

Strategic Risk Management Framework for Ontario School Boards- Appendices

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The titles of these appendices correspond to the SRM Framework sections.

Appendix A - Governance and Leadership in Managing Risk: Ontario School Boards

2.1 Optional SRM Readiness Self-Assessment and Roadmap

Sample Result

SRM Element	SRM Readiness Assessment and Implementation Plan			Action Item, Target Outcome and Measure*	Timeline Due Date mm/dd/yy
	Yes mm/dd/yy	In Progress	No		
Risk Governance and Leadership					
1. Initiate & Engage Strategic Risk Management for our DSB	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Orientation	March 202x
2. Establish risk management policy approach (statement)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Risk Management Policy Statement	March-June 202x
3. Establish attitude for risk taking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Risk Attitude Statement	March-June 202x
4. Engage leadership team, Audit Committee and Trustees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SRM Orientation Training	March 202x
Implementation & Integration					
5. Enhance risk in strategic planning in 2023 plan development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DSB Corporate Risk Profile 202x	June 202x
6. Review, test and apply risk in decision making to sample decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2-3 Sample decisions completed using SRM decision support tool	March 202x
Review and Improve					
7. Conduct SRM Self-Assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SRM Self-Assessment and Roadmap	March 202x
8. Obtain Audit Committee support for Strategic Risk Management Implementation Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Written support to Director	March 202x
9. Establish links of top risks and opportunities to DSB performance measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Performance measures associated with DSB top risks	June 202x

Governance & Leadership in Risk: Strategic Risk Management Self-Assessment

The Strategic Risk Management (SRM) Road Map is an optional tool Ontario school boards can use to get started with SRM. The self-guiding tool helps your board understand and celebrate your current strengths in managing risk and provides a sense of the next steps your board can take to help strengthen risk management and the value it brings to you board.

How to use this tool:

Review the tool below to establish the current state of risk management skill, behaviour, and practices for your school board. You are encouraged to use a few people to help complete and/or validate this self-assessment of your school board.

Understanding your gaps in relation to your school board vision and strategy will clarify your next steps to strengthen risk management behaviour and practice.

Which type of school board are you when it comes to strategic risk management?

- Early Stage – a board just getting ready for the first steps in SRM.
- Mid-Stage – a board that has begun to set the foundations in SRM.
- Advancing – a board that has established SRM, well integrated into academic and administrative processes, and clearly using SRM as a strategic driver in your school board.

SRM Framework Component	EARLY STAGE		MID-STAGE		ADVANCING
	Initi I	Fragmented	Comprehensive	Integrated	Strategic
Leadership Commitment, and Design	<input type="checkbox"/> Undocumented, and risk-specific risk policies and procedures (e.g., field trips, cyber, safe schools, etc.) <input type="checkbox"/> Overall accountability for SRM leadership, undefined or risk-specific roles <input type="checkbox"/> Limited or risk-specific risk management training <input type="checkbox"/> 'Risk management' does not include consideration of opportunity	<input type="checkbox"/> SRM Risk Management policy approach adopted by Board and includes risk and opportunity, situated in relation to existing risk-related policies <input type="checkbox"/> Top accountability assigned for SRM <input type="checkbox"/> Roles and responsibilities for managing risk board-wide defined and communicated <input type="checkbox"/> Director/Board/audit committee received initial SRM training <input type="checkbox"/> SRM being applied to some decisions <input type="checkbox"/> Trustee risk management expectations not yet defined	<input type="checkbox"/> SRM applied to decision-making <input type="checkbox"/> SRM procedure developed including the approach to evaluating and prioritizing risk (e.g., Risk criteria, attitude, appetite/tolerance and/or risk rating approach exists) <input type="checkbox"/> Exec leadership team and Trustees oriented to SRM with examples <input type="checkbox"/> Some signs of SRM multidisciplinary integration across school board (academic and business decisions)	<input type="checkbox"/> SRM applied to strategic and/or multi-year planning <input type="checkbox"/> Risk owners identified for the board's top risks <input type="checkbox"/> Risk management aligned with school board objectives, strategy, operations, and culture <input type="checkbox"/> Opportunities (innovation) are regularly identified, evaluated <input type="checkbox"/> SRM is seen as a safe place for facilitated discussion, especially at leadership levels <input type="checkbox"/> Risk evaluation approach reviewed annually, adjusted as appropriate	<input type="checkbox"/> School board – strategic, entity-wide risk strategies <input type="checkbox"/> Continuous improvement focus <input type="checkbox"/> Organization, process, and performance measures fully aligned <input type="checkbox"/> Knowledge and skills upgraded continuously <input type="checkbox"/> Demonstrated value and contribution of SRM to board strategic plan results

