



## **Enterprise Risk Management Policy: New Policy**

**To:** Governance and Policy Committee

**Date:** 27 April, 2022

**Report No.:** 04-22-4311

### **Strategic Directions**

- Transform Student Learning
- Create a Culture for Student and Staff Well-Being
- Allocate Human and Financial Resources Strategically to Support Student Needs
- Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being
- Provide Equity of Access to Learning Opportunities for All Students

### **Recommendation**

It is recommended that the Enterprise Risk Management Policy, as presented in this report, be approved.

### **Context**

The Enterprise Risk Management (ERM) Policy (the “Policy”) (Appendix A) was prepared in accordance with the Policy Development Work Plan (Appendix B) that was approved by the Governance and Policy Committee on September 8, 2021, and subsequently by the Board of Trustees on September 22, 2021. The development of the Policy is in response to a Provincial Government Directive (issued on February 13, 2020) that requires all ministries and government agencies to implement an ERM program. The Directive sets out principles, requirements, and responsibilities for effective and efficient enterprise risk management for ministries and provincial agencies. Although the TDSB is not required to adopt the Directive, the Board has taken a proactive approach to developing an ERM Policy to establish risk management processes.

The ERM Policy focuses on risk identification, assessment, mitigation, and reporting strategies that are standardized and effectively implemented across the Board. The

Policy establishes a proactive, organization-wide framework that is integrated with TDSB core values, strategy, objectives, performance, communication, and reporting mechanisms to effectively decrease uncertainty and improve equity-focused risk-based decision making within the Board.

The ERM Policy is aligned with the principles of the Enterprise Risk Management Directive of the Government of Ontario and is in accordance with Ontario Regulation 361/10, Section 9, of the *Education Act*, on risk management supervision requirements.

The draft Policy was posted for public consultation from February 15, 2022, to April 1, 2022. As part of the public consultations, the Policy was shared with various stakeholder groups (i.e., PIAC, SEAC, Community Advisory Committees, School Councils, Student Senate, professional associations/unions, and the general public) for input and comments. The feedback obtained through the public consultations was reviewed and is reflected in the draft Policy presented for the Committee's consideration.

### **Action Plan and Associated Timeline**

Subject to the Governance and Policy Committee's directions, the Policy will be presented to the Board of Trustees for consideration and final approval on May 25, 2022. Once approved by the Board, the new Policy will come into effect immediately. In addition, staff will commence the development of a new ERM operating procedure and conduct a review of any related operational procedures to support the implementation of the Policy.

### **Resource Implications**

N/A

### **Communications Considerations**

Following Board approval, the Policy will be communicated to the public in accordance with the Policy Development Work Plan. System-wide communication to all stakeholders, including staff, students and parents, will be implemented following approval of the Policy.

### **Board Policy and Procedure Reference(s)**

Policies:

- Equity Policy (P037)
- Mission, Vision and Goals Policy (P002)

Legislation:

- *Education Act*: Ontario Regulation 361/10

Other Documents:

- Enterprise Risk Management Directive, Province of Ontario
- Ontario Public Service Enterprise Risk Management Framework
- TDSB Multi-Year Strategic Plan

**Appendices**

- Appendix A: Enterprise Risk Management Policy
- Appendix B: Policy Development Work Plan

**From**

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# Toronto District School Board

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Policy P [number]

Title: **ENTERPRISE RISK MANAGEMENT**

Adopted: [date of approval of the policy]  
 Effected: [date when the policy came into effect]  
 Revised: [date when the policy was amended]  
 Reviewed: [date when the policy was reviewed]  
 Authorization: Board of Trustees

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## RATIONALE

The Board recognizes that risks are inherent to varying degrees in academic and administrative activities across the organization that impacts the strategic objectives of the TDSB. The risks may not always be eliminated. To respond to these challenges, the Board is committed to the continuous development and enhancement of its risk management capabilities.

The Enterprise Risk Management Policy (the “Policy”) affirms the Board’s commitment to effective risk management that integrates strategic planning and operations at the TDSB.

This Policy is aligned with the principles of the Enterprise Risk Management Directive of the Government of Ontario and is in accordance with Ontario Regulation 361/10, Section 9, of the *Education Act*, on risk management supervision requirements.

