



# Risk Management Report

## 2022

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**UNIVERSITY OF NEW BRUNSWICK**

**RISK MANAGEMENT REPORT**

**2022**

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## Executive Summary

This report provides an overview of risk management at the University of New Brunswick (University / UNB) including highlights from the past year, updates on key risk management activities, and proposed goals and objectives for 2023.

As stated in the Risk Appetite Statement (Appendix A), the University community understands there are risks in everything that we do and risk taking must occur if the University is to innovate, improve and achieve its mission. UNB is committed to intelligent risk taking, within a risk management framework; ensuring that risks are assessed, understood, and managed effectively to achieve our goals. While pursuing innovation and improvement, UNB will not compromise its reputation for teaching, learning, and research.

### **COVID-19**

Throughout 2022 the University continued to actively respond and adapt its COVID-19 health measures in response to the ongoing pandemic. With the emergence of the Omicron variant in late 2021 and early 2022, UNB was able to quickly move classes back to an alternate delivery method as required by the Level 3 Alert issued by the Government of New Brunswick (GNB). Following the expiry of the GNB mandatory order in late February, UNB proceeded cautiously to remove the various measures in place by first suspending our mandatory testing policy in late April; followed, in early November, by the removal of the mandatory mask requirement in indoor public places. Face masks continue to be required in classroom and instructional spaces. Additionally, UNB has maintained a supply of rapid tests that are available to members of the UNB community. As we learn to live with COVID-19, UNB continues to respond with the health and safety of our faculty, staff, and students as a top priority.

### **Insurance**

As insurance markets continue to deteriorate policies are renewing with increased rates, coverage restrictions/reduced limits, and fewer markets willing to underwrite policies. Cyber security, property, liability and educational errors and omissions continue to present unique challenges. The effects of inflation combined with increased construction costs and strained supply chains remain a continued focus for insurers in Canada. Climate change, long-tail liability exposures (e.g. sexual abuse and concussion injury), global conflict, and market capacity constraints continue to drive policy limits down while simultaneously increasing premiums. While UNB has been relatively sheltered from steep increases in insurance premiums we continue to see year over year increases in premiums. In 2022 UNB experienced premium increases ranging from 2 to 12%.

**Summary**

As we reflect on the last 2.5 years, and on the challenges created by the COVID-19 pandemic, as an institution we can be proud of the efforts that were made, and continue to be made, to keep our community safe and healthy while supporting our academic mission. The University has demonstrated a commitment to providing quality education and services while ensuring the associated risks have been managed to an acceptable level.

## Introduction

The purpose of the risk management function is to assist in the identification, quantification, and assessment of risks, recommend options for managing them to protect the University's interests, and increase the likelihood of achieving its stated goals and objectives. This role includes the long-standing practice of managing the traditional hazard risks, as well as monitoring the progress of risk mitigation and management.

### Understanding of Risk Impact

The reputation of the University is a key component in the successful achievement of our mission. While reputation is often considered a risk, it is more appropriately viewed as an outcome. Figure 1 provides an illustration of the interrelationship of the four main internal risk categories, those over which we have some level of control: strategic, financial, operational, and hazard.

In addition, it is recognized, that there are external risks over which the University has little influence or control but can take action to help mitigate. The intent of representing risks in this manner is to highlight that in an academic institution, reputation is the foundation in the successful achievement of the University's mission and understanding the potential impact on reputation should be considered when assessing risk(s).

The 2022 Risk Management Report focuses on specific risk management activities at the University and is intended to provide a basis for the Board of Governors, through its Audit Committee, to assess the effectiveness of the University's risk management program. This report is divided into sections to assist the reader in understanding Risk Management at UNB. The sections highlight key areas of risk management, including the top risks identified in 2022; a look back at the previous year; goals & objectives for 2023; a status report on the University's insurance program; and a status report on Environmental Health & Safety. In addition, Appendix A, B, C and D have been included to provide more information on the University's approach to assessing and managing risk.

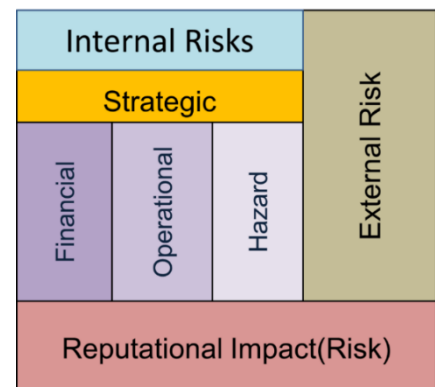


Figure 1 - Interrelationship of Risk & Reputational Impact

## Section 1 Top Risks

One of the key aspects of UNB's risk management function is to identify, annually, the University's top risks. A typical university has hundreds of risks. This abundance and diversity of risks requires significant resources to identify, prioritize and manage. To utilize resources effectively, the University has established a process which includes the annual identification, assessment, management, and reporting of the University's top risks. This is a collaborative process where Board Committees discuss and identify three key University risks, from the perspective of their respective committee mandate. These risks are compiled and provided to the President's Executive Team (PET) to be discussed and incorporated into the annual Risk Management Report.

The top risks remain largely unchanged from the prior year and are identified as follows:

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### **FINANCIAL**

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Financial sustainability

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Student recruitment, enrolment, and retention

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Reliance on provincial government funding

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Market uncertainty – investments

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### **PEOPLE AND WELLBEING**

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Student, faculty, and staff physical safety and mental health

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Student experience and success

---

Human resources

---

Labour relations

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### **INFRASTRUCTURE**

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Deferred maintenance

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### **OPERATIONAL**

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Data and information management

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Operational continuity

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Contractual oversight

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Cybersecurity

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While some risks are classified as "financial risks", virtually all risks have financial implications and many impact operations as well.

The following table summarizes the University's top risks; management processes and plans to address and mitigate the identified risks; and the Board Committee with primary oversight responsibility.

<u>Risk</u>	<u>Risk Implications / Consequences</u>	<u>Management Processes</u>	<u>Governance Oversight</u>
<b>FINANCIAL</b>			
<b>Financial sustainability</b>	<ul style="list-style-type: none"> <li>- Financial instability impacts all aspects of UNB's operations</li> <li>- Insufficient charitable giving restricts our ability to support students and other university initiatives</li> </ul>	<ul style="list-style-type: none"> <li>- Established budget process that includes the integration of academic plan priorities</li> <li>- Established clear fundraising targets</li> <li>- Ensured ongoing support for Strategic Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Finance and Properties Committee</li> <li>- Advancement Committee</li> </ul>
<b>Student recruitment, enrolment, and retention</b>	<ul style="list-style-type: none"> <li>- Reduced student enrolment related to recruitment and / or retention of students</li> </ul>	<ul style="list-style-type: none"> <li>- Multi-year budget framework linked to Academic Plans</li> <li>- Strategic enrolment management plan</li> <li>- Recruitment marketing campaign</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Finance and Properties Committee</li> <li>- Advancement Committee</li> </ul>
<b>Reliance on provincial government funding</b>	<ul style="list-style-type: none"> <li>- Reliance on provincial funding impairs the University's ability to effectively plan and deliver quality education and services</li> </ul>	<ul style="list-style-type: none"> <li>- Government relations</li> <li>- Implementation of UNB's Strategic Plan – UNB Toward 2030</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Finance and Properties Committee</li> <li>- Advancement Committee</li> </ul>
<b>Market uncertainty – investments</b>	<ul style="list-style-type: none"> <li>- Insufficient portfolio returns and poor performance restricts our ability to spend from trust and endowment accounts, increasing our dependence on other funding sources</li> </ul>	<ul style="list-style-type: none"> <li>- Diversification of asset mixes and asset classes</li> <li>- Selection of asset managers with different approaches to mitigate risk in changing markets</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Investments Committee</li> </ul>
<b>PEOPLE AND WELLBEING</b>			
<b>Student, faculty, and staff physical safety and mental health</b>	<ul style="list-style-type: none"> <li>- Insufficient access to mental health supports impacts successful student experiences. For faculty and staff, it can lead to disruptions in service provision and extended absences</li> <li>- Increased experiential learning and global engagement results in increased risk to the physical safety of students and staff</li> <li>- Extra-curricular or student-led activities not in compliance with acceptable risk appetite leading to increased risk exposure</li> </ul>	<ul style="list-style-type: none"> <li>- Various programs and supports provided by Student Services (e.g. Health and Counselling Services, online 24/7 mental health support services, etc.)</li> <li>- Employee Family Assistance Program</li> <li>- Sick leave benefits for employees</li> <li>- Student Event Risk Management Policy and Committee</li> <li>- Continued development of a framework for assessing partnership opportunities</li> <li>- Continued development of pre-departure training for students</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Audit Committee</li> <li>- Finance and Properties Committee</li> <li>- Human Resources Committee</li> </ul>

Risk	Risk Implications / Consequences	Management Processes	Governance Oversight
Student experience and success	<ul style="list-style-type: none"> <li>- Poor student outcomes result in reduced enrolment and retention</li> </ul>	<ul style="list-style-type: none"> <li>- Supports provided by Student Services in both Fredericton and Saint John (e.g. Student Advocates and Student Accessibility Centres)</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> </ul>
Human resources	<ul style="list-style-type: none"> <li>- Insufficient succession planning for key senior positions can lead to unnecessary delays when these positions turnover</li> <li>- Insufficient briefings and institutional support for new leaders can lead to increased turnover and inefficiencies in project advancement</li> </ul>	<ul style="list-style-type: none"> <li>- Identification and planning for key senior leadership positions</li> <li>- Review of key administrative processes</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Human Resources Committee</li> </ul>
Labour relations	<ul style="list-style-type: none"> <li>- In a heavily unionized environment, there is an increased possibility of a labour disruption</li> <li>- Resourcing challenges in most administrative units and an increasing number of labour groups creates challenges in the University's ability to effectively provide administrative support</li> </ul>	<ul style="list-style-type: none"> <li>- Collective bargaining in keeping with the Strategic Plan</li> <li>- Bargaining teams to have clear mandates, to bargain in good faith</li> <li>- Focus on long-term sustainability, reflective of the economic climate and fiscal realities</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Human Resources Committee</li> </ul>
<b>INFRASTRUCTURE</b>			
Deferred maintenance	<ul style="list-style-type: none"> <li>- Potential building, or equipment failure</li> <li>- Impact on attraction and retention of students, faculty, and staff</li> <li>- Not able to upgrade key components of infrastructure</li> <li>- Damage to infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>- Capital budget</li> <li>- Capital planning framework</li> <li>- Building facility condition indices</li> <li>- Leveraging other capital initiatives</li> <li>- Insurance program</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Finance and Properties Committee</li> </ul>
<b>OPERATIONAL</b>			
Data and information management	<ul style="list-style-type: none"> <li>- Ineffective decision-making exposes the University to unnecessary financial risk, the effects of which can be long-term</li> <li>- Improper handling, storage and / or distribution of data/information</li> </ul>	<ul style="list-style-type: none"> <li>- Projects are ongoing to update and improve the ERP system and related IT infrastructure</li> <li>- Ongoing external engagement to review existing oversight and governance of IT services</li> <li>- Policies to designate one central source of information (e.g. data management policy)</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Audit Committee</li> </ul>



Risk	Risk Implications / Consequences	Management Processes	Governance Oversight
Operational continuity	<ul style="list-style-type: none"> <li>- Disruption to UNB operations during a time of emergency, catastrophic event, or disruption (e.g. pandemic, loss of building, job action, etc.) due to insufficient continuity plans, outdated policies, and a decentralized workplace culture.</li> </ul>	<ul style="list-style-type: none"> <li>- Identify key business areas, critical functions, dependencies between various business areas</li> <li>- Determine acceptable downtime for each critical function</li> <li>- Post COVID-19 review, assessment and future planning</li> <li>- Address policy and procedural gaps</li> <li>- Streamline operational structure</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Audit Committee</li> <li>- Human Resources Committee</li> </ul>
Contractual oversight	<ul style="list-style-type: none"> <li>- Limited contractual oversight pre- and post-signatures increases the University's exposure to liability and financial loss</li> </ul>	<ul style="list-style-type: none"> <li>- Strategy and policy to address review of contracts</li> <li>- Implementation of the Signing Authority and Contract Review Policy, including contract review and approval procedures</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Audit Committee</li> </ul>
Cybersecurity	<ul style="list-style-type: none"> <li>- Potential loss of access to key systems required to achieve mission</li> <li>- Loss of data, personal information</li> <li>- Financial loss due to an inability to effectively insure the University against cyber-attacks</li> </ul>	<ul style="list-style-type: none"> <li>- Tabletop cyber incident exercise for PET</li> <li>- IT Security Strategy developed</li> <li>- Beauceron training for faculty and staff</li> <li>- Ongoing and continuous review of system access</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Audit Committee</li> </ul>

## Section 2

### Risk Management - A Year in Review

The 2021 Risk Management Report identified the activities below as priorities for 2022. Some goals and objectives, such as the relaunch of the Risk Management Steering Committee have been delayed as a result of personnel changes, the prioritization of other institutional goals as well as the ongoing challenges created by COVID-19.