SRM Framework Component	EARLY STAGE		MID-STAGE		ADVANCING
	Initial	Fragmented	Comprehensive	Integrated	Strategic
Implementation & Integration	<ul style="list-style-type: none"> <input type="checkbox"/> Basic risk awareness at most levels of school board leadership and decision making <input type="checkbox"/> No consistent approach to risk and opportunity assessment exists <input type="checkbox"/> Risk is managed in silos – limited integration with board strategy 	<ul style="list-style-type: none"> <input type="checkbox"/> SRM is generally understood as a concept at Principal and Manager levels, but applied inconsistently in operational decision making <input type="checkbox"/> RM policy approach exists but people are not sure how to apply it to their work consistently <input type="checkbox"/> Limited alignment of risk to strategies <input type="checkbox"/> Risk is considered in strategic planning, but nothing happens with the risk information after the planning process <input type="checkbox"/> Intuition is used to assess risk in decision making: (risk only, seldom opportunity) <input type="checkbox"/> Limited awareness of tools that could improve risk in decision making 	<ul style="list-style-type: none"> <input type="checkbox"/> Improved anticipation of organizational risks (fewer surprises) <input type="checkbox"/> Common understanding of the need for risk assessment/response approach in decision making <input type="checkbox"/> Starting to identify opportunities and innovation more consistently, not just risk <input type="checkbox"/> Improved understanding of the direct link between board risks and board performance (especially variability in results) <input type="checkbox"/> More regular use of tools that could improve risk in decision making <input type="checkbox"/> Improved mindfulness of board risk criteria (risk attitude, appetite/tolerance, risk rating) when taking decisions 	<ul style="list-style-type: none"> <input type="checkbox"/> School board-wide risk assessment performed (corporate risk profile, strategic risk assessment, etc.) <input type="checkbox"/> Communication of top strategic risks to the Senior Management <input type="checkbox"/> School board strategic and operational planning decisions on priorities and resource allocation informed by the board-wide risk assessment <input type="checkbox"/> SRM activities better coordinated across school board business areas <input type="checkbox"/> School board-wide risk monitoring, measuring, and reporting of top risks and opportunities <input type="checkbox"/> Risk management integrated at all senior levels in the organization including Trustees <input type="checkbox"/> Corrective actions taken when the attitude for risk taking (risk criteria) is exceeded <input type="checkbox"/> Plans and priorities align to the top risks and opportunities at strategic and operational levels 	<ul style="list-style-type: none"> <input type="checkbox"/> Risk management is an integral part of managing the school board <input type="checkbox"/> Risk management embedded in planning and decision making <input type="checkbox"/> Risk discussion is fully embedded in strategic planning, capital/resource allocation, program development, and processes, etc. <input type="checkbox"/> Early warning systems to notify the risks above established thresholds to Board and management <input type="checkbox"/> Links of top risks and opportunities to organizational performance measures <input type="checkbox"/> Risks and strategic management fully aligned <input type="checkbox"/> Risk and control processes embedded in school board activities <input type="checkbox"/> Best practices identified and shared with other school boards

SRM Framework Component	EARLY STAGE		MID-STAGE		ADVANCING
	Initial	Fragmented	Comprehensive	Integrated	Strategic
Review & Improve	<ul style="list-style-type: none"> <input type="checkbox"/> Sporadic, <i>ad hoc</i> <input type="checkbox"/> Informal or untimely <input type="checkbox"/> No or very limited internal audit <input type="checkbox"/> School board does not always capture lessons learned in managing risk 	<ul style="list-style-type: none"> <input type="checkbox"/> No self-assessment done of risk management capability entity-wide <input type="checkbox"/> Some audits occurring: reports to meet aspects of compliance and/or Ministry of Education needs <input type="checkbox"/> Root cause, “What if” scenarios and-or special retrospective reviews developed on specific major risks or opportunities that occurred <input type="checkbox"/> Some areas of risk management strength are identified in the school board 	<ul style="list-style-type: none"> <input type="checkbox"/> Regular reporting to Board and Audit Committee on specific aspects of risk or risk in certain decision settings <input type="checkbox"/> Audit reports increasingly link to help identify risk in relation to school board objectives <input type="checkbox"/> The school board understands its strengths and has a plan to address skills and processes that would be helpful to the school board’s vision and strategy <input type="checkbox"/> Internal Audit/Audit Committee provide some feedback on identified areas of strength and opportunities for improvement 	<ul style="list-style-type: none"> <input type="checkbox"/> Integrated risk reporting – alignment of risk reporting to provide a single entity-wide view of risks <input type="checkbox"/> Risk measures for the board’s top risks and opportunities linked to performance measurements <input type="checkbox"/> SRM Self-assessment commonplace and occurs regularly at a rhythm that ties to strategic planning <input type="checkbox"/> All areas of improvement are identified; and adjustment to the SRM framework, guidance, tools, and training are made 	<ul style="list-style-type: none"> <input type="checkbox"/> The contribution of SRM to organizational performance is demonstrable <input type="checkbox"/> Changes to the external and internal settings are regularly identified <input type="checkbox"/> Relevant gaps and improvement opportunities are identified and actioned by those able and accountable