## OBJECTIVE

- To outline principles, requirements, and responsibilities for effective and efficient enterprise risk management at the TDSB;
- To integrate a consistent, system-wide risk management framework into strategic planning, decision-making, and TDSB operations supporting student achievement and academic success;
- To decrease uncertainty and improve the effectiveness and efficiency of TDSB operations through equity-focused risk-based decision-making.

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**DEFINITIONS**

*Board* refers to the Toronto District School Board, which is also referred to as “TDSB”.

*Enterprise Risk Management (ERM)* refers to an overarching approach to continuously identify, measure, manage and report key risks and threats to organizational strategies and objectives on a Board-wide basis. ERM serves as a proactive, organization-wide process that is integrated and implemented into TDSB core values, strategy, objectives, performance, communication, and reporting.

*Internal Control* refers to any action or measure introduced to manage risk. Controls include any policy, procedure, process, practice, or other actions that manage/mitigate the risk.

*Risk* refers to the potential that events, expected or unexpected, may positively or negatively impact TDSB’s ability to achieve its strategic objectives and goals.

*Risk Assessment* refers to the overall process of risk identification and risk analysis which incorporates equity assessment and assists in prioritizing risk as well as identifying mitigation controls.

*Risk Identification* refers to the process of discovering, recognizing, and describing risks. Risk identification involves the identification of risk sources, events, their causes, and their potential consequences.

*Risk Management* refers to the coordinated activities to identify and manage risk through mitigating controls.

*Risk Management Process* refers to the coordinated application of policies and procedures to the activities of identifying, analyzing, evaluating, treating, monitoring, and reporting risks.

*Risk Mitigation* refers to the processes developed to reduce the likelihood and/or impact of a risk identified in the risk register.

*Risk Register* refers to a repository/inventory of identified risks

*TDSB* is the Toronto District School Board, which is also referred to as the “Board”.

**RESPONSIBILITY**

The Director of Education holds primary responsibility for the implementation of this Policy.

Within the Director’s Office, the responsibility for the implementation,

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coordination and day-to-day management of the Policy is assigned to the Associate Director, Business Operations and Service Excellence.

**APPLICATION AND SCOPE**

This Policy applies to all employees of the TDSB, including supervisors, business unit leads, senior and executive managers.

**POLICY**

- 6.1. The Board recognizes that all organizational activities have an element of risk, and that not all risks can be avoided, transferred, or completely mitigated.
- 6.2. The Board will manage risks in a manner that balances resources of managing risk with anticipated benefits.
- 6.3. The Board will prioritize equity principles in accordance with the Equity Policy (P031) when considering risk assessment and mitigation controls.
- 6.4. Effective risk management is a shared responsibility of the Board of Trustees, Director of Education, and all levels of staff.
- 6.5. The Board will establish a system-wide approach to identify and manage risks related to the implementation of the Board's mission, vision, and strategic priorities outlined in the Mission, Vision, and Goals Policy (P002) and the Multi-Year Strategic Plan.
- 6.6. The Board will implement risk management processes that are consistent with industry standards and best practices.
- 6.7. The Board will create and maintain a current risk register.
- 6.8. The risk register will be updated continuously as the operating environment changes for the organization and take into consideration the assessment of current and emerging risks.
- 6.9. The Board will maintain an inventory of risks classified under designated risk categories that reflect TDSB's operational areas, including but not limited
  - Educational risk;
  - Financial risk;
  - Operational risk; and
  - Legal & Compliance risk
- 6.10. The Board will manage risks through a system-wide implementation of risk mitigation strategies and the establishment of internal controls.

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- 6.11. The Board, through the Director of Education, will implement risk identification and assessment tools to determine risks and evaluate their consequence and likelihood.
- 6.12. The Board will integrate the risk management process in the development and implementation of all TDSB policies, programs, projects, initiatives, and commitments in achieving TDSB strategies and objectives.
- 6.13. The Board will establish a system for reporting risks and assessing risk mitigation effectiveness.
- 6.14. The Board will provide risk management policy and procedure training, and support to designated staff.

**SPECIFIC DIRECTIVES**

The Director of Education is authorized to issue operational procedures to implement this policy.

