

**Original Approval Date: April 23, 2012**

**Parent Policy: [Risk Management Policy](#)**

## **Risk Management Policy**

### **Appendix B: Framework and Process**

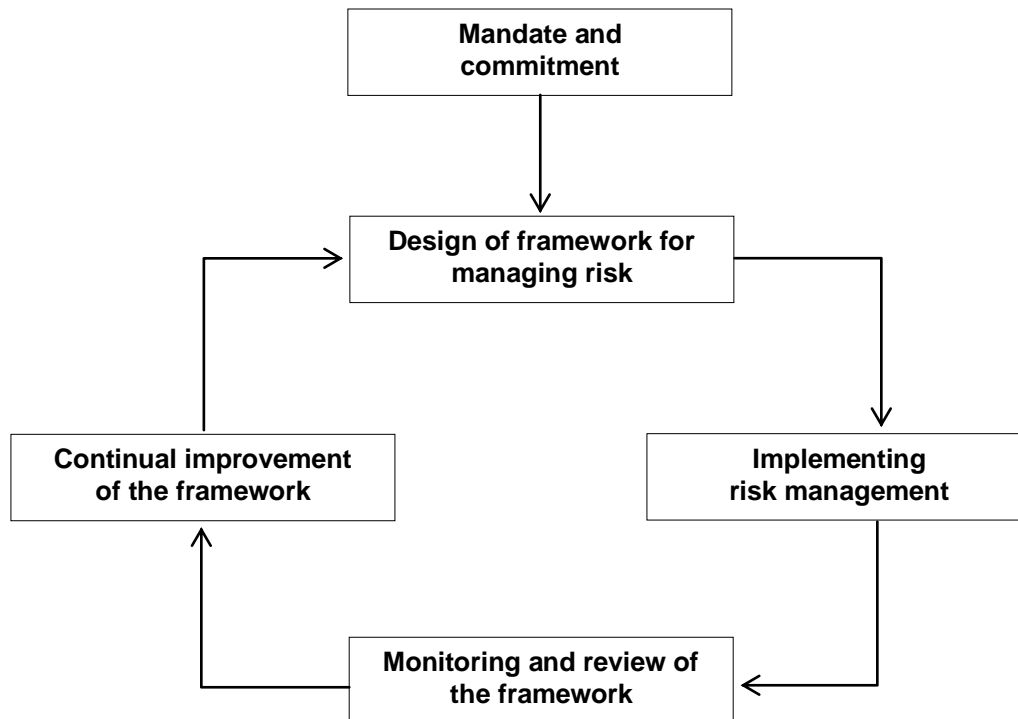
<b>Office of Administrative Responsibility:</b>	Office of Risk Management Services
<b>Approver:</b>	Board of Governors (Board Audit Committee)

The University of Alberta has referenced the ISO 31,000 Standards as a guide in developing and implementing its Risk Management Framework and processes to oversee and manage risk for the organization. The framework is used to enable the University to assume risk in a managed way through the application of risk management processes at varying levels and within the specific context of the University. The framework enables information about institutional risks derived from the risk management process to be adequately reported and used as a basis for decision making and accountability across the University.

The risk management process is the way in which institutional risk is assessed, identified, analyzed, evaluated and treated. It also includes how the framework is monitored and reviewed on a periodic basis.

#### FRAMEWORK

The framework consists of five major components as illustrated in the following diagram:



### Mandate

The University demonstrates a strong and sustained commitment by senior management to risk management. This includes defining and endorsing a risk management policy, aligning the University's culture with the risk policy, identifying methods of measuring the management of risk, understanding and aligning the University's objectives and strategies with the risk management process.

### Design of Framework

The University has developed processes that enable the organization to: understand its environmental context; develop and maintain its risk policy; integrate risk management into organizational processes; establish accountability for managing risk; allocate appropriate resources to managing risk; communicate and report appropriately across the organization; and communicate and report appropriately to external stakeholders.