Governance & Leadership in Risk: Strategic Risk Management Self-Assessment and Road Map

Review the results of this self-assessment with school board leadership, consistent with Trustee and Director accountabilities for board performance under the Education Act. Consider your school board’s strategic plan and these assessment results: What one or two specific gaps should be addressed as a priority in the next year that would most help your board achieve its vision and strategy? Consider which gaps might naturally fit into planned priorities.

Strategic Risk Management Framework Action Plan	Status			Action Item, Target Outcome and Measure	Timeline Due Date mm/dd/yy
	Yes mm/dd/yy	In Progress	No		
Leadership & Commitment					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Implementation & Integration					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Review & Improve					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Completed by:	Title:			Allocated Budget/Staff: \$ _____	Date:

2.2 Sample Risk Management Policy Approaches – Simplified, Moderate, More Complex

Simple Risk Management Policy Approach

Approach: Develop a policy statement about risk management integrated with an existing board policy such as governance. This approach simplifies the approach to ‘a risk management policy’ by including a short statement about risk management as an essential part of board governance rather than a whole new separate policy specifically for risk management.

Actual example from an Ontario school board adding a summary last paragraph about risk management:

“1.0 Principles:

Catholic Trustees, as representatives of the Catholic community, must ensure that the mission of Catholic education, as part of the broader mission of the Church, is fulfilled. Because of this unique and distinctive mission, Catholic school Trustees honour a set of additional principles that have been set for them by their Church, by the Catholic community, by the traditional understanding of the Catholic Trustee’s role and by the Ministry’s Education Act.

The xxx Catholic School Board of Trustees will govern by:

- Focusing policy on the teaching and mission of the Catholic faith and the gospel call to serve one another;*
- Developing a shared vision of the system that reflects and promotes the board’s distinctive mission and that articulates in specific terms what Catholic education will look like when it is operating according to its faith-filled purpose and mission and how it will fulfill the Ontario Catholic Graduate Expectations;*
- Ensuring that Catholicity and faith formation are addressed across all subject and disciplines so that students may realize that all learning speaks to the integration of faith and life and the integration of faith and culture;*
- Promoting the welfare, well-being, and dignity of all in the educational community; § Allocating human and financial resources to align with and support the board’s mission, vision, policies, strategic goals, system priorities and implementation plans;*
- Hiring a Director of Education who embodies gospel values in appropriately and effectively implementing government and board policy and curricular programs, exercising sound stewardship, and developing effective management and labour relation practices; and*
- **XXDCSB regularly considers risk in its activities. The Board needs to take risks to achieve its mandate and strategy. Managing risk effectively is a vital aspect of governance in the way we care for students, staff, and assets. The nature and speed of risk continues to change. We recognize that we want to strengthen our risk management skills to better anticipate uncertainties around us that help safeguard public trust and confidence in our operations.”***

Sample Moderate Risk Management Policy Approach:

A separate but brief principles-based risk management policy related to board governance and detailing its relationship to other existing risk-related policies and regulations. Note that the policy describes the main motivation for why this board wants to effectively manage risk in guiding principle 2 – ‘as a natural part of considering uncertainty in decision making’. The policy focuses the public and Trustees on ‘what’, leaving the ‘how’ to the Director to operationalize through a supporting procedure. Risk management roles are also summarized.

RISK MANAGEMENT POLICY

The District School Board (the “Board”) is committed to achieving its stated objectives and, in pursuit of its objectives, ensuring the best possible information about uncertainty is used to inform resource allocation and decision making.

This policy sets the guiding principles to be followed in managing risk and uncertainty at the Board.

GUIDING PRINCIPLES

1. The Board is committed to achieving its objectives and recognizes it operates in a context with internal and external uncertainties.
2. The Board shall consider both risks and opportunities as a natural part of considering uncertainty or ‘risk’ in decision-making.
3. The Board needs to take risks in pursuit of its objectives. The Board’s risk appetite towards considering uncertainty associated with achieving objectives will differ depending on internal and external factors and regulatory requirements. The Board is more willing to consider risks in pursuit of creativity, innovation, and learning, and less willing to consider risks for areas impacting safety, compliance, and regulatory requirements.
4. The School Board is committed to a model of operational leadership and continuous improvement, which is consistent with the Education Act, Ministry of Education direction, and the principles of good governance, as described in the Board’s Operational Leadership Procedure.
5. Risk management is considered as a key part of the strategic, operational, and budget planning processes.

