

Enterprise Risk Management

**2026 Trustee Academy
Presenter: Jeff McNaughton**



Historical Context: ERM WAG 2016-17

The purpose of the WAG is to come to a consensus on one ERM framework and user guide that will be commonly promoted to school divisions across the province by the leadership of the SSBA, LEADS and SASBO.

Premise

Every School Board engages in some form of Enterprise Risk Management but there is no recognized common minimum standard in the sector.

This resulted in obstacles to sharing of resources that could enhance the risk management activity that we were all engaged in.

Overview of 2017 ERM Framework

The SSBA, (LEADS) and SASBO jointly developed the Framework as a common ERM system for use in all school divisions across the province.

The user guide will lead the Board and its employees through the steps required to adopt, implement and monitor an Enterprise Risk Management system within their division.



Deliverables

- To recommend **one common-use** ERM framework and user guide document for deployment within school divisions
- To identify roles and responsibilities in an ERM process, for Trustees, Directors and staff.
- The document to be endorsed and distributed jointly by SSBA, LEADS and SASBO.

Saskatoon Public Schools engaged KPMG in 2015 to help them develop a risk register and an ERM Framework.

The WAG revised that work from the perspective of Trustees, LEADS and SASBO.

An example risk register was also provided as part of this package.

Overview of 2017 ERM Framework

The Framework provides the context for how the ERM cycle operates as a process and is supplementary to the (ERM) Administrative Procedure, and attempts to:

- Anticipate and respond to the changing business environment;
- Manage risk in accordance with leading practice and demonstrating due diligence in decision making;
- Balance the cost of controls with the anticipated benefits; and,
- Provide understanding of the need for enterprise-wide risk management.

Overview of 2017 User Guide

- The user guide offers definitions, roles and accountabilities of those involved in the process.
- The user guide also provides step by step support for operationalizing working the ERM cycle within your organization.

Enterprise Risk Management (ERM):

- ERM is an integrated enterprise-wide process established over time which links the management of risk to strategic objectives in order to improve organization performance.
- It creates a formal process for managing the myriad of risks an organization faces.
- While ERM is not the same as a risk assessment, the assessment of risk is an integral part of an ERM process.

2024-2025 ERM Review WAG

- A Working Advisory Group of SSBA, LEADS, and SASBO was formed in 2024 to review the 2017 Framework and User Guide.
- The WAG reviewed ERM frameworks, or similar documents, from other provincial education associations.
- The WAG also had a review of the ERM Framework and User Guide by an external risk expert.

2025 Revised ERM Documents

The review confirmed that the ERM framework and user guide remain very relevant and therefore only minor revisions occurred throughout – primarily to clarify the frequency of reporting, adding in the recommended policy language to guide the role of the Director in ERM, addition of risk categories, and some updated changes to reflect appropriate ERM terminology.

The revised ERM Framework and User Guide were approved by SSBA, LEADS, and SASBO and circulated in September 2025.

Outcome

- In 2017, following an 8-month WAG process, SSBA, LEADS and SASBO jointly approved and distributed the ERM Framework and User Guide to all Boards and Divisions across the province.
- Since that time, the SSBA has worked with most Boards on the introduction or support of an ERM program within the Division.

Maturity Assessment Model

- After the initial roll out of the ERM Framework and User Guide, the SSBA adapted a Maturity Assessment Model from the Ministry of Advanced Education.
- This is a diagnostic tool to evaluate the extent to which the Division has identified various categories of risk, and the degree to which key risks are discussed, managed and integrated within the organization.

Ongoing

- The SSBA staff regularly provide training and other support to Boards and Divisions on the development, implementation and assessment of the ERM program.

What is Risk?

“Never forget decision-making is all about taking risks.

You cannot eliminate risks. It is futile. The bigger your job, the greater the risks you should be taking. The idea is not to try to eliminate risks, but to take the right risks.”

Peter F. Drucker



Enterprise Risk Management

8 Internal Challenges (Fraser & Simkins, 2016)

- Corporate culture
- Board of directors' knowledge
- Not applying a KISS mindset
- Training without having workshops
- Identifying too many risks
- No timeframes
- Not making ERM enjoyable or meaningful
- Not recognizing ERM as change management

Board Roles and Responsibilities

- Board has ultimate responsibility for risk in the school division, and its role is to provide governance oversight of the division's ERM program
- Board should review at least the following items:
 - ❖ The division's ERM framework (annually)
 - ❖ Risk appetite/tolerance levels (annually).
 - ❖ Risk register and risk assessment results for the division's top enterprise-wide risks (annually).
- The Board must determine how involved it is going to be in the various ERM activities. It may be very involved in some or all of the activities.

Culture of Risk Management



Risk Identification

- Annual process, often associated with strategic planning,
- on ad-hoc basis as required for significant changes
- identification of key risks

Risks are considered within the following categories: Communication, Data Management, Environment Health and Safety, Emerging Trends, Facilities, Financial, Governance, Government Relations, Human Resources, Information Technology & Support Areas; Operations; Reputational; Strategy & Vision; Student Outcomes; and Sustainability/Environmental.

The Identification process should consider:

- Current and future expected risks.
- Risks associated with recent internal changes in the business.
- Risks associated with external change in the business or political environment.
- The root causes for the risks.

Risk Assessment Likelihood

Rare	Unlikely	Moderate	Likely	Almost Certain
Extremely rare in industry Once in >10 years at school division	Has happened occasionally in industry Once in 5-10 years at school division	Periodic occurrence in industry possible occurrence Once in 3 years at school division	Has occurred previously and could reasonably occur again Once in 1-2 years at school division	Extremely likely to occur Multiple times per year at school division

Risk Assessment Impact

Impact Factors	Insignificant	Minor	Moderate	Major	Catastrophic
Financial	Financial impact of event is less than \$100,000	Financial impact of event exceeds \$100K, but is less than \$500K	Financial impact of event exceeds \$500K, but is less than \$2.5M	Financial impact of event exceeds \$2.5M, but is less than \$15M	Financial impact of event exceeds \$25M
Reputational	One negative article in one publication	Negative articles in more than one publication	Short term negative media focus and concerns raised by stakeholders	Long term negative media focus and sustained concerns raised by stakeholders	Stakeholders lose faith in management or Trustees
Managerial Effort / Capacity	Impact can be absorbed through normal activity	Some management effort is required to manage the impact	Can be managed under normal circumstances with moderate effort	With significant management effort can be endured	Potential to lead to the collapse of the organization
Government Relations	Routine ministerial inquiries	In-depth ministerial inquiries	Concerns raised by Ministry of Education	School division's ability to deliver on mandate is questioned	Ministry loses faith in the organization
Legal	Legal action threatened	Civil action commenced/ small fine assessed	Criminal action threatened/ moderate fine assessed	Criminal lawsuit commenced/ significant fine assessed	Jail term of any length for a Trustee/ Director multiple significant fines assessed
Student Outcomes	Immaterial impact on student achievement	Student achievement metrics begin to show a decline	Parent's complain about student achievement	Overall student competency levels are below standards	Inability to satisfactorily deliver curriculum or key programs

Heat Map

Risk Evaluation Matrix					
5 Almost Certain	5	10	15	20	25
4 Likely	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Unlikely	2	2	6	8	10
1 Rare	1	2	3	4	5
Likelihood	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
Imp act					

Risk Mitigation / Response

Risk Response

In the user guide: “Guidance on Response to Residual Risk Rating” chart

- Accept: monitor but take no action
- Mitigate: accepts some risk through process
- Transfer: to 3rd party – buy insurance
- Avoid: risk is unacceptable, avoid it

Risk Monitoring

Monitoring processes facilitate a no-surprises approach to ensuring risks are effectively assessed and appropriate risk responses and controls are in place.

- Continuity Planning
- Simulations / Table Top exercises
- Ongoing

Risk Reporting

Roles and Responsibilities found in ERM User Guide

Leadership: SASBO, LEADS

- Reporting to Director of Education
- Operationalization of ERM strategy

Director of Education:

- Reporting to the Board at least annually, and otherwise, regularly
- Operationalization of Board strategy

Risk Reporting

Board:

- Set risk appetite / philosophy
- Responsible for reviewing and approving the School Division ERM program
- Report to public / electorate

Determining Risk Appetite

Key questions:

1. What risks will the Board not accept?
2. What risks will the Board take on new initiatives?
3. What risks will the Board accept for competing objectives?

ERM Maturity Self-Assessment

Key Function:

- To assess the extent to which your school division has identified various levels of risk and the degree to which key risks are discussed, managed and integrated within the organization.
- Intended for the Board to evaluate the level of deliberation with which it practices and supports ERM within its governance role.
- The Board should look to progress over time towards the "Executing" end of the continuum.
- Conduct annually as part of Board evaluation.

RISK AREAS	EMERGING / DEVELOPING	QUESTIONING	ANALYZING	MANAGING / IMPLEMENTING	EXECUTING
RISK CULTURE					
RISK APPETITE					
GOVERNANCE					
ERM INTEGRATION IN STRATEGIC PLAN					
DECISION-MAKING					
INTEGRATION OF ERM IN ORGANIZATIONAL PROCESSES					
RISK MANAGEMENT CYCLE					
RISK IDENTIFICATION					
RISK ASSESSMENT					
RISK MONITORING					
COMMUNICATION AND REPORTING					

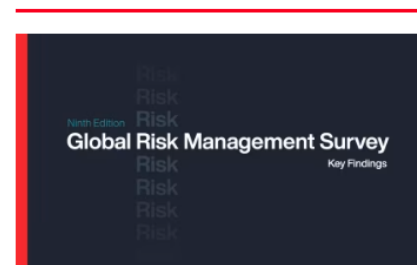
Top 10 Global Risks - Example

Perennial Risks, New Reality


Although many of the top 10 risks remain unchanged since 2021, the macroeconomic environment in which they must be managed is markedly different. The velocity of risk evolution, which was triggered by the pandemic in many areas, continues to intensify and forge greater interconnectivity between risks.

Top 10 Current Risks

- 01 Cyber Attack or Data Breach
- 02 Business Interruption
- 03 Economic Slowdown or Slow Recovery
- 04 Failure to Attract or Retain Top Talent
- 05 Regulatory or Legislative Changes
- 06 Supply Chain or Distribution Failure
- 07 Commodity Price Risk or Scarcity of Materials
- 08 Damage to Reputation or Brand
- 09 Failure to Innovate or Meet Customer Needs
- 10 Increasing Competition



Global Risk Management Survey Key Findings (PDF)

[Download Now](#) 

Cyber Risk commentary

Aon survey respondents report their highest-ever level of readiness for cyber attack or data breach at 89 percent, while their reported loss of income from cyber attack or data breach was unchanged from 2021 at 18 percent. Notably, this is the second lowest loss of income reported for the global top 10 risks. These figures align with Aon's [Cyber Resilience Report](#): despite a sharp rise in incident frequency and severity, ransom payments remained flat and average cyber maturity improved, going from “basic” to “managed” from 2021 to 2023.

All these data points indicate that organizations are prioritizing this risk and have plans in place to address its potential effects on their business.

Thank You



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