**EVALUATION**

This Policy will be reviewed as required but at a minimum every four (4) years after the effective date.

**APPENDICES**

Not applicable

**REFERENCE DOCUMENTS**

Policies:

- Equity Policy (P037)
- Mission, Vision and Goals Policy (P002)

Legislation:

- *Education Act*. Ontario Regulation 361/10

Other Documents:

- Enterprise Risk Management Directive, Province of Ontario
- Ontario Public Service Enterprise Risk Management Framework
- TDSB Multi-Year Strategic Plan

## POLICY DEVELOPMENT WORK PLAN

Date: [September 8, 2021](#)

All policies will be developed to ensure consistency with the TDSB's Mission, Values and Goals Policy (P002), the Equity Policy (P037) and the Board's Multi-Year Strategic Plan.

### POLICY INFORMATION

Proposed Policy Title: [Enterprise Risk Management \(ERM\) Policy](#)

Executive Council member responsible for development of the new Policy:  
[Associate Director, Business Operations and Service Excellence](#)

### Phase I. APPROVAL OF POLICY RATIONALE

The rationale for the new Policy: [Enterprise Risk Management](#) serves as a proactive, organization-wide process that is integrated and implemented into TDSB core values, strategy, objectives, performance, communication and reporting to decrease uncertainty and improve decision making. In adopting a globally accepted ERM framework, known as ISO 31000, ERM aligns the identification and management of risks on a continuous basis to strategic objectives in order to improve organizational performance. An ERM Policy will assist in establishing risk management processes within the TDSB and ensure risk identification, assessment, mitigation, and reporting strategies are standardized and effectively being implemented. Many public organizations, including school boards, have established formal ERM policies and procedures. Currently, the TDSB has several policies and associated procedures in place which relate to risk assessment and management in varying contexts. However, the TDSB does not have a designated policy on system-wide risk management.

On February 13, 2020, the Provincial Government issued a Directive that requires all ministries and Provincial agencies to implement an ERM program. The Directive sets out principles, requirements, and responsibilities for effective and efficient enterprise risk management for ministries and provincial agencies. Although TDSB is not required to adopt the Directive at this time, it is recommended that the TDSB take a proactive approach of planning and implementing this initiative in order to establish an integrated risk management process across the organization that is aligned with a globally accepted framework.



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This Policy Development Work Plan has been discussed with the Policy Coordinator:

- Yes  
 No

## Phase II. OBTAINING TRUSTEES' DIRECTIONS AND DRAFTING POLICY

This Policy Development Work Plan will be discussed at the Governance and Policy Committee meeting held on: [September 8, 2021](#)

### Creating the Draft Policy

The draft Policy will be created and aligned with the current Policy Template (see Operational Procedure PR501, Policy Development and Management, Appendix A):

- Yes  
 No

Detailed information on the proposed policy provisions, including findings of the policy equity assessment:

- As part of the TDSB ERM Policy development, it is recommended to consider provisions of the Province of Ontario Enterprise Risk Management (ERM) directive. The directive sets out principles, requirements, and responsibilities for effective and efficient enterprise risk management for ministries and provincial agencies.
- It is recommended that the Policy emphasizes the importance of embedding Equity principles in the identification and assessment of risks.
- It is recommended that the risk management protocols within each area of the TDSB are housed under one umbrella Policy; allowing for broader visibility when planning and making decisions related to risk assessment and management.
- It is recommended that the Policy consist of provisions outlining formal enterprise risk management framework to effectively identify, manage and report risks that TDSB faces.
- It is recommended that the Policy consists of provisions that work in conjunction with the audit process in order to provide assurance that high risk areas, for example, finance and budgetary concerns, are being reviewed and action plans are being adhered to.
- It is recommended that the Policy align with current TDSB policies and procedures, which relate to risk assessment and management in varying contexts.
- It is recommended that the Policy define terms such as: enterprise risk management, risk, risk profile, risk register, risk management, risk assessment, internal controls, mitigation, and other terms related to ERM.