OVERVIEW OF RESPONSIBILITY

Governance of risk management applies to the following:

- a) The Board of Trustees establishes the direction for risk management and risk appetite, fosters a culture of risk-informed decision making and understands significant risks and management’s assessment of their impact on strategic objectives.
- b) The Audit Committee oversees the risk management approach as delegated by the Board of Trustees including monitoring of significant risks, adequacy of insurance and Board reporting.
- c) The Director of Education establishes the Board’s approach for design and implementation of risk management across the organization, ensures a risk-aware culture and ensures the Board has the process, tools, and training to support implementation. The Director of Education monitors and reports on significant risks to the Audit Committee and Board of Trustees.

Related Board Policies and Procedures Board By-Laws Policies and Governance Procedures:

- Trustee Code of Conduct
- Code of Ethics
- Audit Committee
- Operational Leadership
- Director’s Performance Review
- Privacy and Information Management
- District School Board Multi-Year Plan

Related Ministry Documents

- Education Act
- Ontario Regulation 361/10: Audit Committees

Related External Documents

- Good Governance: A Guide for Trustees, School Boards, Directors of Education and Communities
- 2014 Multi-Year Strategic Planning Supports for School Boards
- ISO 31000(2018) Risk Management Guidelines

More Complex Risk Management Policy Sample Approach: A separate risk management policy that states the 'risks may not always be eliminated', aligns to board strategy, TBS Ontario and Education Act expectations for risk management, states three reasons why the board wants to effectively manage risk (Objectives) and details roles, responsibilities and situates the policy in relationship to other policies/regulations.

Toronto District School Board

Policy P101

Title: **ENTERPRISE RISK MANAGEMENT**

Adopted: May 25, 2022
Effected: May 25, 2022
Revised: N/A
Reviewed: N/A
Authorization: Board of Trustees

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-focussed risk-based decision-making.

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,

- 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

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.

Appendix B – Implementation & Integration of Risk Management in Ontario School Boards

3.2 Evaluating Risk

3.2.1 Risk Evaluation using Board Risk Attitude (appetite, tolerance, criteria)

In any decision, the decision maker needs to consider the risks and opportunities and then evaluate which ones are the most significant and should form our forward plan to implement this decision. But how do you rank them? We know it isn't possible to try and address all risks: what do we do to evaluate them so that we know where to focus our attention and establish the top risks and opportunities and any resulting implications to our staff, budget, and board priorities?

One way is to use a rating approach where each risk and opportunity is rated for how **likely** it is to occur given all the people, processes and systems boards have in place today and if it happens, how much of an **impact** it might be on the board's objectives/strategic plan. Some boards might want to use a risk rating approach: there are many. There is no single right method for rating risks. This SRM Framework offers a variety of sample approaches in use by Ontario boards that might work for you. What's important is that there is one agreed risk rating approach that can be used consistently within your board: which rating criteria/risk attitude you use must be customized to your school board leadership and reviewed annually for any changes necessary because of political changes, trustee or leadership changes, jurisprudence, or events.

An alternate way to establish where the board should focus its attentions – which risks and opportunities need attention – is to clarify what the board's attitude in taking risk is. To understand how this comes together look at five key factors that influence the attitude toward risk taking:

1. **Personal experience:** Every board, Trustee, audit committee, superintendent and principal have their own experience in taking or not taking risks that they bring to their school board role from their life experience whether you are a skydiver or a chess player in your spare time. Who you are as a person influences your thinking at work and how much risk you might want to take as a board decision-maker.
2. **Board-specific lived experience with risk:** if your board has had negative events such as lawsuits, injuries, high level of safety or mental health-related staff turnover, wildfires, or floods in or near the board boundaries, change of political/regulatory direction for education, acting under Ministry supervision, etc. - These types of lived experiences with risk affect your board's attitude toward taking risk and are influenced by your community and geography.
3. **Leadership table and Director tone:** a senior decision maker and the Director carry accountability for their actions and the actions of others that report to them. Some Directors are comfortable with this responsibility from past leadership experience while other, new to leading, may feel less comfortable and more anxious about making decisions and taking risk. (e.g., Directors expect quality information associated with decisions but might not always feel confident that the information provided to them represents a full picture of risks and opportunities)
4. **Public confidence:** boards serve communities, interest groups and the public and public opinion about your board can fluctuate over time resulting in confidence in your ability to deliver your mandate. Understanding the level of public confidence as a key input to understanding how much risk you should take or avoid with any decision. Trustee participation can reflect public confidence. (e.g., support for mask mandates in schools)
5. **Regulation and Law:** boards must deliver their mandates within regulation and law as set by federal and provincial governments including the Ministry of Education that often stipulate what risks are acceptable or unacceptable such as the Education Act.