### Implementing Risk Management

Through a risk management plan, the University has implemented risk management processes at all relevant levels and functions across the organization

### Monitoring and Review of the Framework

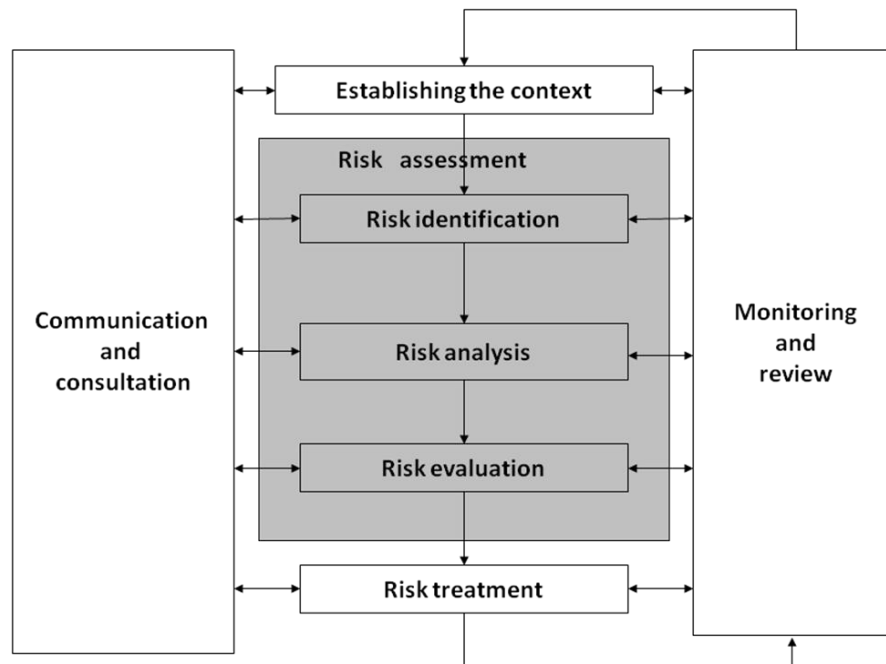
The University has mechanisms that enable it to: measure risk management performance against indicators; periodically review the risk management framework; report on risk and assess compliance with the risk management policy; and review effectiveness of the risk management framework.

### Continual Improvement

Based on results from monitoring and reviewing the framework, the University makes decisions on how the risk management framework, policy and plan can be improved.

## PROCESS

The process for managing risk at the University is illustrated in the following diagram.



### Communication and Consultation

The University has mechanisms to communicate and consult with key internal and external stakeholders for the purposes of identifying and understanding risks, their consequences and the measures being taken to manage the risks.

### Establishing the Context

The University has identified at the institutional level a set of strategic objectives and strategies for the organization to which the risk management process is being applied, has undertaken an environmental scan and understands the internal and external context in which the University operates. As well, the University understands where within the University the risk management process is being applied and what criteria will be used to evaluate the significance of risk.

### Risk Assessment

The University has processes in place that enable it to undertake a risk assessment including the identification of risk, the completion of a risk analysis (determining consequences and likelihood) and the completion of a risk evaluation (determining which risks need treatment).

### Risk Treatment

Where required, the University has taken actions to modify or reduce the risks, decided whether residual risks are tolerable and if not, identified new risk treatments.

### Monitoring and Review

The University has processes that enable the periodic review of all aspects of the risk management process including review of existing controls, mechanisms to analyze and learn from events, detecting changes in the internal and external environments and the ability to identify emerging risks. The monitoring and review process also includes an examination of the risk management framework.

## **DEFINITIONS**

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [[▲ Top](#)]

No Definitions

## **RELATED LINKS**

Should a link fail, please contact [uappol@ualberta.ca](mailto:uappol@ualberta.ca). [[▲ TOP](#)]

[Appendix A – Institutional Risk Tolerance Statement](#)