



ERM Assessment for SD#71

Summary Report

March 2017

—
kpmg.ca



Contents

- **Background and Objectives**
- **Approach**
- **ERM Framework**
- **SD#71's Top Residual Risks**
- **Suggested Next Steps**
- **Appendices**
 - Appendix A: Interview and Workshop Participants**
 - Appendix B: Summary of Identified Risks**
 - Appendix C: Risk Register**





Background and Objectives

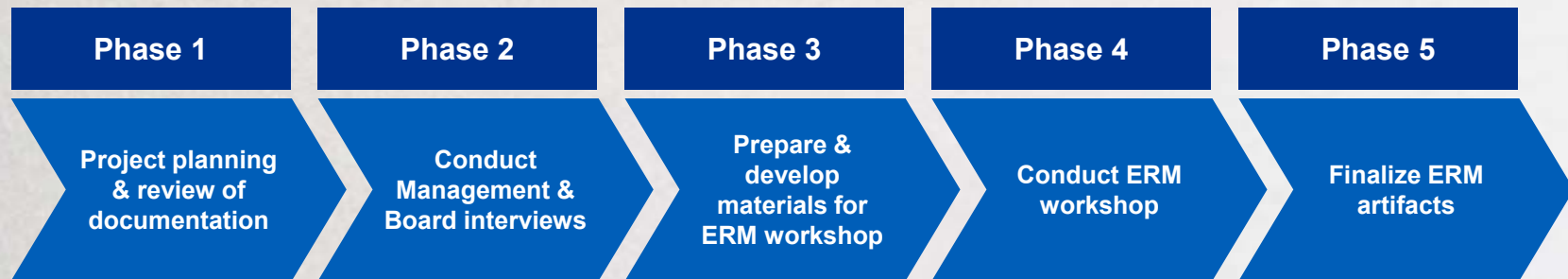
Background and Objectives

- SD#71 has made significant progress in articulating its strategic priorities and has clearly defined its goals along with actions required to achieve them in the organization's 2015-2018 Strategic Plan.
- SD#71's Management and Board perceive value in the process of identifying and prioritizing the key risks that may inhibit SD#71 from reaching these strategic goals.
- In addition, the Office of the Auditor General has recommended that all School Districts in British Columbia conduct an Enterprise Risk Management (ERM) assessment. In line with good practice, SD#71 wishes to institute an ERM program that will help the organization:
 - identify significant risks;
 - prioritize these risks;
 - implement appropriate risk mitigation strategies and monitoring procedures.



Approach

Approach



| Phase | Key Activities |
|---|--|
| Phase 1 - Project planning & review of documentation | <ul style="list-style-type: none"> • Confirm the project scope, timeline, milestones, deliverable format, and establish cadence for progress updates. • Conduct a high-level stakeholder assessment to develop a list of management and board members to be interviewed. • Obtain and review relevant artifacts (e.g. strategic plan) in order to prepare for stakeholder interviews. Develop pre-read material and tailored questions for interview preparation packages and in turn, schedule interviews. |
| Phase 2 – Conduct Management & Board interviews | <ul style="list-style-type: none"> • Conduct 5-7 stakeholder interviews with identified board members and management. • Prepare interview summary notes (working papers only) and develop draft risk categories and statements for workshop. • Schedule ERM workshop. |
| Phase 3 – Prepare & develop materials for ERM workshop | <ul style="list-style-type: none"> • Finalize draft risk categories and statements for ERM workshop participants to vote on. • Finalize appropriate criteria and definition for quantification of risks – e.g., impact, likelihood of occurrence etc., as well as prioritization of risks. (e.g., High, Medium, Low). • Finalize list of workshop participants. • Develop and circulate pre-read material for workshop. |
| Phase 4 – Conduct ERM workshop | <ul style="list-style-type: none"> • Conduct 2-3 hour workshop with identified board members and management. • Participants anonymously vote on the impact and the likelihood of occurrence for each risk. • KPMG to facilitate discussion for each risk area and note potential risk owners and mitigating factors. |
| Phase 5 – Finalize ERM artifacts | <ul style="list-style-type: none"> • Formalize outputs from the ERM workshop including: <ul style="list-style-type: none"> • A high-level risk register that summarizes risk rankings as well as mitigating factors for each risk. • A high-level summary presentation that includes heat maps for each of the risk categories. • Provide the organization with guidance on maintaining/refreshing its ERM program. |

Deliverables

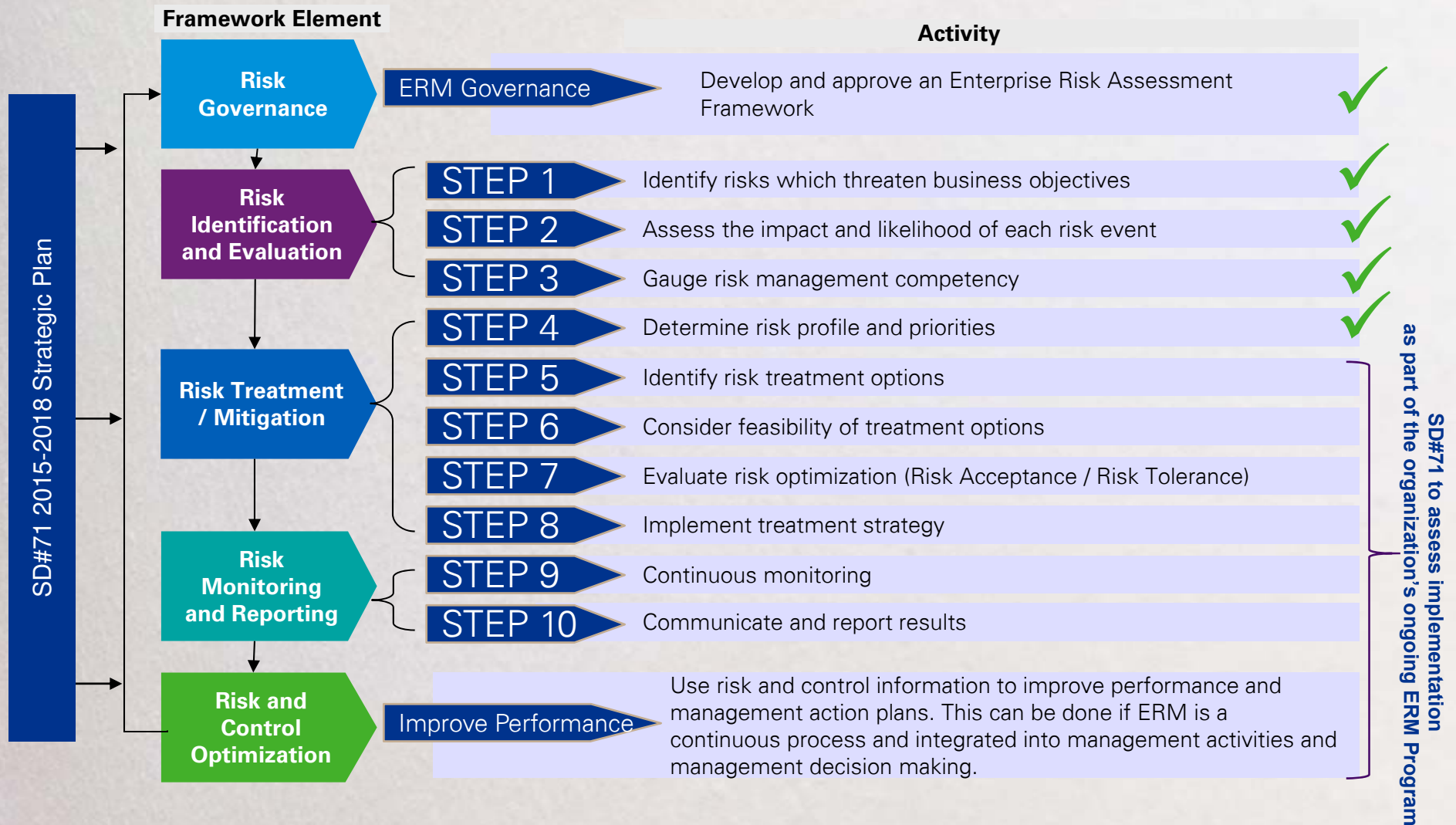
The primary outputs / deliverables for this ERM project include:

- **An overview of work performed and results thereof** (included in the body of this report);
- A **Risk Assessment Framework** including risk definitions, categories, ranking criteria as well as likelihood and impact assessment guidelines (included in the body of this report);
- A **risk trend summary** and heat map outlining the results of the risk prioritization workshop in which key stakeholders voted on key risks identified by Management and the Board during the risk identification interviews (included in the body of this report);
- A high-level **Risk Register** including the risk ranking, potential risk drivers as well as a high-level summary of current mitigation activities/compensating controls for each risk (note: the mitigation activities / controls information is not comprehensive) (included herein in Appendix B);
- A listing of **Risk Identification Interview participants and Risk Assessment Workshop participants** (Appendix A).