- It is recommended that the Policy emphasize the importance of internal controls as a means of avoiding risk, risk prevention (reducing likelihood of risks through policies, procedures, or guidelines), risk reduction/mitigation (reduce consequence of risks), and risk transferring, for example, insurance or contract.
- It is recommended that the Policy has provisions related to implementing a risk register or similar tool. A risk register acts as a tool for documenting risks and actions to manage each risk. In the register, risks are identified, assessed, and tracked. Risk registers may also be used to inform annual audit planning.
- It is recommended that the Policy has provisions related to the governing structure for oversight and monitoring of risks including the role of the Audit Committee.
- It is recommended that the Policy outlines roles and responsibilities related to the awareness, management and assessment/evaluation of risks within the Board.
- It is recommended that the Policy embed provisions related to training and professional development when it comes to risk management competencies for staff.
- It is recommended that the Policy require, at a minimum, annual risk identification and assessment reviews.
- It is recommended that ERM, in particular, risk identification and assessment, be engrained into other policies, procedures, projects, and reporting.

A review of leading practices for similar policies across jurisdictions has been completed and is included with this Work Plan.

### **Phase III. INTERNAL REVIEWS AND SIGN-OFFS**

The draft Policy will include input from TDSB departments affected by the Policy:

- Business Operations and Service Excellence
- Equity, Well-Being and School Improvement
- Human Rights and Indigenous Education
- Leadership, Learning and School Improvement

In addition, the following departments will be required to sign-off on the proposed draft Policy:

- Legal Services
- Policy Services
- Government, Public and Community Relations

Following internal reviews and TDSB departments' sign-offs, the draft Policy will be submitted to Executive Council on: [October - November 2021](#)

A sign-off from the Director of Education will be obtained before proceeding with external consultations and/or Committee/Board approval.

Director of Education

#### Phase IV. EXTERNAL CONSULTATIONS

Are external consultations applicable to this Policy?

Yes

No (*Ministry of Education mandated policy or corporate policy without external stakeholders*)

Mandatory external consultations will include, at minimum:

1. Posting of the working draft Policy on the TDSB website for public feedback (45 days minimum)
2. Extending invitations for consultation to:

Student Senate

and

all Community Advisory Committees of the Board and conducting consultations with the Community Advisory Committees that expressed interest (either individually with each interested committee or collectively with representatives of all interested committees): [November - December 2021](#)

- 2SLGBTQ+ Community Advisory Committee
- Alternative Schools Community Advisory Committee
- Black Student Achievement Community Advisory Committee
- Community Use of Schools Community Advisory Committee
- Early Years Community Advisory Committee
- Environmental Sustainability Community Advisory Committee
- Equity Policy Community Advisory Committee

- French-as-a-Second-Language Community Advisory Committee
- Inner City Community Advisory Committee
- Parent Involvement Advisory Committee (PIAC)
- Special Education Advisory Committee (SEAC)
- Urban Indigenous Community Advisory Committee

In addition to mandatory consultations, other external participants and projected dates of consultation(s) include: [November - December 2021](#)

- School Councils
- Professional Associations and Unions
- Other

The following methods will be applied in the external consultations:

- Public meeting
- Facilitated focus group
- Call for public delegations
- Expert panel discussion
- Survey
- Posting on the TDSB website
- Other: [Electronic Communication](#)

#### **Phase V. COMMITTEE/BOARD APPROVALS**

Following external consultations and revisions, the working draft Policy will be presented to the Governance and Policy Committee on the following date: [January – February 2022](#)

Following recommendation by the Governance and Policy Committee, the new Policy will be presented to the Board on the following date: [February - March 2022](#)

Once approved, the new Policy will be added to the TDSB website.

#### **Phase VI. IMPLEMENTATION**

Following Board approval, the new Policy will be communicated through:

- Posting of the new Policy on the TDSB website through the Policy Coordinator
- Sharing with staff through the System Leaders' Bulletin
- Informing departments at staff meetings and channeling information to the school principals through respective superintendents

- ☒ Implementation of a broad communication plan for internal and external audiences, include summary of policy provisions and expected outcomes

Policy implementation will include:

- ☒ Conducting information/training sessions to TDSB staff affected by the Policy

The projected time period for conducting information/training sessions to staff will be: [April – September 2022](#)

- ☒ Initiate development of new procedures or review of associated procedures: [2022/2023 school year](#)

[Develop Enterprise Risk Management Procedure after Policy is approved.](#)

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