<u>2022 Goals &amp; Objectives</u>	<u>Comments</u>	<u>Actions</u>	<u>Status</u>
<b>Risk Governance</b>			
<b>Risk Management Steering Committee</b>	<ul style="list-style-type: none"> <li>- Launch the Risk Management Steering Committee</li> <li>- Establish reporting mechanisms, specifically as they relate to the top risks identified above, for each Board Committee with risk management oversight responsibility</li> </ul>	<ul style="list-style-type: none"> <li>- Update provided to PET – spring 2022</li> <li>- Encourage faculty, departments, and operational units to discuss risk as it relates to their business operations</li> </ul>	<ul style="list-style-type: none"> <li>- Reassess and evaluate committee structure with the objective of utilizing PET more robustly in the process.</li> </ul>
<b>Risk Appetite Statement</b>	<ul style="list-style-type: none"> <li>- Continue communication of the Risk Appetite Statement, looking for opportunities to educate the University community on risk</li> </ul>	<ul style="list-style-type: none"> <li>- Presentations to senior administrative groups across the University as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>- Risk Appetite statement presented to PET and the Board of Governors in 2022 as part of the annual Risk Management Report</li> </ul>
<b>Top Risks</b>	<ul style="list-style-type: none"> <li>- Complete update of top risk list and prepare 2022 Risk Management Report</li> <li>- Review top risks to ensure alignment with strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>- Continue to identify and report key risks for governance oversight</li> <li>- Continue to facilitate input from Committees of the Board of Governors</li> <li>- Engage with Committees throughout the year on the risk register process related to the top risks</li> <li>- Engage with the broader UNB community on relevant risk management issues</li> </ul>	<ul style="list-style-type: none"> <li>- Board committees were presented with top risks packages in the fall of 2022</li> </ul>
<b>Risk Management</b>			
<b>Risk Management Awareness</b>	<ul style="list-style-type: none"> <li>- Foster effective risk management discussions across the University community</li> </ul>	<ul style="list-style-type: none"> <li>- Discussions at the faculty, department, and unit levels</li> <li>- Engage with senior administrative groups, as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>- Informal discussions with members of the University community (at all levels)</li> <li>- Plan for formal engagement with senior administrative groups in 2023</li> </ul>
<b>Safety Policy and Procedures</b>	<ul style="list-style-type: none"> <li>- Continue to review, develop, approve, and communicate safety policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>- Regular and ongoing review of safety policies as required under the NB Occupational Health and Safety Act by the Joint Health Safety Committee (JHSC)</li> <li>- Development of safety procedures as needed</li> </ul>	<ul style="list-style-type: none"> <li>- Ongoing Policy review by the JHSC</li> <li>- Updates to UNB's Radiation Safety Manual and Biohazard Safety Manual completed and being reviewed with the goal of releasing the revised manuals in early 2023</li> </ul>

<u>2022 Goals &amp; Objectives</u>	<u>Comments</u>	<u>Actions</u>	<u>Status</u>
<b>Key Mitigation Strategy Development</b>			
<b>Insurance Portfolio</b>	<ul style="list-style-type: none"> <li>- Ongoing assessment and review of UNB's insurance requirements and existing policies</li> </ul>	<ul style="list-style-type: none"> <li>- Review of policies upon renewal</li> <li>- Ongoing assessment of the University's operations for uninsured risks</li> </ul>	<ul style="list-style-type: none"> <li>- All existing policies renewed in 2022</li> <li>- Gap assessment of various operations for uninsured risks completed on an informal basis</li> </ul>
<b>Policy Development and Review</b>	<ul style="list-style-type: none"> <li>- Identify key policies linked to risk management, and update with current best practices</li> </ul>	<ul style="list-style-type: none"> <li>- Establish a risk management policy framework to ensure related policies are reviewed regularly and updated as needed</li> </ul>	<ul style="list-style-type: none"> <li>- Policies to be identified, reviewed, and updated as required</li> </ul>
<b>Web Presence</b>	<ul style="list-style-type: none"> <li>- Enhance web presence to provide ready access to information pertinent to risk management</li> </ul>	<ul style="list-style-type: none"> <li>- Continue to update and refine web presence</li> </ul>	<ul style="list-style-type: none"> <li>- Updates made on an ongoing basis to enhance web presence</li> </ul>

## Section 3

### 2023 Risk Management - Goals & Objectives

As the University transitions to post-COVID-19 operations and progresses through the implementation of the bi-campus provost leadership structure, there is an ongoing realignment of resources that provides an opportunity to undertake ongoing and new risk management initiatives at the faculty, department, unit, and institutional levels.

The goals and objectives for the coming year have been chosen to ensure continued development of a culture of intelligent and informed risk taking which is linked to UNB's key strategic objectives. New initiatives are planned to create greater awareness and understanding throughout the University.

Major initiatives for 2023 include:

- Risk Governance
  - o Revise the proposed Risk Management Steering Committee structure to reflect feedback provided by senior leadership
  - o Establish a process to develop risk registers for Top Risks in 2023.
  - o Continue to communicate the Risk Appetite Statement with a priority of seeking opportunities to educate the University community on using the statement when making decisions to minimize risk
  - o Continue to assess and review Top Risks to ensure alignment with strategic goals
  - o Establish reporting mechanisms, specifically as they relate to the top risks
- Risk Management
  - o Foster effective risk management discussions at the faculty, department, and unit levels via communication with the senior administrative groups
  - o Establish a Chemical Safety Officer position within the Environmental Health and Safety Office to assist with chemical inventory, hazardous waste management and disposal, reporting and declarations mandated by the federal government, and compliance with the City of Fredericton Wellfield regulations
  - o Continue to review, develop, approve, and communicate safety policies and procedures as required by the Occupational Health and Safety Act and as needed to support the campus community via the Joint Health and Safety Committee, EHS, and the Safety and Security Office – UNB Saint John
- Key Mitigation Strategy Development
  - o Continue the ongoing assessment and review of UNB's insurance requirements and existing policies to determine appropriate levels of coverage and identify gaps in coverage
  - o Manage the virtual CURIE Loss Control program to ensure maximum benefit to

the University




- Ongoing policy review and implementation with a specific goal of updating the requirement for Liability Insurance Policy and associated procedures
- Continue to enhance web presence to ensure access to information pertinent to risk management

## Section 4 Insurance Program Status Report

The University of New Brunswick maintains a comprehensive insurance program which is deemed to be appropriate to cover insurable risks consistent with University related activities.

<u>Item</u>	<u>2022</u>	<u>2021</u>	<u>Comment</u>
<b>Insurance Program</b>			
Overall	▼	▼	Premium increases and coverage limits and/or exclusions continue to dominate the insurance market. To date, the overall premium increase is approximately 10%
Property	▼	▼	Approximate 7% increase in premium due to an approximate 7.9% increase in property values combined with changes in UNB's geographic exposure factor
Liability	▼	●	Approximate 5% increase in premium due to UNB's unfavourable Loss Factor Ratio (a ratio of the 5-year rolling average of claims paid to premiums paid) and an associated Loss Factor Credit
Other	▼	▼	Policies renewed with increases ranging from 0-12%. Rising inflation, climate change, long-tail liability exposures (e.g. sexual abuse and concussion injury), global conflict, and market capacity constraints continue to drive policy limits down while simultaneously increasing premiums
<b>Insurance Claims</b>			
Overall	●	●	Claims experience comparable to prior years
Property	●	●	No claims in 2022
Liability	▼	●	No claims in 2022
Other	●	●	Low frequency & severity of claims in 2022
<b>Self-Insurance Reserves</b>			
	●	●	Reserve balances in excess of guidelines. Assessment underway to spend down excess in accordance with reserve guidelines and establish plan to keep balances in line with targets
<b>Insurance Outlook</b>			
	▼	▼	Industry-wide increases in premiums as a result of a variety of factors including the effects of claims on premium rebates; coverage for cyber, abuse, concussion injury, and communicable disease continue to be challenging to place




**Legend**

	Acceptable		Concern		Significant Concern
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## Section 5 Environmental Health and Safety Status Report