ERM Framework

ERM Framework - Overall Approach



Risk Assessment Framework - Likelihood Assessment Guidelines

DEFINITIONS:

- **Objectives** – The implicit and explicit goals/objectives that SD#71 is trying to achieve. These can include (for example) strategic/reputational, financial, human resource objectives. Objectives exist at the SD#71-wide level and at divisional, departmental, project, process, & other levels.
- **Risk** – A potential action or event that could adversely affect the achievement of objectives if it occurs or does not occur. Measured as a combination of likelihood of occurrence of the event (or of failure of occurrence of the event), and impact (consequence) if it does occur (or fails to occur).
- **Impact (Consequence)** – Result or effect on outcomes from realization of a risk. There may be a range of possible impacts associated with an event.
- **Likelihood (Probability)** – The probability that a risk will occur (or fail to occur), and/or the frequency of occurrence of the risk event.
- **Inherent Risk (Gross Risk)** – The level of risk to the entity in the absence of any actions management is taking or might take to alter the risk's likelihood and/or impact.
- **Residual Risk (Net Risk)** – The level of risk to the entity given the actions management is taking to alter the risk's likelihood and/or impact, considering the effectiveness of those management responses (i.e., processes and controls used to manage or mitigate the risks).
- **Risk Management Processes** – The processes applied during strategy setting and divisional activities across the organization to identify, assess, and manage risks through risk management actions that avoid, reduce, transfer, or accept risk.
- **Risk Tolerance** – The maximum amount of residual risk that is considered acceptable. Acceptable risk tolerance varies depending on the nature and level of the objective, and is generally higher at the entity level than at Divisional unit, project, process, and other levels.

| Ranking and Response Framework: The following provides guidance on SD#71's response to risk rankings | | | |
|--|--|---------------------|---|
| 4 - Extreme | Immediate attention required, risk treatment plan to be developed and monitored. | 2 - Moderate | Active monitoring and response procedures required. |
| 3 - High | Detailed planning and review by senior management. | 1 - Low | Managed through routine procedures. |

| LIKELIHOOD ASSESSMENT GUIDELINES: | | | RISK EVALUATION AND PRESENTATION | | | | |
|-----------------------------------|---|-------------------|----------------------------------|----------|----------|----------|----------|
| >95% | Almost Certain Occurrence / Very High Frequency – Very high probability that risk will occur (multiple times a year), or a very high % of transactions or frequency of transactions whereby incidents occur. | 5 | | | | | |
| 71% to 95% | Likely Occurrence / High Frequency – High probability that risk will occur (once annually), or a high % of transactions or frequency of transactions whereby incidents occur. | 4 | | | | | |
| 31% to 70% | Moderate Occurrence / Moderate Frequency – Moderate probability that risk will occur (once in 2-3 years), or a moderate % of transactions or frequency of transactions whereby incidents occur. | 3 | | | | | |
| 5% to 30% | Unlikely Occurrence / Low Frequency – Low probability that risk will occur (once in 5-7 years), or a low % of transactions or frequency of transactions whereby incidents occur. | 2 | | | | | |
| ≤5% | Rare Occurrence / Very Low Frequency – Very low probability that risk will occur (once in 10 years), or a very low % of transactions or frequency of transactions whereby incidents occur. | 1 | | | | | |
| | | Likelihood | | | | | |
| | | Impact | 1 | 2 | 3 | 4 | 5 |

Risk Assessment Framework - Impact Assessment Guidelines

| | | Severity of Impact | | | | |
|---|--|---|--|---|---|--|
| Risk Category | Risk Description | 1. Negligible | 2. Minor | 3. Moderate | 4. Major | 5. Extreme |
| Strategic / Reputation | Impacts SD#71's reputation and/or ability to execute on current and/or future strategic directions. | No adverse publicity. The strategic direction, and/or the nature and/or activities of SD#71, may be forced to change in an undesired but negligible way, or be prevented from changing in a desired but negligible way. Potential outcomes remain within risk tolerances. | Minor adverse publicity. The strategic direction, and/or the nature and/or activities of SD#71, may be forced to change in an undesired but minor way, or be prevented from changing in a desired but minor way. Potential outcomes remain within risk tolerances. | Localized adverse publicity. The strategic direction, and/or the nature and/or activities of the SD#71, may be forced to change in an undesired moderate way, or be prevented from changing in a desired moderate way. Potential outcomes may or may not remain within risk tolerances. | Adverse publicity in the media. The strategic direction, and/or the nature and/or activities of the SD#71, may be forced to change in an undesired major way, or be prevented from changing in a desired major way. | Sustained adverse publicity in the media. Potential outcomes are highly unacceptable. Existence of SD#71 in recognizable form may be terminated. |
| Financial Resources | Impacts SD#71's financial resources. | Financial impact of event is less than \$50,000 | Financial impact of event exceeds \$50K, but is less than \$250K | Financial impact of event exceeds \$250K, but is less than \$1M | Financial impact of event exceeds \$1M, but is less than \$5M | Financial impact of event exceeds \$5M |
| Human Resources | Impacts SD#71's achievement of a high performance, safe work environment that results in satisfactory employee involvement, development, and engagement. | No impact on employee engagement, retention, performance or other Human Resources objectives. Potential outcomes remain within risk tolerances. | Limited impact on employee engagement, retention, performance or other Human Resources objectives. Potential outcomes remain within risk tolerances. | Significant impact on employee engagement, retention, performance or other Human Resources objectives. Potential outcomes may or may not remain within risk tolerances. | Substantial impact on employee engagement, retention, performance or other Human Resources objectives. Potential outcomes are outside risk tolerances. | Sustained impact on employee engagement, retention, performance or other Human Resources objectives. Potential outcomes are highly unacceptable. |
| Operational Efficiency & Effectiveness (includes IT-related risks) | Impacts SD#71's ability to achieve operating efficiencies while maximizing student and stakeholder satisfaction. | SD#71 is able to deliver its academic programs and services with no disruption. Potential outcomes remain within risk tolerances. | SD#71 is able to deliver its academic programs and services with limited disruption. Potential outcomes remain within risk tolerances. | SD#71 is able to deliver its academic programs and services with significant disruption. Potential outcomes may not remain within risk tolerances. | SD#71 is unable to deliver significant aspects of its academic programs and services. Potential outcomes are outside risk tolerances. | SD#71 is unable to deliver its academic programs and services. Potential outcomes are highly unacceptable. |
| Student Outcomes | Impacts SD#71's ability to deliver a strong educational experience with high levels of student achievement. | Immaterial impact on student achievement. | Student achievement metrics begin to show a decline. | Stakeholders raise concerns about student achievement. | Overall student competency levels are below standards. | Inability to satisfactorily deliver curriculum or key programs. |
| Compliance (Regulatory / Safety/ Legal / Contractual) | Impacts SD#71's ability to comply with relevant applicable laws and regulations, and/or with SD#71's contractual obligations. | No regulatory/legal consequence or injury risk. Outcomes remain within risk tolerances. | Limited regulatory/legal consequence and minor reversible injury risk. Potential outcomes remain within risk tolerances. | Significant regulatory/legal consequence and major reversible injury risk. Potential outcomes may or may not remain within risk tolerances. | Substantial regulatory/legal consequence and irreversible injury or death risk. Potential outcomes are outside risk tolerances. | Substantial regulatory/legal consequence and irreversible multiple injury or death risk. Potential outcomes are highly unacceptable. |

