- Transparent,
- Regular,
- Standardized,
- Consistently communicated, and;
- Proactive and value-added

To ensure:

- All risks at SIAST are owned and addressed,
- All risks at SIAST are managed at the working level,
- The appropriate systems and tools are being used at SIAST to identify, anticipate and mitigate risks,
- There is a SIAST-wide transparency and clarity on where risk management resources and effort must be focused,
- There is a close connection of ERM to SIAST's strategic and financial management,
- Risk reporting is consistent and value-added across all levels at SIAST, and;
- Risk reporting external to SIAST is consistent and appropriate.

Deliverables:

1. Short Term:

- Annual ERM current-state and desired state reassessment by the SIAST board of directors and senior management. Utilizing the current assessment methodology and facilitated by an external party – October/November.
- Annual ERM report to the SIAST board of directors. Utilizing the current matrix design with an accompanying narrative – October/November.

2. Future:

- Review of current assessment, matrix and reporting tools
- Blend of qualitative and quantitative..... develop risk management indicators such as:
 - Establish key risk indicators (KRI's)
 - Establish key mitigation indicators (KMI's)
- Alignment of SIAST's performance metrics with risk management indicators.

Prepared by Cheryl McMillan
Presented at February 27, 2006 Audit Committee Meeting
Approved at March 24, 2006 Board of Directors Meeting

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