

## **Purpose**

Burlington Public Library (BPL) recognizes that risk is present in all institutional activities and that the successful management of risk is a critical factor in achieving BPL's strategic priorities, objectives, and operational commitments.

This Policy outlines BPL's approach to risk management, and identifies key aspects of the risk management program, process, and responsibilities to optimize BPL's approach to risk and foster innovation.

## **Scope**

This Policy encompasses BPL's full risk management program, including all operations, activities, and assets, and applies to the Board and all Library staff.

## **Statement of Policy**

BPL is committed a risk management culture, where risk management is seen as integral to the achieving strategic objectives and where all employees are alert to risks, are capable of an appropriate level of risk assessment and confident to report risks or opportunities.

The Library will make reasonable and duly diligent efforts to safeguard BPL's property, services, the public, volunteers, and employees from risks. BPL will ensure that an effective risk management program is in place so that Library risks are identified, evaluated, and managed to a level which meets the Library's risk tolerance.

BPL's approach to risk management will comprise a program that includes, but is not limited to:

- an annually updated Risk Management Plan,
- developing and maintaining a Risk Register,
- Board and Library management oversight, and
- embedding risk management culture into major decision-making through risk education, policy, internal controls, and procedures.

## **Definitions**

**"Risk"** refers to the effect of uncertainty on the achievement of objectives. Any event that can potentially impact (positively or negatively). It is measured in terms of likelihood and consequence.

**"Risk Management"** is a strategic institutional approach that supports the achievement of the BPL's objectives by addressing the full spectrum (business process & controls, funding, security, relevance, and people) of its risks and managing the combined impact of an interrelated risk approach.

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**“Control”:** An existing process, policy, device, or practice that acts to minimize negative risk or enhance positive opportunities.

**“Risk appetite”:** The amount and type of risk the Library is prepared to pursue or retain.

### **Principles**

BPL is committed to maintaining a risk management program that:

- will identify, evaluate, and respond to risks in a manner that is structured, consistent, and continuous across the entire organization.
- raises awareness, harmonizes risk management, and fosters risk intelligence.
- informs decision-making from strategic to day-to-day operations and governance.
- assists leadership in understanding challenges and choices and supports the proactive management of risk optimization that fosters innovation.
- supports continuous improvement and renewal; and
- assists BPL in aligning Senior Leadership, the Board, and its committees in managing to optimize BPL’s risk threshold.

### **Roles & Responsibilities**

#### **Library Board is responsible for:**

- overall responsibility for Library risk management and will maintain an appropriate awareness of the Library’s risk management program and how it is managed.
- determining the risk tolerance of BPL (the appropriate risk appetite for the Library) in consultation with the CEO and approves major decisions affecting the Library’s risk exposure.
- overseeing the on-going effectiveness of the Library’s risk management approach and controls.
- Ensuring all Board policies related to managing risk are maintained and revised where needed.

#### **Audit Committee of the Board is responsible for:**

- overseeing the risk management approach of the Library on behalf of the Board.
- annually reviewing fundamental risks and their controls and reporting to the Board.
- annually reviewing the Library’s approach to risk management and recommending changes or improvements.
- ensuring that the identification and quantification of fundamental risks affecting the Library, and any mitigating actions to manage those risks, are done in accordance with the Risk Management Policy.

#### **Chief Executive Officer is responsible for:**

- implementing the Risk Management Policy, as well as risk management aspects of other Library Policies and required internal controls.
- providing an annual Risk Management Report to the Audit Committee as well as adequate information in a timely manner on Library risk management and the status of the Risk Register, including reporting of known and emerging risks.

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- developing and maintaining the Risk Management Plan.
  - developing and maintaining the Risk Register, including identification and evaluation of the fundamental risks faced by the Library for consideration by the Audit Committee.

**Director of Finance and Infrastructure is responsible for:**

- supporting the Risk Management Policy, program, and related procedures, in particular the development and maintenance of the Risk Management Plan and Risk Register
- ensuring that the financial impacts of risks are duly considered in Library budget planning.

Effective Date: May 2022

Projected Review Date: May 2025

Motion #/Date: #22-33, May 26, 2022

Amended Dates:

Associated Procedures: