| **PROCEDURE FOR POLICY 1.55 – Enterprise Risk Management Framework** |

Overview

1.00   **Enterprise Risk Management –** a continuous, proactive and dynamic process designed to identify, assess, communicate and manage potential risks; this includes negative risks that might otherwise inhibit the University from achieving its strategic priorities and supporting objectives, as well as positive risks that are in alignment with the University's strategic priorities and operational responsibilities

ERM Program Structure

2.00   ERM documentation is structured and designed to guide the process and ensure Western can identify and prioritize the areas of highest risk and drive the appropriate mitigation actions. The ERM Program documentation follows the structure as outlined below.

2.01   Risk appetite refers to amount and type of risk that an organization is willing to pursue or retain in the pursuit of value. It provides an important, forward-looking perspective and is a guide to risk management activities when determining how much risk is acceptable. Western will document and regularly review its risk appetite. Risk appetite reflects the University's mission and vision, considers stakeholder expectations, and in turn, has an influence on both the culture and operations of the University.

2.02

Vice-President, Operations & Finance will act as the Chair of the Institutional Risk Management Committee and will present risk information on a regular basis (as outlined in paragraph 6 below) to the Strategic Risk Management Committee.

4.05   In its regular course of duties, the Internal Audit Team will support ERM by:
    4.05.1   Providing assurance that the ERM Program and ERM process, including resulting internal controls, are effective; and,
    4.05.2   Providing periodic reviews and reports on ERM to the Audit Committee of the Board.

Responsibilities

5.00   Specific responsibilities related to the ERM Program are as follows:
5.01   Board of Governors
    5.01.1   Overall ownership and accountability for risk
    5.01.2   Monitor compliance with the risk management processes
    5.01.3   Review, approve and utilize Risk Appetite statements
    5.01.4   Review status updates for key risks
    5.01.5   Integrate risk into Board decisions

5.02   Audit Committee of the Board of Governors
    5.02.1   Oversight of the ERM process
    5.02.2   Monitor the management of key/top strategic-level enterprise risks
    5.02.3   Participate in the assessment of risks and development of mitigation strategies as required
    5.02.4   Review status updates for key risks
    5.02.5   Integrate risk into Board decisions
    5.02.6   Monitor emerging conditions or control weaknesses for key risks

5.03   President
    5.03.1   Ensure the effective design, implementation, and maintenance of ERM (policies and procedures)
    5.03.2   Ensure regular monitoring and reporting of risks, and report regularly to the Board
    5.03.3   Establish and monitor risk appetite, and report regularly to the Board
    5.03.4   Promote a risk-aware culture

5.04   Strategic Risk Management Committee
    5.04.1   Oversee the implementation and ongoing operation of the ERM Program and risk process
    5.04.2   Establish and monitor risk appetite
    5.04.3   Review risks assessed by the Institutional Risk Management Committee
    5.04.4   Identify risks in addition to those provided by the Institutional Risk Management Committee
    5.04.5   Oversee the development and execution of risk treatment strategies and mitigation projects
    5.04.6   Assume responsibility ('ownership') for risks and controls within their areas of responsibility and validate/oversee treatment measures
    5.04.7   Provide direction to the Institutional Risk Management Committee
    5.04.8   Appoint a Chair of the Institutional Risk Management Committee and select members
    5.04.9   Ensure ERM is linked to Strategic Priorities
    5.04.10 Ensure appropriate resources and level of effort required to implement and operate ERM
    5.04.11 Report regularly to the Audit Committee

5.05   Chair of the Strategic Risk Management Committee
     5.05.1 Lead the Strategic Risk Management Committee
     5.05.2 Ensure the review of the strategic risks as provided by the Institutional Risk Management Committee
     5.05.3 Facilitate reporting to the Audit Committee

5.06   Institutional Risk Management Committee
     5.06.1 Identify, assess and monitor risks
     5.06.2 Complete and maintain the University-wide strategic risk register
     5.06.3 Execute risk mitigation strategies and projects as applicable
     5.06.4 Provide guidance and training related to risk management activities as required
     5.06.5 Facilitate action in those areas where improvements are required to the ERM process
     5.06.6 Report regularly to the Strategic Risk Management Committee

6.00   Chair of the Institutional Risk Management Committee
     6.01   Lead the Institutional Risk Management Committee
     6.02   Ensure the strategic risk register is complete and maintained
     6.03   Sit as a member of the Strategic Risk Management Committee
     6.04   Facilitate reporting to the Strategic Risk Management Committee
     6.05   Liaise with the Strategic Risk Management Committee on a regular basis to ensure ERM Framework and process is functioning as intended

7.00   Internal Audit
     7.01   Ensure management utilize the appropriate tools and techniques to identify and perform risk analysis
     7.02   Promote a common risk language and understanding of the negative and positive sides of risk
     7.03   Leverage knowledge of the University and expertise in risk management and controls to champion ERM across the University
     7.04   Act as the central point for coordinating the assessment, monitoring and reporting of risks
     7.05   Support management and risk committees as they make decisions on the best way to mitigate a risk

Reporting

████████████ required to effectively monitor risks. The University will report its risk ████ ed in the table below.

Report Recipient	Type of Risk Management Information	Reporting Responsibility	Timing
Board of Governors	Status Update on ERM		Annually

Management Committee		Management Committee	
	Status Update for Key Risks	Chair of Institutional Risk Management Committee	Quarterly

Training

9   Training is critical to the successful implementation and on-going operation of ERM at Western. To ensure all those with stated roles and responsibilities acquire and maintain the skills and knowledge needed for them to employ risk management activities, training will take place on ERM procedures, tools, roles, and responsibilities.

10 It is vital that individuals receive general training which covers all aspect of the ERM Program, as

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