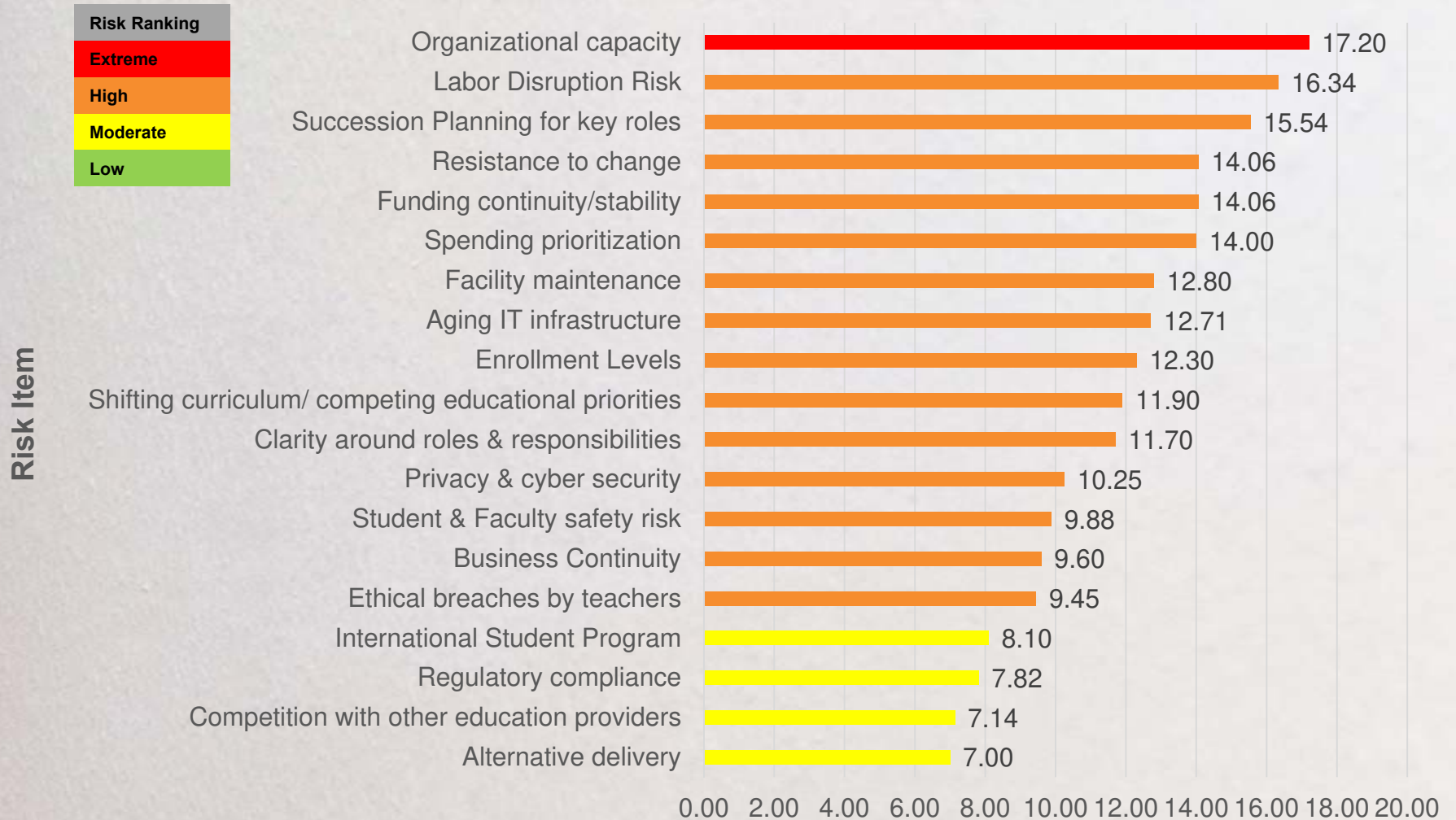


SD#71's Top Residual Risks

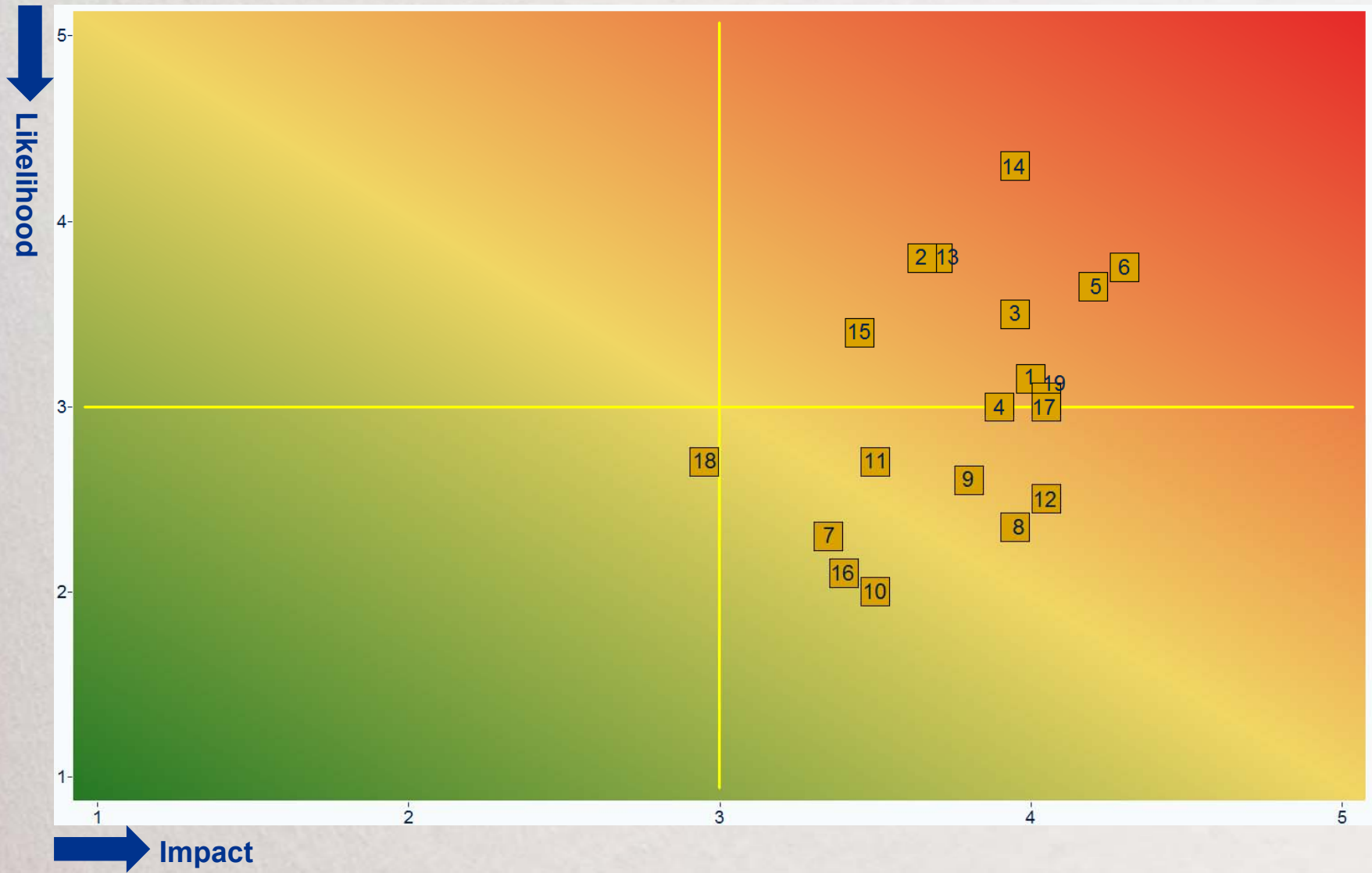
SD#71's Top Residual Risks

Below reflects SD#71's top risks, in order of net residual risk ranking (likelihood rating x impact rating), as per the average participant vote for each risk during the prioritization workshop conducted on March 1, 2017.

