Council Decision Note

Item: Governance Enhancement Plan – Risk-based Policy Review Cycle

Public Interest Rationale: The College is committed to operating a governance model that builds public confidence through transparency, accountability and efficiency. Continuous improvement and alignment to modern governance practices supports the College's governance function.

Strategic Alignment: Strong, effective governance supports achievement of the strategic plan – the College's purpose, its goals and enablers.

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Issue

Bucket 1 of the Governance Enhancement Plan (GEP) work plan includes the development of a risk-based policy review cycle. We are seeking Council approval of the proposed risk criteria and overall governance policy review cycle which will then be applied to policies within the Council Governance Manual.

Background

The GEP is a collection of initiatives identified through input from Council, Committees, and College staff to support continuous improvement and modernization of the College's governance framework. Bucket 1 (Foundations) of the Council-approved GEP work plan focuses on strengthening governance structures, clarity of roles, and baseline tools to support Council effectiveness.

Under GEP, this initiative focuses on creating a formal policy review cycle that evaluates governance policies through a risk-based lens. It would involve assessing each policy's potential risk to the organization—whether in terms of legal compliance, operational efficiency, or strategic goals. Policies would be reviewed and updated regularly to ensure they remain relevant and mitigate risks effectively.

Good governance requires policies to remain current, effective, compliant, and aligned with Council's strategic objectives. Governance policies that are infrequently reviewed may become outdated due to legislative changes, emerging risks, changes in organizational practices, audit findings, or evolving public expectations.

A formal review cycle based on identified risk criteria would provide Council with a structured and defensible approach to ensuring governance policies remain effective and responsive to organizational risks.

Proposed Approach

Risk Criteria

Using a risk-based policy review cycle, governance policies would be assessed according to their risk profile instead of on the same schedule. Higher-risk policies would be reviewed more frequently than lower-risk policies.

Proposed risk criteria for establishing the risk profiles of a specific policy could include:

1. Legislative and Regulatory Risk
    - Degree to which the policy is linked to statutory and regulatory obligations

- Potential consequences of non-compliance
- Frequency of legislative or regulatory change

2. Strategic Risk
   - Alignment with Council priorities and strategic objectives
   - Potential impact on achievement of Council-approved goals

3. Operational Risk
   - Extent to which the policy affects day-to-day operations
   - Potential for service or governance disruption if the policy is ineffective or outdated

4. Financial Risk
   - Impact on budget oversight, investments, reserves or financial controls
   - Potential for financial loss, liability, penalties or negative audit findings

5. Reputational Risk
   - Potential impact on public trust and confidence
   - Sensitivity of the policy to interest holders, media or education sector scrutiny

6. Governance and Accountability Risk
   - Impact on decision-making authority, accountability, transparency, ethics and oversight
   - Importance to Council's governance framework

Risk Cycle

Each governance policy would be assessed against the approved risk criteria and assigned a score using the scale below. Scoring can be based on asking questions like: What harm occurs if this policy is outdated or inaccurate? How often is it used? How complex is the decision-making? The cumulative score would determine the policy's overall risk profile impacting its review priority and review frequency.

Scoring scale:

1 – low risk or impact

2 – moderate risk or impact

3 – significant risk or impact

4 – high risk or impact

5 – critical risk or impact

Proposed Review Cycle – Governance Policies:

Risk Profile	Review Cycle (Frequency)	Cumulative Score*
High	Every 3 years	23 to 30
Medium	Every 4 years	15 to 22
Low	Every 5 years	6 to 14

**maximum score is 30 = six risk criteria with max 5 critical risk score*

Governance policies will include a risk profile indicator along with the next planned review date. On the review date, a risk assessment will also be performed to reconfirm or change the risk profile.

“Off-Cycle” Policy Reviews

In addition to regularly scheduled reviews, “off-cycle” reviews may be required sooner if a relevant, impactful event occurs. Policies would be reassessed in response to events, for example, when:

- Legislation or regulations change
- Council directs a review or policy change
- New strategic priorities are adopted
- Significant operational or technological changes occur

Benefits & Next Steps

A formal risk-based policy review cycle with defined, defensible criteria would provide Council with a structured and transparent process for maintaining policies to support an effective governance framework. By prioritizing reviews according to risk profiles and establishing clear review parameters, Council can better ensure that governance policies remain current, compliant, and aligned with College objectives.

With approval of the risk criteria and risk-based review cycle, risk profiles will be added to each of the governance policies as they are reviewed, revised as needed and added to the various tranches of the Council Governance Manual currently in development.

Decision Sought

The following motion is recommended:

> **That Council approve the policy review risk criteria and risk-based review cycle as proposed.**