| Policy Name: | ENTERPRISE RISK MANAGEMENT |
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| Approved By: | Board of Governors |
| Approval Date: | April 11, 2025 |
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| Policy Holder: | VP, Corporate Services & CFO |
| Operational Lead: | AVP, Corporate Services |
| Policy Number: | ADM-018 |

# ENTERPRISE RISK MANAGEMENT POLICY

### 1.00 PURPOSE

1.1 The purpose of this policy is to establish the risk management philosophy, principles, roles and responsibilities, review process, and communication expectations for Coast Mountain College (CMTN).

### 2.00 DEFINITIONS

2.1 **Enterprise Risk Management (ERM**): A process designed to identify key potential events and/or risks that may significantly affect an organization's ability to achieve its overall mandate, strategy, and objectives.

### 3.00 POLICY STATEMENT

3.1 CMTN is committed to ensuring that appropriate risk management practices are embedded into key processes and operations to drive consistent, effective, and accountable actions and decision-making in management practice.

3.2 CMTN will identify and manage its key enterprise risks in support of its mandate and objectives. CMTN cannot seek to eliminate risk; rather, it will work to ensure that existing and emerging risks are identified, communicated, and effectively managed within its risk philosophy.

### 4.00 RATIONALE

4.1 A focused, systematic, and integrated approach recognizes that all decisions involve the management of risks. Whether in routine operations or for major initiatives involving significant resources, it is important that the risk management process be appropriately applied at all levels of operation.

4.2 This policy is intended to ensure that a regular, documented process is in place for the management of CMTN's foreseeable key risks. Documenting the rationale for arriving at key decisions, including the evaluation of relevant risks, strengthens accountability and demonstrates due diligence.

5.00    ENTERPRISE RISK MANAGEMENT

5.1    Organizations of all types and sizes face internal and external factors and influences that make it uncertain whether and when objectives will be achieved. The effect of this uncertainty on an organization's objectives is "risk."

5.2    All activities of an organization involve risk. Organizations manage risk by identifying it, analyzing it, and then evaluating whether the risk should be modified by risk treatment to satisfy their risk appetite. Throughout this process, organizations typically communicate and consult with relevant stakeholders and monitor and review the risk and the controls that modify the risk to ensure that no further risk treatment is required.

5.3    Risk management can be applied to an entire organization, at its many areas and levels, at any time, as well as to specific functions, projects, and activities. Enterprise risk management (ERM) refers to a process designed to identify key potential events and/or risks that may significantly affect an organization's ability to achieve its overall mandate, strategy and objectives.

5.4    ERM can assist in assessing CMTN's appetite for risk and identifying gaps where identified risks are either over- or under-mitigated. This can lead to the identification of opportunities and strategies to either close gaps where residual risk is higher than risk appetite or to reallocate resources from areas where residual risk is lower than risk appetite.

5.5    The end result of ERM includes a ranked risk register that is used to help develop the strategic plan and budget (i.e., assist with resource allocation), as well as support the analysis of key decisions. ERM is an ongoing process with outcomes typically revisited and reported at least annually.
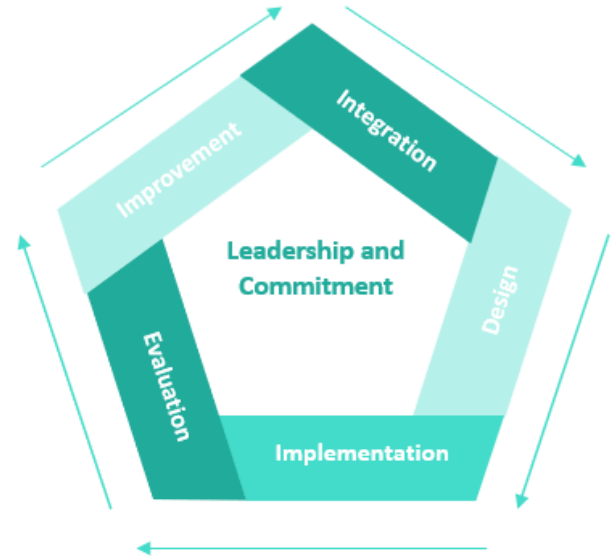
6.00    RISK PHILOSOPHY

6.1    CMTN is committed to creating and maintaining value for its stakeholders, and it faces risks as it fulfills this commitment. As a public post-secondary education institution, CMTN is held to a very high standard, and unexpected or negative events could quickly draw the attention of its students, the public, and the government.

6.2    As such, CMTN is committed to ensuring that risk management practices are embedded into key processes and operations to drive consistent, effective, and accountable actions, optimal allocation of resources, and decision-making in management practice.

6.3    CMTN has not adopted a specific ERM framework but has based its strategy and approach on leading ERM practices for organizations of its type and size.

a.    Note that there is no procedure accompanying this policy. Instead, the ERM framework contains procedural steps as well as other information.

7.00    RISK MANAGEMENT PRINCIPLES

7.1    Through its ERM program, CMTN will strive to achieve the following risk management principles:

a.    Integrated – Risk management is an integral part of all organizational activities.

b.    Structured and Comprehensive – A structured and comprehensive approach to risk management contributes to consistent and comparable results.

c. Customized – The risk management framework and process are customized and proportionate to the organization's external and internal context related to its objectives.

d. Inclusive – Appropriate and timely involvement of stakeholders enables their knowledge, views, and perceptions to be considered. This results in improved awareness and informed risk management.

e. Dynamic – Risks can emerge, change, or disappear as an organization's external and internal context changes. Risk management anticipates, detects, acknowledges, and responds to those changes and events in an appropriate and timely manner.

f. Best Available Information – The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly considers any limitations and uncertainties associated with such information and expectations. Information should be timely, clear, and available to relevant stakeholders.

g. Human and Cultural Factors – Human behaviour and culture significantly influence all aspects of risk management at each level and stage.

h. Continual Improvement – Risk management is continually improved through learning and experience.

8.00 RISK MANAGEMENT ROLES AND RESPONSIBILITIES

8.1 Board of Governors

a. The Board of Governors has ultimate responsibility for risk. It provides governance oversight of CMTN's ERM program, as well as its risks and the responses to them.

b. This responsibility is demonstrated through the review and approval of, but not limited to, the following items:

i. CMTN's ERM policy and framework (initially with updates as required)
ii. Management's risk register and risk assessment results for CMTN's top enterprise-wide risks (annually)
iii. Management's risk appetite and tolerance levels, if formally developed (annually)
iv. a review of the risk appetite, if formally developed, including ensuring that it is in line with the organization's strategy.

c. The Board has delegated certain responsibilities for day-to-day oversight of the ERM program to the President & CEO.

8.2     President & CEO

a.  The President & CEO of CMTN is accountable to the Board of Governors and is responsible for ensuring that the ERM policy and framework approved by the Board are implemented and operational through:

   i.   championing risk management within CMTN to ensure CMTN remains focused on risk
   ii.  recommending the ERM policy and framework for Board approval
   iii. ensuring effective risk identification, risk assessment, risk management, and risk monitoring processes within CMTN
   iv.  integrating ERM results in the development of strategic and operational plans
   v.   consulting, as required, with CMTN's employees or external consultants to manage all aspects of risk effectively
   vi.  providing status updates at least once per year to the Board of Governors on risk management activities, as well as when any significant risk changes or issues arise.

8.3     Associate Vice-President, Corporate Services (ERM Manager)

a.  The AVP, Corporate Services is responsible for facilitating the implementation and maintenance of the ERM policy and framework by:

   i.   monitoring and suggesting revisions to the ERM policy or framework as necessary
   ii.  coordinating the risk identification, assessment, management, and monitoring processes in accordance with the ERM framework
   iii. preparing the ERM reporting to communicate the results of risk assessments and ongoing risk monitoring
   iv.  preparing status updates at least once per year for the President & CEO on risk management activities, as well as when any significant risk changes or issues arise.

8.4     Risk Owners

a.  For the key risks assigned to them, Risk Owners will have overall accountability for managing those risks, regardless of the risk treatment selected and where responsibility for that treatment lies.

b.  Risk Owners' responsibilities with respect to their assigned risks are:

   i.   ensuring the risks are subject to agreed-upon controls, mitigation, and risk treatments that are implemented, effective, and reported upon
   ii.  aligning business and operational strategies with the risk culture and risk appetite of the organization
   iii. monitoring progress in managing risks, including tracking any risk measures that have been developed, and implementing necessary improvements which include identifying opportunities for risk reduction or transfer
   iv.  reporting to the Executive and/or Senior Management, as required, on the status of risk items assigned to them.

8.5     All Employees

a.  All CMTN employees are responsible for:

      i.     effectively managing risks in their area of responsibility

      ii.    identifying and advising their manager or supervisor of potential key risks

      iii.   looking for opportunities to improve operational efficiencies and optimize outcomes to better manage risk.

## 9.00    COMMUNICATION AND REPORTING

### 9.1    Communication

a.   Relevant risk management information is to be communicated to both internal and external stakeholders.

b.   Communication should include processes to consolidate risk information where appropriate from a variety of sources within the organization, considering its sensitivity.

c.   Internal risk management communication and reporting ensures that:

      i.     key components of the ERM framework, and any subsequent modifications, are communicated appropriately

      ii.    adequate internal reporting on the framework, as well as its effectiveness and the outcomes, is done

      iii.   relevant information derived from the application of risk management is available at appropriate levels and times

      iv.   processes are in place for consultation with internal stakeholders.

d.   External risk management communication and reporting involve:

      i.     engaging appropriate external stakeholders and ensuring an effective exchange of information

      ii.    reporting externally to comply with legal, regulatory, and corporate governance requirements

      iii.   making legally required disclosures

      iv.   providing feedback and reporting on communication and consultations

      v.    using communication to build confidence in the organization

      vi.   communicating with stakeholders in the event of a crisis or contingency.

### 9.2    Minimum Reporting Requirements

a.   Annually, CMTN will produce and report internally:

      i.     a list of currently identified key risks (e.g., a risk register and heat map) and the corresponding risk mitigation strategies for those key risks for the upcoming year

      ii.    a summary report on the status of any specific risk management strategies undertaken for each of the identified key risks for the previous year.

## 10.00    ENTERPRISE RISK MANAGEMENT FRAMEWORK

### 10.1    To assist with the identification, assessment, management, monitoring, and reporting of key ERM risks in a thorough and systematic fashion, CMTN has developed an Enterprise Risk Management Framework document.

### 10.2    The ERM Framework document contains definitions, procedures, and guidance to assist Management in executing the risk management responsibilities required by this policy.

11.00   REVISION

11.1    This policy may be assessed as necessary to reflect organizational or business changes.

11.2    The President & CEO is responsible for suggesting revisions to this policy, which shall be submitted to the Board of Governors for review and approval.

12.00   RELATED POLICIES, PROCEDURES, AND SUPPORTING DOCUMENTS

12.1    CMTN's *Enterprise Risk Management Framework*

12.2    *Coast Mountain College Risk Register*

13.00   HISTORY

| Created/Revised/ Reviewed | Date | Author's Name and Role | Approved By |
|---|---|---|---|
| Created | Apr. 11, 2025 | Vice-President Corporate Services & CFO | Board of Governors |
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