Taken together, a Board needs to articulate what the attitude for risk taking is to help all decision makers understand which specific risks and opportunities are the most significant in relation to our strategic plan. Here is an example of one board's actual risk attitude statement:

Sample Risk Attitude Statement from an Ontario School Board

“The Board needs to take risks in pursuit of its objectives. The Board’s risk appetite towards considering uncertainty associated with achieving objectives will differ depending on internal and external factors and regulatory requirements. The Board is more willing to consider risks in pursuit of creativity, innovation, and learning, and less willing to consider risks for areas impacting safety, compliance, and regulatory requirements. “

How to apply this: look at all the risks and opportunities identified, associated with a decision, and ask yourself ‘which risks or opportunities do not align with this risk attitude?’ For those specific risks and opportunities outside of this the board must take further action to bring the risk or opportunity back within an acceptable range.

Example 1: that we may lack EA capacity. This is a system-wide risk that is occurring at a time when there is a generational labor shortage of certain key skills in Canada. Your board is directly impacted but, it is a fact for most/all boards in Ontario. If this risk impacts safety at your board, you must still take whatever action you can within your resource allocation to try and respond even if it means deferring response to other less significant risks. However, you are also accountable to communicate top risks to your regulator to make them aware and enlist their help where possible.

Example 2: that public confidence may be impacted by a cybersecurity event. Sometimes a Board takes action to address a known top risk, but it cannot be addressed by the Board alone, despite their best efforts. An example of this type of known top risk that would breach a board’s risk attitude and require additional money, effort, and people and still the risk remains uncomfortably high is the risk of cybersecurity. In these cases, it is essential to respond the best you can for you board – again, adjusting your staffing and budgets to defer response to other priorities if needed - while also engaging the Ministry and appropriate authorities and make other Boards aware.

In summary, whether your board uses a risk rating approach or a simple risk attitude statement it’s most important that its used consistently on all board decisions. For those boards using both methods, its essential that the risk rating approach align to the risk attitude for the school board.

3.2.2 Risk Evaluation using Risk Rating Approach (rating scales, criteria)

A school board may choose to evaluate all risks and opportunities using a risk rating approach. There are many methods available to use and each method has both strengths and weaknesses. Like the risk attitude approach, the key is to use a method that reflects executive views on the right balance of risk and opportunity combined for a decision. Every decision carries both types of uncertainty but what is the right balance of risk and opportunity as the board pursues its strategy? Two simple methods are shown below:

Likelihood Scale			
Score	Probability	Threat	Opportunity
1	Unlikely	It would be surprising if the threat occurred and would require a combination of events. Not to worry about it occurring.	Some chance of favourable outcome in future years. Likelihood of success of opportunity low given the people, processes and systems in place.
2	Possible	May occur within the next 2-5 years. Just as likely to occur as not.	Reasonable prospects of favorable results in 2 to 5 years but opportunity will require careful management.
3	Likely	Almost certain to occur in the next year. Almost certain it will occur.	Favorable outcome is likely to be achieved within the next year based on current people, processes and systems in place.
4	Almost Certain	Certain to occur at least once or possibly multiple times in the next year It is expected to occur.	Favorable outcome is certain to be achieved within the next year based on current people, processes and systems in place

Impact Scale			
Score	Impact	Threat	Opportunity
1	Nominal	Nominal or no impact on objectives	
2	Minor	Minor effect on objectives	
3	Moderate	Some affect on objectives	
4	Significant	Significant affect on objectives	

In summary, like any other example in this framework there are three important considerations when establishing the approach to prioritize all risk and opportunity:

1. Every Ontario school board should have a consistent approach to evaluating (prioritizing) risk and opportunity in relation to its strategy, developed and agreed by those top leaders who are accountable for organizational performance.
2. Determine an evaluation approach(es) that make sense for your board and is easy to use, helpful
3. For more significant decisions, school boards may want to use additional assessment methods, software or third parties to validate or further quantify potential decision impacts.
4. The best evaluation approach is the one that gets used consistently
5. The purpose of risk assessment is to arrive at an understanding of the main risks and opportunities associated with the decision, used to understand the risk-benefit overall view and decision recommendation more clearly. Resource implications should form part of the recommendation.