Risk Ranking (Likelihood x Impact)



SD#71 Top Residual Risks



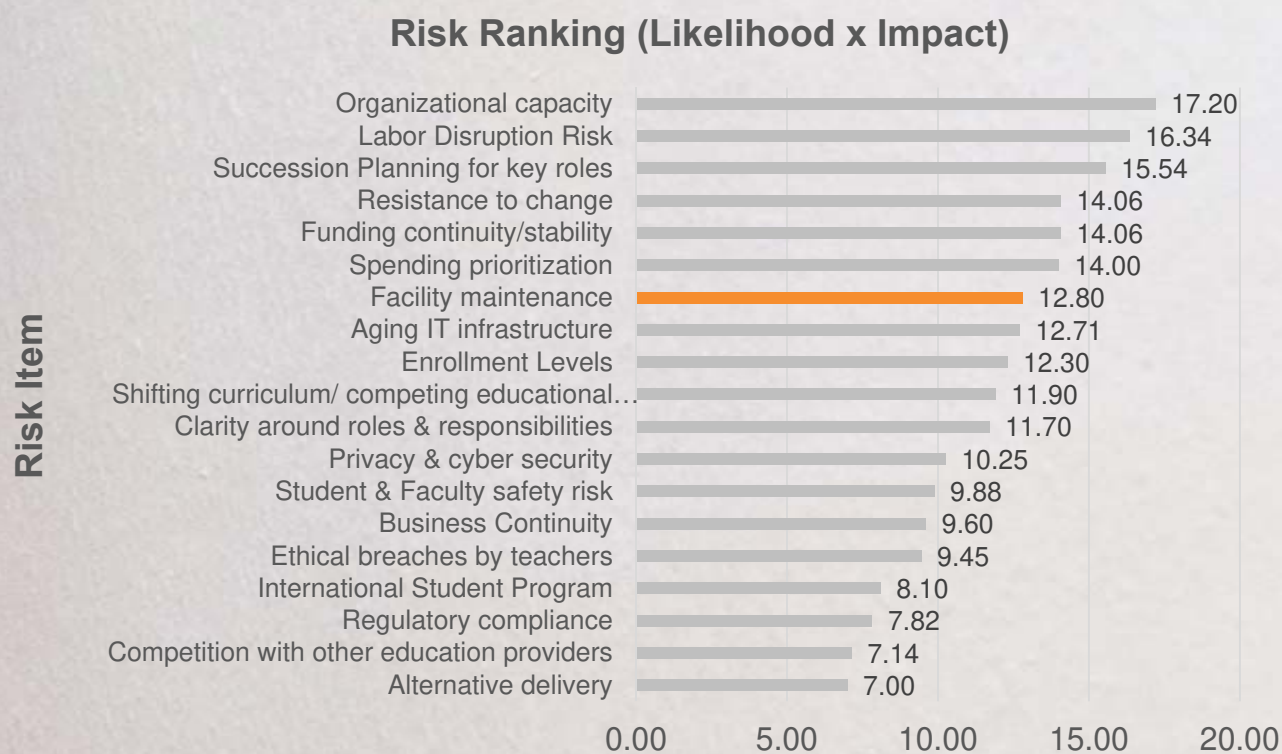
SD#71 Top Residual Risks

| 2017 Risk Rank | Heat Map Ref# | Risk Register Ref# | Risk Item | Impact (I) | Likelihood (L) | Risk Rating (L x I) |
|----------------|---------------|--------------------|--|------------|----------------|---------------------|
| 1 | 14 | 7.2 | Organizational capacity | 4.00 | 4.30 | 17.20 |
| 2 | 6 | 4.2 | Labor disruption | 4.30 | 3.80 | 16.34 |
| 3 | 5 | 4.1 | Succession Planning for key roles | 4.20 | 3.70 | 15.54 |
| 4 | 13 | 7.1 | Resistance to change | 3.70 | 3.80 | 14.06 |
| 5 | 2 | 2.1 | Funding continuity/stability | 3.70 | 3.80 | 14.06 |
| 6 | 3 | 2.2 | Spending prioritization | 4.00 | 3.50 | 14.00 |
| 7 | 1 | 1.1 | Facility maintenance | 4.00 | 3.20 | 12.80 |
| 8 | 19 | 8.1 | Aging IT infrastructure | 4.10 | 3.10 | 12.71 |
| 9 | 17 | 7.5 | Enrollment levels | 4.10 | 3.00 | 12.30 |
| 10 | 15 | 7.3 | Shifting curriculum | 3.50 | 3.40 | 11.90 |
| 11 | 4 | 3.1 | Clarity around roles and responsibilities | 3.90 | 3.00 | 11.70 |
| 12 | 12 | 6.2 | Privacy & cyber security | 4.10 | 2.50 | 10.25 |
| 13 | 9 | 5.3 | Student & Faculty safety risk | 3.80 | 2.60 | 9.88 |
| 14 | 8 | 5.2 | Business Continuity | 4.00 | 2.40 | 9.60 |
| 15 | 11 | 6.1 | Ethical breaches by teachers | 3.50 | 2.70 | 9.45 |
| 16 | 18 | 7.6 | International Student Program | 3.00 | 2.70 | 8.10 |
| 17 | 7 | 5.1 | Regulatory compliance | 3.40 | 2.30 | 7.82 |
| 18 | 16 | 7.4 | Competition with other education providers | 3.40 | 2.10 | 7.14 |
| 19 | 10 | 5.4 | Alternative delivery | 3.50 | 2.00 | 7.00 |

SD#71 Top Residual Risks by Category - Facilities

| 2017 Risk Rank | Heat Map Ref# | Risk Register Ref# | Risk Item | Impact (I) | Likelihood (L) | Risk Rating (L x I) |
|----------------|---------------|--------------------|----------------------|------------|----------------|---------------------|
| 7 | 1 | 1.1 | Facility maintenance | 4.00 | 3.20 | 12.80 |

Risk Ranking (Likelihood x Impact)

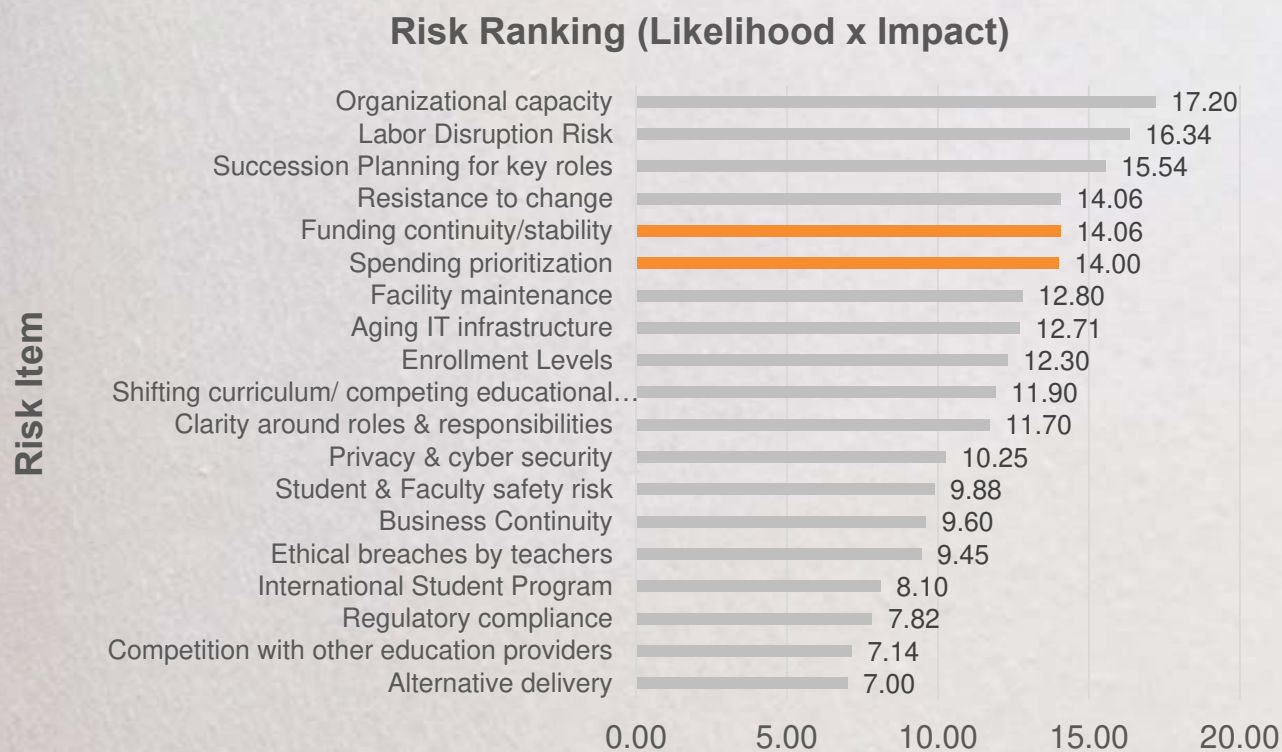


| Summary of Risk Rating Categories | | |
|-----------------------------------|-------|--------------|
| Min | Max | Risk Ranking |
| 17.10 | 25.00 | Extreme |
| 9.10 | 17.00 | High |
| 4.10 | 9.00 | Moderate |
| 0.00 | 4.00 | Low |

SD#71 Top Residual Risks by Category - Financial

| 2017 Risk Rank | Heat Map Ref# | Risk Register Ref# | Risk Item | Impact (I) | Likelihood (L) | Risk Rating (L x I) |
|----------------|---------------|--------------------|------------------------------|------------|----------------|---------------------|
| 5 | 2 | 2.1 | Funding continuity/stability | 3.70 | 3.80 | 14.06 |
| 6 | 3 | 2.2 | Spending prioritization | 4.00 | 3.50 | 14.00 |

Risk Ranking (Likelihood x Impact)

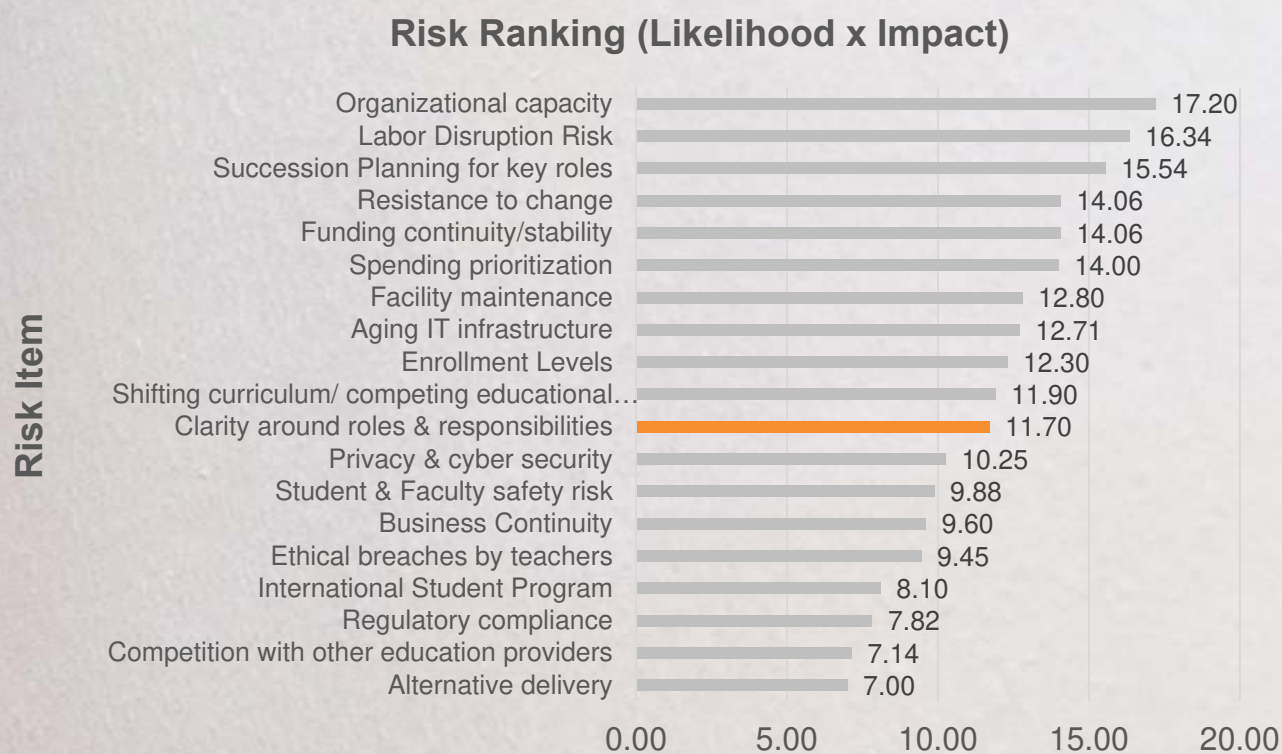


| Summary of Risk Rating Categories | | |
|-----------------------------------|-------|--------------|
| Min | Max | Risk Ranking |
| 17.10 | 25.00 | Extreme |
| 9.10 | 17.00 | High |
| 4.10 | 9.00 | Moderate |
| 0.00 | 4.00 | Low |

SD#71 Top Residual Risks by Category - Governance

| 2017 Risk Rank | Heat Map Ref# | Risk Register Ref# | Risk Item | Impact (I) | Likelihood (L) | Risk Rating (L x I) |
|----------------|---------------|--------------------|---|------------|----------------|---------------------|
| 11 | 4 | 3.1 | Clarity around roles and responsibilities | 3.90 | 3.00 | 11.70 |

Risk Ranking (Likelihood x Impact)



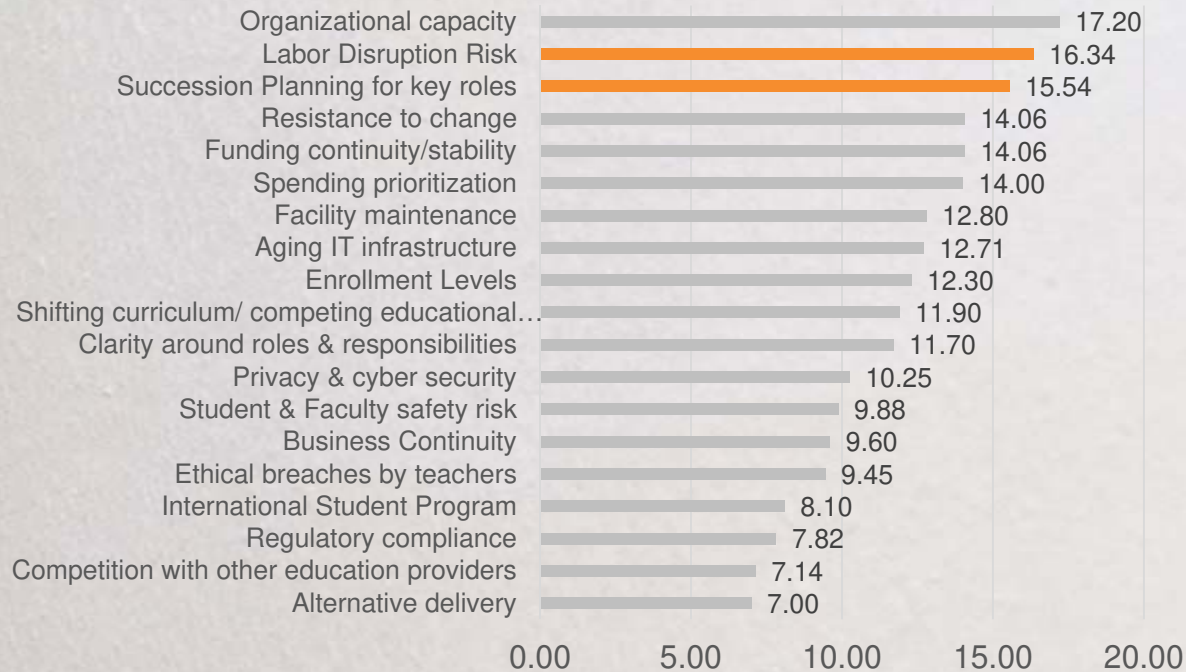
| Summary of Risk Rating Categories | | |
|-----------------------------------|-------|--------------|
| Min | Max | Risk Ranking |
| 17.10 | 25.00 | Extreme |
| 9.10 | 17.00 | High |
| 4.10 | 9.00 | Moderate |
| 0.00 | 4.00 | Low |

SD#71 Top Residual Risks by Category - Human Resources

| 2017 Risk Rank | Heat Map Ref# | Risk Register Ref# | Risk Item | Impact (I) | Likelihood (L) | Risk Rating (L x I) |
|----------------|---------------|--------------------|-----------------------------------|------------|----------------|---------------------|
| 2 | 6 | 4.2 | Labor disruption | 4.30 | 3.80 | 16.34 |
| 3 | 5 | 4.1 | Succession Planning for key roles | 4.20 | 3.70 | 15.54 |

Risk Ranking (Likelihood x Impact)

Risk Item



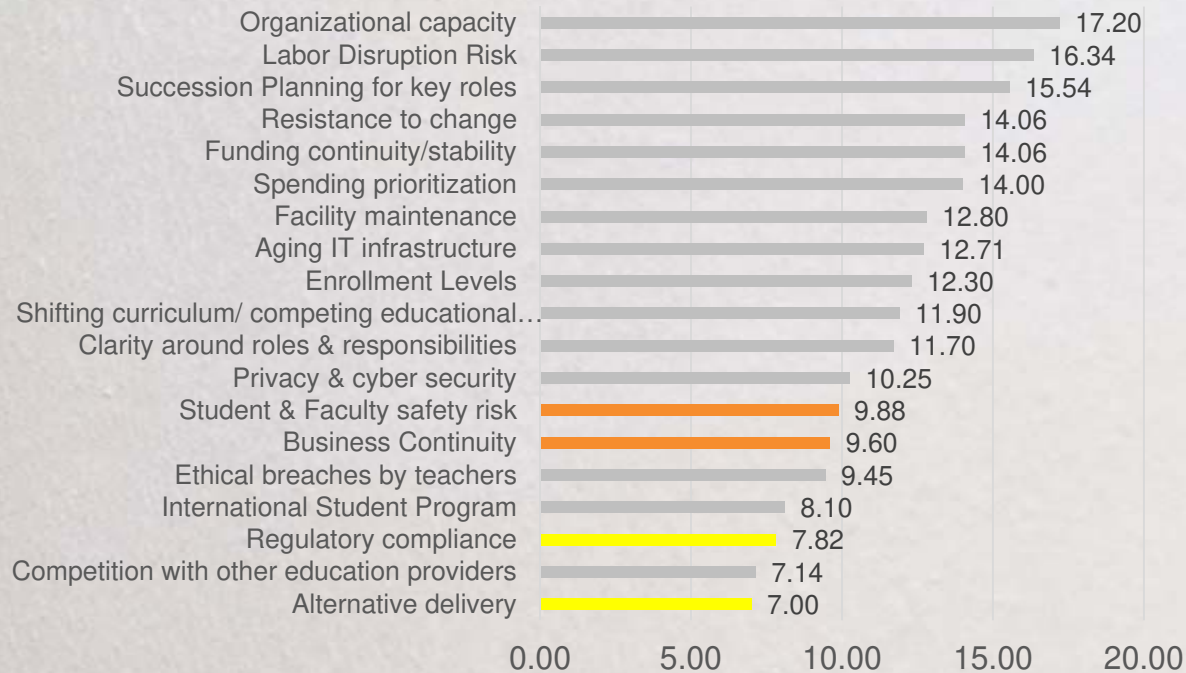
| Summary of Risk Rating Categories | | |
|-----------------------------------|-------|--------------|
| Min | Max | Risk Ranking |
| 17.10 | 25.00 | Extreme |
| 9.10 | 17.00 | High |
| 4.10 | 9.00 | Moderate |
| 0.00 | 4.00 | Low |

SD#71 Top Residual Risks by Category - Operations

| 2017 Risk Rank | Heat Map Ref# | Risk Register Ref# | Risk Item | Impact (I) | Likelihood (L) | Risk Rating (L x I) |
|----------------|---------------|--------------------|-------------------------------|------------|----------------|---------------------|
| 13 | 9 | 5.3 | Student & Faculty safety risk | 3.80 | 2.60 | 9.88 |
| 14 | 8 | 5.2 | Business Continuity | 4.00 | 2.40 | 9.60 |
| 17 | 7 | 5.1 | Regulatory compliance | 3.40 | 2.30 | 7.82 |
| 19 | 10 | 5.4 | Alternative delivery | 3.50 | 2.00 | 7.00 |

Risk Ranking (Likelihood x Impact)

Risk Item



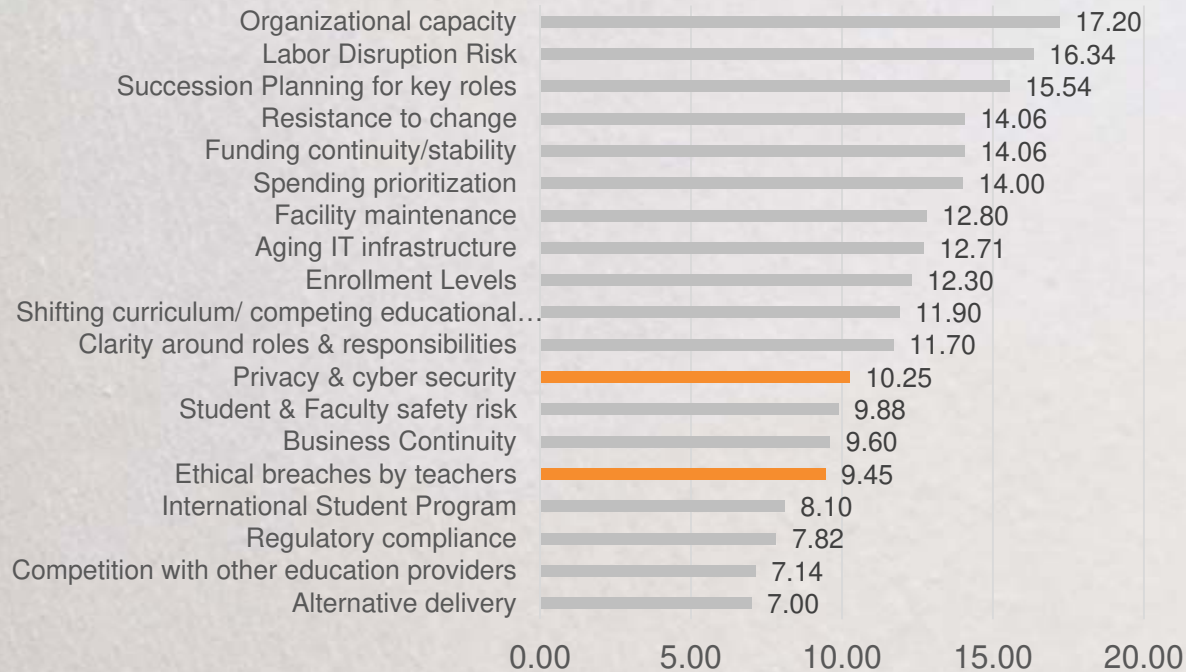
| Summary of Risk Rating Categories | | |
|-----------------------------------|-------|--------------|
| Min | Max | Risk Ranking |
| 17.10 | 25.00 | Extreme |
| 9.10 | 17.00 | High |
| 4.10 | 9.00 | Moderate |
| 0.00 | 4.00 | Low |

SD#71 Top Residual Risks by Category - Reputation

| 2017 Risk Rank | Heat Map Ref# | Risk Register Ref# | Risk Item | Impact (I) | Likelihood (L) | Risk Rating (L x I) |
|----------------|---------------|--------------------|------------------------------|------------|----------------|---------------------|
| 12 | 12 | 6.2 | Privacy & cyber security | 4.10 | 2.50 | 10.25 |
| 15 | 11 | 6.1 | Ethical breaches by teachers | 3.50 | 2.70 | 9.45 |

Risk Ranking (Likelihood x Impact)

Risk Item

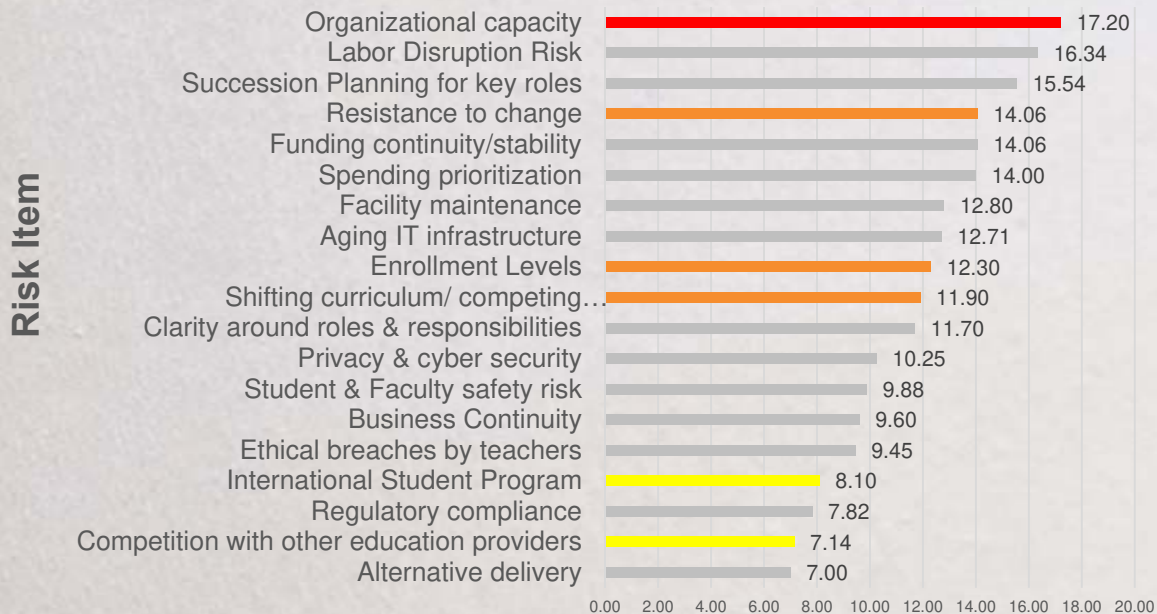


| Summary of Risk Rating Categories | | |
|-----------------------------------|-------|--------------|
| Min | Max | Risk Ranking |
| 17.10 | 25.00 | Extreme |
| 9.10 | 17.00 | High |
| 4.10 | 9.00 | Moderate |
| 0.00 | 4.00 | Low |

SD#71 Top Residual Risks by Category - Strategic

| 2017 Risk Rank | Heat Map Ref# | Risk Register Ref# | Risk Item | Impact (I) | Likelihood (L) | Risk Rating (L x I) |
|----------------|---------------|--------------------|--|------------|----------------|---------------------|
| 1 | 14 | 7.2 | Organizational capacity | 4.00 | 4.30 | 17.20 |
| 4 | 13 | 7.1 | Resistance to change | 3.70 | 3.80 | 14.06 |
| 9 | 17 | 7.5 | Enrollment levels | 4.10 | 3.00 | 12.30 |
| 10 | 15 | 7.3 | Shifting curriculum | 3.50 | 3.40 | 11.90 |
| 16 | 18 | 7.6 | International Student Program | 3.00 | 2.70 | 8.10 |
| 18 | 16 | 7.4 | Competition with other education providers | 3.40 | 2.10 | 7.14 |

Risk Ranking (Likelihood x Impact)



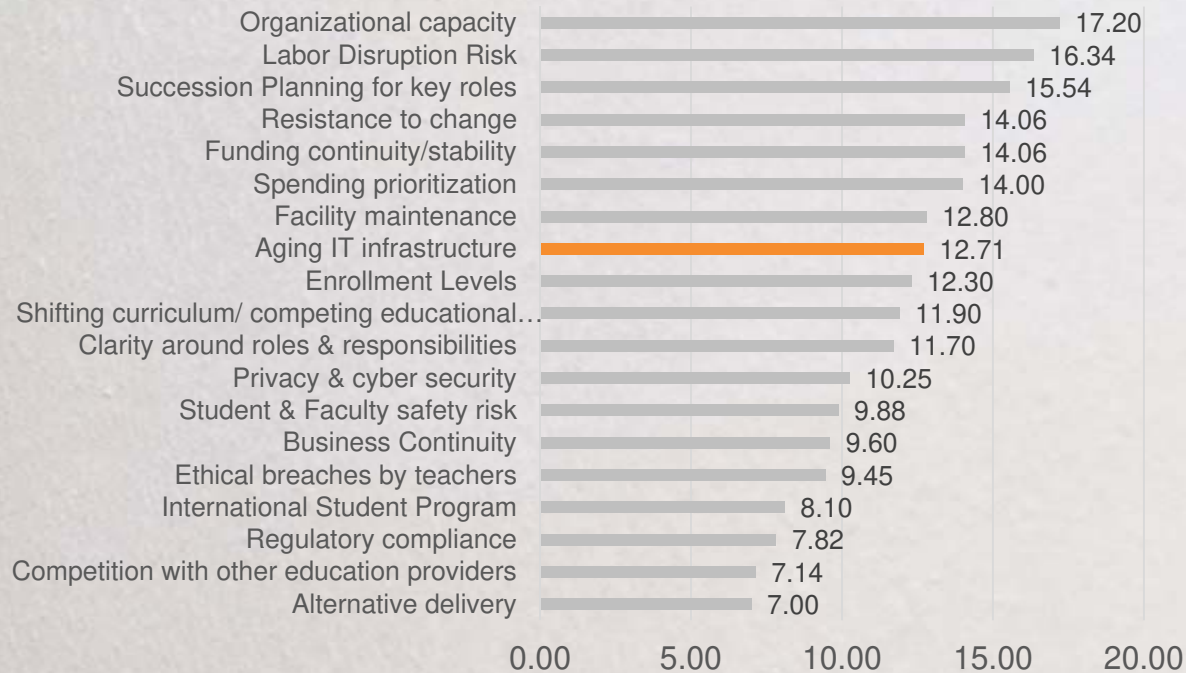
| Summary of Risk Rating Categories | | |
|-----------------------------------|-------|--------------|
| Min | Max | Risk Ranking |
| 17.10 | 25.00 | Extreme |
| 9.10 | 17.00 | High |
| 4.10 | 9.00 | Moderate |
| 0.00 | 4.00 | Low |

SD#71 Top Residual Risks by Category - Support Areas (e.g. IT)

| 2017 Risk Rank | Heat Map Ref# | Risk Register Ref# | Risk Item | Impact (I) | Likelihood (L) | Risk Rating (L x I) |
|----------------|---------------|--------------------|-------------------------|------------|----------------|---------------------|
| 8 | 19 | 8.1 | Aging IT infrastructure | 4.10 | 3.10 | 12.71 |

Risk Ranking (Likelihood x Impact)

Risk Item



| Summary of Risk Rating Categories | | |
|-----------------------------------|-------|--------------|
| Min | Max | Risk Ranking |
| 17.10 | 25.00 | Extreme |
| 9.10 | 17.00 | High |
| 4.10 | 9.00 | Moderate |
| 0.00 | 4.00 | Low |



Next Steps

Suggested Next Steps

Short Term

- Communicate/discuss ERM assessment results with Management and the Board.
- Assign ownership of key risks to the appropriate members of Management.
- Develop Risk Treatment Plans for top risks.

Long Term

- Integrate ERM into the organization's strategic planning process.
- Develop processes to continually identify, measure and track key risks.
- Institute reporting protocols that enable Management and the Board to gain visibility into the status of the organization's key risks.



Appendices

Appendix A - Risk Identification Interview participants

- Janice Caton, Board Chairperson
- Sheldon Lee, Secretary Treasurer
- Paul Berry, Director Health & Safety
- Ian Heselgrave, Director of Operations
- Dean Lindquist, Superintendent of Schools
- Tom Demeo, Assistant Superintendent



Appendix A - Risk Assessment Workshop participants

- Sheldon Lee, Secretary Treasurer
- Dean Lindquist, Superintendent
- Tom Demeo, Assistant Superintendent
- Allan Douglas, Director of Instruction
- Lynda-Marie Handfield, Director of HR
- Ian Heselgrave, Director of Operations
- Candice Hilton, Director of Finance
- Josh Porter, Director of IT
- Janice Caton, Board Chair
- Ian Hargreaves, Board Vice Chair
- Cliff Boldt, Trustee
- Peter Coleman, Trustee
- Sheila McDonnell, Trustee
- Gerald Fussell, Principal, Lake Trail Middle School
- Geoff Manning, Principal, Ecole Puntledge Park Elementary
- Catherine Manson, Principal, Courtenay Elementary
- Barbara Robertson, Principal, Huband Park Elementary
- Brian Mcaskill, Vice Principal, Highland Secondary
- Charles Schilling, Principal, Aspen Park Elementary
- Jeff Stewart, Principal Navigate / NIDES Distant Education



Appendix B: Summary of Identified Risks

The following list provides a description of each of the key risks that were prioritized during the ERM workshop conducted on March 1, 2017.

| Risk Ref # | Risk Type/Category | Risk Item/Short Title | Risk Description |
|------------|--------------------|--|---|
| 1 | Facilities | Facility maintenance | The risk that SD#71 is unable to adequately maintain all of its schools, resulting in further facility degradation, a sub-optimal teaching environment, and higher capital costs over the long-term for major repairs and replacements. |
| 2 | Financial | Funding continuity/stability | The risk that shifts in the political landscape may lead to changes in budgeting/funding, resulting in staffing and/or programming cuts. |
| 3 | Financial | Spending prioritization | The risk that SD#71 may not have sufficient processes to allocate available funding optimally to achieve the best educational outcomes and manage various possible budget scenarios (i.e., SD#71 may not be able to demonstrate what is being spent on specific programs, and the outcomes of those programs, to sufficiently inform decision making to prioritize resources amongst programs to achieve optimal outcomes). |
| 4 | Governance | Clarity around roles & responsibilities | The risk that a lack of clarity of roles and responsibilities between management and the board that may result in conflicts, lack of objective challenge of management or poor working relationship. |
| 5 | Human Resources | Succession Planning for key roles | The risk that SD#71 is unable to adequately plan for and replace potential vacancies in key management, teaching and administrative positions. |
| 6 | Human Resources | Labor disruption | The risk that an agreement cannot be reached with the BCTF Union which may lead to a strike or labor disruption. |
| 7 | Operations | Regulatory compliance | The risk that SD#71 does not adequately comply with regulatory requirements (e.g., OH&S rules; changing building codes; union requirements for staff; etc.). |
| 8 | Operations | Business Continuity | The risk that SD#71 may not be able to provide appropriate educational continuity or emergency response to manage plausible events (hazards; catastrophes; pandemics) while managing the cost of continuity planning. |
| 9 | Operations | Student & Faculty safety risk | The risk that incidents regarding the safety of students & faculty, including violence and threats, within SD#71's care takes significant resources to prevent and manage, and could result in reputational damage, financial costs or legal action. |

Appendix B: Summary of Identified Risks (cont'd)

The following list provides a description of each of the key risks that were prioritized during the ERM workshop conducted on March 1, 2017.

| Risk Ref # | Risk Type/Category | Risk Item/Short Title | Risk Description |
|------------|--------------------|--|---|
| 10 | Operations | Alternative delivery | The risk that SD#71 may not take sufficient advantage of distance education or alternative learning methods to manage its increasingly diverse student population with broader support needs. |
| 11 | Reputation | Ethical breaches by teachers | The risk that ethical breaches by teachers or other front-line staff will result in reputation damage, possible legal or financial penalties, or a decrease in enrollment levels. |
| 12 | Reputation | Privacy & cyber security | The risk that SD#71 may be the subject of a cyber security breach or internal leak resulting in the loss of private or confidential information, resulting in reputational damage, loss of credibility and possible legal action. |
| 13 | Strategic | Resistance to change | The risk that SD#71 is resistant to cease activities that are no longer effective, or nimble enough to attempt new initiatives or activities to achieve desired outcomes (e.g. emotional ties to traditional approaches or activities). |
| 14 | Strategic | Organizational capacity | The risk that SD#71 may not have the organizational capacity (people and expertise) to manage all the current and planned initiatives and projects, while ensuring that regular operations are effective. |
| 15 | Strategic | Shifting curriculum/ competing educational priorities | The risk that trying to accommodate shifts in the curriculum and competing educational priorities may be disruptive to SD#71. |
| 16 | Strategic | Competition with other education providers | The risk that the competitive environment between other education providers (e.g. private schools) could result in a loss of students and funding for SD#71. |
| 17 | Strategic | Enrollment Levels | The risk that SD#71 remains under-enrolled and is unable to attract a student base in order to grow enrollment to a desired level. |

Appendix B: Summary of Identified Risks (cont'd)

The following list provides a description of each of the key risks that were prioritized during the ERM workshop conducted on March 1, 2017.

| Risk Ref # | Risk Type/Category | Risk Item/Short Title | Risk Description |
|------------|--------------------------------------|--------------------------------------|---|
| 18 | Strategic | International Student Program | The risk that SD#71 is unable to grow its International Student base. This includes the risk of SD#71 being unable to meet the needs of the International Students the School District is trying to attract. |
| 19 | Support Areas (including IT & Admin) | Aging IT infrastructure | The risk that the age of SD#71's IT infrastructure (including network technology and hardware, at the School Board office and in schools) may result in service limitations, speed reductions, and unreasonably high maintenance costs. |

Appendix C: Risk Register

See Attached





kpmg.ca



© 2017 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.