

ENTERPRISE RISK MANAGEMENT

PHILOSOPHY

The Board of Education ("Board") is committed ensuring that the School District ("District") is prepared to address potential risks that could impact its operations, finances, human resources, compliance, reputation, and overall ability to meet its strategic plan. The strategic plan includes the District's vision, mission, values, and strategic priorities and goals.

The Board believes that fostering a culture of proactive risk awareness, mitigation, and resilience within an Enterprise Risk Management ("ERM") framework is integral to achieving its strategic goals and ensuring long-term success. A structured yet adaptive framework empowers informed decision-making, enhances governance, and strengthens the School District's ability to manage potential challenges.

SCOPE

This policy is applicable to the District's key plans including its strategic plan, operational plans for the Board, Business Division, Human Resources Department and Information Technology Department, and School Growth Plans. It shall be applied during the development and review of these key plans and in evaluating current operations, responding to new and emerging risks, and increasing risk management awareness among staff.

AUTHORITY

The Board assigns the responsibility for the implementation of this policy to the Superintendent and Secretary Treasurer. The Superintendent and Secretary Treasurer shall establish procedures to guide and facilitate its implementation while staying within the acceptable risk levels.

DEFINITIONS

Enterprise Risk Management: An integrated, organization-wide process that links the management of risk with the achievement of the District's strategic objectives. ERM provides a formal structure for identifying, assessing, and managing risks that could impact the District's performance and success.

Risk: A potential event or condition that may affect the achievement of the District's objectives. Risk is evaluated based on the likelihood of occurrence and the potential impact on the organization.

Objectives: The strategic, operational, and departmental goals the District aims to achieve, including those outlined in the strategic plan and other key plans.

Residual Risk: The level of risk remaining after considering existing controls and mitigation strategies.

Risk Tolerance: The maximum level of residual risk that the District considers acceptable, recognizing that tolerance may vary depending on the context and objective.

Risk Culture: The values, behaviors, and attitudes related to risk awareness and risk-taking that are shared throughout the organization. A strong risk culture supports proactive and informed risk management.

Emerging Risks: Newly developing or evolving risks that may not yet be fully understood but could significantly impact the District due to changes in external or internal environments.

GUIDING PRINCIPLES

- 1. Risk Management Framework:** The risk management processes and practices shall be guided by a framework that aligns with recognized industry standards, enabling the District to systematically identify, assess, and manage risks. The framework shall be flexible to address new and emerging risks, allowing leadership to make informed decisions in a dynamic environment.
- 2. Strategic Alignment:** Risk management practices shall align with the District's strategic goals, ensuring that risk considerations enhance long-term success and contribute to the achievement of educational objectives.
- 3. Strengthened Governance:** Risk management shall be embedded into the District's governance and operational processes, ensuring that all levels of the organization are engaged in achieving the strategic plan.
- 4. Comprehensive Risk Management:** The District shall implement a structured, comprehensive approach to identifying and managing risks, ensuring a systematic and consistent process to mitigate potential challenges.
- 5. Proactive Risk Awareness:** The District shall foster a culture where all staff are encouraged to identify, assess, and address risks proactively, integrating risk awareness into everyday practices and decision-making.
- 6. Resilience:** The District shall build and maintain organizational resilience, ensuring its ability to adapt, respond, and recover from risks while maintaining its focus on student success.
- 7. Continuous Improvement:** The District will remain vigilant in addressing new and emerging risks, ensuring continuous improvement within the ERM framework.
- 8. Reporting:** The District shall ensure regular communication with the Board through reports on risk management activities at least annually, including key risks, mitigation efforts, and emerging challenges, to support informed decision-making and strengthen governance.

APPROVED: June 18, 2025