3.3. Risk in Decision Making

3.3.1 Sample Decision Making Support Tool

DECISION MAKING GUIDE

Establish the Decision Context

- a. Clarify the decision to be made
- b. Does the decision fall within our mandate?
- c. Which strategic outcome is most affected by the decision?
- d. What role would our Board play in this decision? (Lead, supporter, sponsor, etc.)
- e. How significant is the decision in relation to our strategic outcomes?
- f. Which of our internal and external stakeholders could be impacted by the decision? (See below)

Internal Stakeholders

- Trustees
- Senior Executive
- Principals
- Educators
- Educator Support
- Management
- Staff

External Stakeholders

- Students
- Parents
- Regulators
- Contractors
- Suppliers
- Communities
- Interest Groups

Identify, Assess & Evaluate the Associated Risks and Opportunities

- a. What are the risks that might arise from the decision: consider the existing people, processes, and systems in place already to help prevent the risk or its impact
- b. What are the opportunities that might result from the decision: consider the existing people, process, and systems in place today to help realize and optimize identified opportunities?
- c. Look across all risks and opportunities identified: consider the evaluation approach at your school board (risk attitude/appetite/tolerance/criteria, risk rating)
- d. What are the top risks and opportunities associated with the decision that need further action to bring them within the attitude for risk taking?

If further action is required to respond to Top Risks & Opportunities

- a. Look at the operational plan, projects, and priorities: what actions could you take within your existing commitment to help respond to the top risks and opportunities identified
- b. What additional action should be taken?
- c. If additional action (resources, time, and budget) is required to respond to the top risks and opportunities, what existing adjustments should be made to the existing plans, projects, or priorities?
- d. If your school board knows them, what Top Corporate Risks or Opportunities are impacted?

Escalate, Monitor, Communicate & Consult as Appropriate

3.3.2 Examples of operational risk-informed decisions (operational decision, field trip)

Example 1 – Operational Decision

The principal of a school has been approached by a private organization offering to enhance the workshop with current tools and software. The principal wants to offer relevant programs for students and this offer would mean the workshop could be updated with current equipment, enhanced student safety and more relevant learning outcomes. The private organization has asked for after hours use of the workshop in exchange.

- The recommended decision: accept the offer
- Alignment to Strategic Plan: Learning & Achievement
- Stakeholders impacted internally (other schools implicated within our board? Admin, educators, Superintendent of Education, Director)
- Stakeholders impacted externally (other school boards implicated-precedent setting? Parity of Local suppliers/partners?)
- Principal identifies several risks (single supplier, learning disruption, staff capacity to oversee workshop upgrade) and opportunities (improved Student/staff safety, better learning outcomes) and provides a summary of the top-rated risks (evaluated based on the school board’s evaluation approach/risk attitude) with his/her decision recommendation to proceed to the Superintendent.

	Facilities Management	Health and Safety	IT Support / Security	Finance	Procurement	Legal
Internal Consult	Yes	Yes	Yes	Yes	Yes	Yes

- The Superintendent advises the Director and colleagues of the decision. They review the risk assessment and add some additional risks (board-wide precedent) and opportunities (possible model for other Board programs). The total summary of the risk assessment identifies two top risks and one opportunity following a second checkpoint against the school board’s risk attitude.

Result:

The impact to school and Board budget and staffing of this decision:

- the situation has helped the leadership table to see that there may be alternative ways to enhance existing program through partnering with local businesses.
- They agree that this could be a good opportunity to enhance learning outcomes in other educational programs beyond the workshop, such as kitchen/restaurant, entrepreneurship, and outdoor environment education programs. (e.g., take more risk to achieve program innovation consistent with their risk attitude)
- A new initiative is launched to establish community/local business interest in these three areas through public advertisement and application/evaluation/selection process and contracted arrangement.
- The principal of the original school makes the private organization aware of the upcoming public process and thanks them for their interest in enhancing programming

Example 2 – Field Trip Risk Assessment

Every school board in Ontario has its unique field trip policy and procedures that inherently include risk assessment. Simply stated, a field trip is a decision to be made: should we proceed with the trip, yes, or no?

The decision support tool – 3.3.1 above – can be used to help school principals develop a more fulsome assessment of risks AND opportunities associated with a proposed school trip. The tool will ask you to:

- Clarify the role of the board in the trip (lead, sponsor, partner, etc.)
- Situate the field trip objectives in relation to the Board's strategic plan
- Examine the safeguards you have in place to help minimize likelihood and impact of any risks
- Examine the other elements of the trip that help optimize likelihood and impact of any opportunities
- Help you come to a summary conclusion of the net field trip top risks and benefits plus a recommendation for review by your superiors.
- This document can help speed the review and approval process by cogently demonstrating how risks and opportunities have been considered.

Any additional protocols or procedures for your school board can be used around the decision support tool.

Please note it is not required that you use the decision support tool for your school field trips, it is only suggested that you might want to try it as a means of streamlining review and decision making in addition to existing processes you might have in place.

3.3.3. Example of Risk in Strategic Planning

The following images are sample outputs of environmental scanning approaches used by various Ontario school boards to support risk in strategic planning. Most school boards consider their environment and setting when discussing the strategic plan for the coming year. However, some boards note the environmental pressures internally and internally and leave the thinking there, not specifically identifying the resulting top risks and opportunities that can influence the achievement of the board strategy.

Whether the internal audit/audit committee function helps to develop a snapshot in time of the top risks and opportunities your school board faces in realizing your strategic plan you will need to:

Step 1: Conduct an Environmental Scan

Ensure that that the entity-wide view looks at internal and external environments of your board.

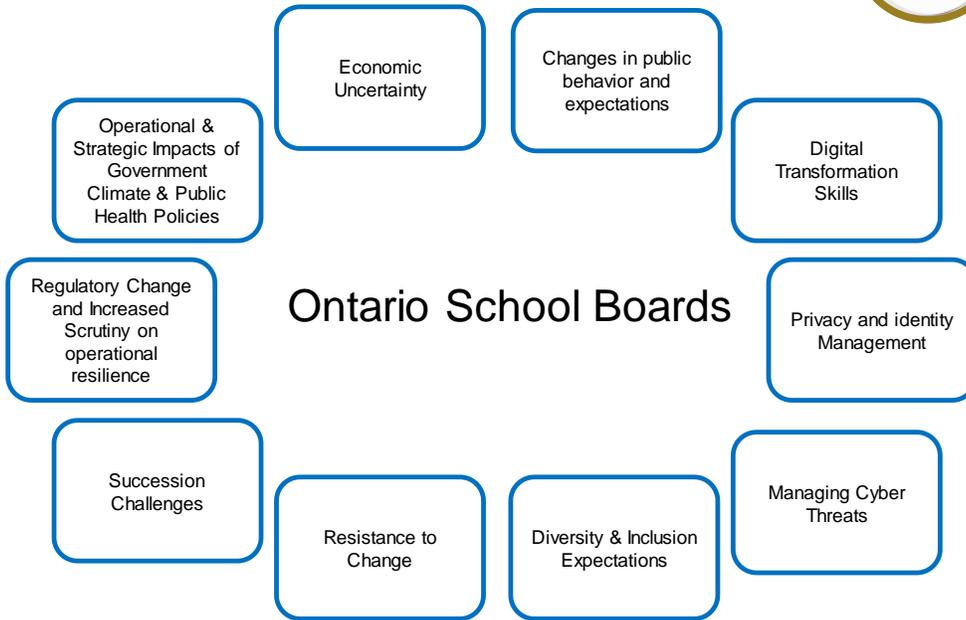
Step 2: Develop an entity-wide risk assessment for your Board

Identifies both risks and opportunities that can impact the Plan and evaluates the top risks and opportunities using risk criteria, risk rating schemes, risk attitude that is directly supported by both the Director and Trustees.

Step 3: Responding to top risks/opportunities

Considers the existing plans and priorities of your board in relation to each top risk/opportunity. Provides insight as to where resources might be reallocated to better address top risks and capture top opportunities (do you need to shift staff? Do you need to take from within one budget area of risk/opportunity that is well addressed to give funds or priority to help address a more significant risk/opportunity?) the purpose of risk informed strategic planning is to result in the use of resources by the school board to address top risks/opportunities. Not all risks/opportunities can be addressed.

Step 1 Sample Environmental Scan-Uncertainties affecting Ontario School Boards



Note: this environment changes every year. Use Forbes or Gartner or the Conference Board of Canada as

Step 2: Develop Entity-wide Risk Assessment for your Board



Sample Method: Using the e-scan to help

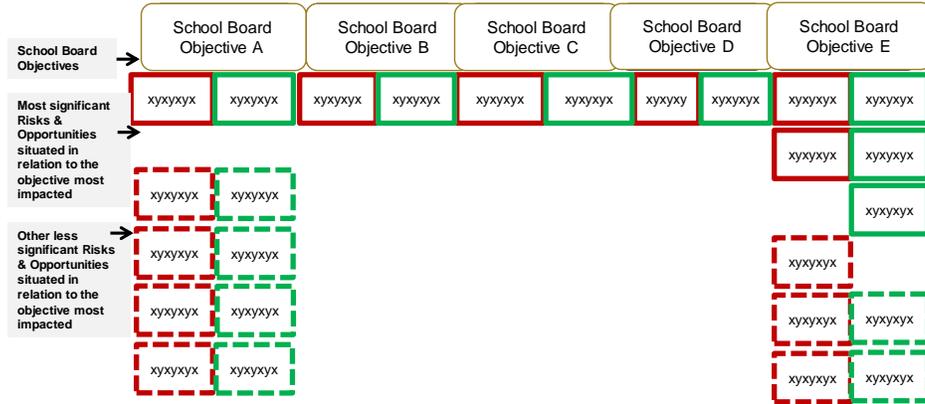
Strengths What do we do well that matters to stakeholders? What resources can we leverage?	Weaknesses What do we not do well? What are we criticized for? Where are we vulnerable?	Opportunities What are emerging trends or opportunities to improve?	Threats What obstacles do we face that we need to counteract?
EXAMPLES: <ul style="list-style-type: none"> Catholic Identity & Faith Formation Excellent and Passionate Faculty/Staff Strong Community Small Class Sizes Excellent Spanish Program New Gymnasium Helpful PTA & Volunteers High Test Scores Community Service/Leadership Programs Innovative Programs Vibrant Open Houses Alumni Network Consistent Communication with Current and Prospective Families 	EXAMPLES: <ul style="list-style-type: none"> No Vision for School Low/Declining Enrollment Low Retention, 5th to 6th gr. Need for Updated Facilities Financial Challenges Staff Capacity for Enrollment Management Tasks Low Awareness of School Among Neighborhood Families Poor Signage for School and/or Signage for Main Office Limited Volunteer Help Lack of Communication to Stakeholders Parish Families not Enrolling Lack of Programs to Entice Prospective Families Prohibitive Tuition Transportation Challenges 	EXAMPLES: <ul style="list-style-type: none"> Population Growth New Pastor Parish Families Other Parishes without schools Outreach to Daycare and Community Groups Develop an Enrollment Committee Parent Ambassador Program Hold Admissions Events and Develop New Events for Prospective Families on Campus Fulcrum Tuition Scholarships and Grants Institute Best Practices in Retention Negative Public School Publicity Homeschool Population 	EXAMPLES: <ul style="list-style-type: none"> Misconceptions about Catholic Education No Clear Distinction made of Catholic School vs. other Private Schools New Charter Schools & other Competitors Negative Publicity Neighborhood Safety Perception of Catholic Schools as Cost Prohibitive Changing Needs of Parents and Students

Risks

Description	About the risk	Current people, processes and systems that help	Likelihood	Impact
That we may not understand changing needs of parents and students	Societal needs continue to change and can influence the expectations of our school board by parents/guardians and students	<ul style="list-style-type: none"> Annual parent, guardian, student survey ongoing interactions with staff, teachers, students and families Public consultation on our plans, priorities and budget 		

Step 3 Responding to Top Risks and Opportunities

Summarizing Risk Assessment Results in relation to Board strategy
 A Corporate Risk Profile is a Snapshot in time of the range of risks and opportunities that could impact the achievement of your strategy



Summarizing the results of risk assessments in this way answers the question “Based on our understanding of uncertainty, where do we need to adjust our current plans and resources?”

Example of an actual Corporate Risk Profile for an Ontario School Board



Objective: Culture of Caring		
Target Outcome	Top Risks (Threat/Opportunity)	Strategic Action
Prioritize the dignity and well-being of students in inclusive and caring classrooms	<p>O8- That we may be able to enhance culturally relevant and responsible programming</p> <p>O13: That we may be able to strengthen substance use and abuse education as part of mental health and wellness initiatives</p>	<p>Enhance Student’s Socio-Emotional and Physical Safety</p> <ul style="list-style-type: none"> Implement Commit to Kids Program Review and revise Safe Schools, Code of Conduct and Police Involvement in schools policies and procedures Review and rebrand service for students who have been: (a) suspended or expelled; and for (2) students who have alternate programming needs Implement and monitor anonymous bullying prevention tool <p>Improve Student Well-Being</p> <ul style="list-style-type: none"> Review the Well-being Framework to align with the Mental Health Strategy Use results from the International Study on Social-Emotional Skills (OECD) to inform strategies and support well-being Implement Mental Health Strategy through Annual Action Plans
	<p>T29: supply of teachers and OT’s</p> <p>T30: supply of EA’s and ECE’s</p> <p>T21: That staff well-being may be negatively affected</p>	<p>Enhance Human Resources Equity Practices</p> <ul style="list-style-type: none"> Promote and support Affiliate networks Institutionalize and Equitable Recruitment Framework <p>Improve Workplace Safety and Employee Well Being</p> <ul style="list-style-type: none"> Implement Respectful Workplace campaign Continue ongoing implementation of Psychologically Health and Safe Workplace practices using CDS standard
Champion and nurture a safe, caring and respectful workplace		<p>Build System Capacity for Engagement</p> <ul style="list-style-type: none"> Engage in data check-ins with families, students and staff Conduct Advisory Committee Review <p>Enhance Early Years</p> <ul style="list-style-type: none"> Connect EDI data to early years programming in Student Achievement Through Equity (SATE) schools <p>O31: That we may be able to partner with community-based supports</p> <p>Introduce Family and Community Engagement (FACE) Portfolio</p> <ul style="list-style-type: none"> Develop strategic plan for implementation and framework for family and community engagement
Build authentic engagement with and among our communities		