Item	2022	2021	Comment
<b>University Wide</b>			
<b>Radiation Safety</b>	●	●	<b>Canadian Nuclear Safety Commission Licence renewed successfully</b>
- Inspections/reports	●	●	Quarterly and annual reports completed. Amendments no longer required.
- Radioactive Waste	●	●	Small amount of radioactive waste identified and marked for disposal.
- Radiation Safety Manual	● - ▾	●	Draft revisions for Licence Renewal completed, awaiting final approval.
<b>Bio-Safety</b>	●	●	<b>Public Health Agency of Canada Inspection Report corrections completed.</b>
- Inspections/reports	●	●	Drafting internal inspection process and biosafety training remain high priority.
- Biological waste	●	●	Managed successfully. Oversight of sharps waste transferred to Biosafety Officer.
- Bio-Safety Committee	●	●	Committee work ongoing.
- Bio-Safety Manual	● - ▾	● - ▾	Draft completed in 2019. Approval delayed due to COVID-19.
<b>Fredericton</b>			
<b>Workplace Health and Safety</b>	●	●	<b>Operations continued with COVID-19 emphasis less than 2021</b>
- Safety Orientation	● - ▾	● - ▾	Website and D2L pages require refresh. Work with Engineering faculty continues to provide basic safety orientation to students.
- Hazardous Waste	▾	▾	Removal and disposal of hazardous waste continues on a regular basis. Removal of several bottles to result in a large expense (~\$20k, pending).
- WorkSafeNB Visits	● - ▾	●	One inspection at the AUC.
- WorkSafeNB Orders	▾	●	One order received. Corrections completed. Order closed.
- Fredericton Fire Dept	● - ▾	● - ▾	Residence buildings inspected. Orders received. Corrections complete or in-progress. Fire Safety Plan refresh in-progress.
- Health and Safety Program	▾	▾	Several policies delayed over several years. Working with Secretariat's office to determine most efficient path forward.
- Training	●	● - ▾	First aid training and Transportation of Dangerous Goods complete.
<b>Saint John</b>			
<b>Workplace Health and Safety</b>	●	●	<b>Operations continued with minimal impact</b>
- Safety Orientation	●	●	Successful orientation of new employees and volunteers.
- Hazardous Waste	●	●	Minimal waste generating activities at this time.
- WorkSafeNB Visits	●	●	One visit in 2022.
- WorkSafeNB Orders	●	●	One order received and cleared, two lost time injuries reported.
- Health and Safety Program	● - ▾	●	Difficulty finding approved training for new Joint Occupational Health and Safety Committee members, rotation high with some bargaining units.
- Training	●	●	First Aid, AED, Naloxone training completed. Fit Testing completed for all nursing students.

**Legend**

	Acceptable		Concern		Significant Concern
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## Risk Appetite Statement

### Risk Appetite Statement

UNB is, and intends to remain, a successful, sustainable institution by implementing the key directions of the Strategic Plan – UNB Towards 2030. The UNB community understands that there are risks in everything that we do and risk taking must occur if UNB is to innovate and improve. That said, UNB is committed to intelligent risk taking, whereby the risks will be identified, assessed, and managed within a risk management framework ensuring that the risks are understood and managed effectively in order to achieve our goals.

While pursuing innovation and improvement, UNB will not compromise its reputation for teaching, learning and research.

	Very Low	Low	Balanced	Moderate	High
We accept a <b>very low risk</b> in areas of:					
- Staff and student safety,	✓				
- Business continuity management (including IT),	✓				
- Compliance with legislative, regulatory requirements and ethical matters.	✓				
We accept a <b>low risk</b> in the areas of:					
- Student experience,		✓			
- Research and teaching quality,		✓			
- Financial and asset management,		✓			
- Student data and reporting.		✓			
UNB encourages entrepreneurship and innovation. UNB recognizes that risk is inherent in new activities and approaches; therefore, in the following activities we also accept a <b>balanced to moderate</b> level of risk:					
- Teaching, learning and research opportunities,			✓	✓	
- Developing and implementing new and original strategies			✓	✓	
- Workplace and campus innovation			✓	✓	
- Relationships with local and global enterprises and communities.			✓	✓	



## Risk Appetite Thresholds

<u>Level of Risk</u>		<u>Definition of Thresholds</u>	<u>Examples of Inherent Risk Levels</u>
5	High	Inherently high level of risk in the opportunity being pursued. A negative result is virtually certain to occur - what is unknown is the severity and timing.	<ol style="list-style-type: none"> <li>1. IT outage (mitigation strategy Disaster Recovery Plan)</li> <li>2. Varsity sport injury (mitigation strategy qualified coaches and trainers, policies)</li> </ol>
4	Moderate	There is some risk associated with the opportunity being pursued. There may be some actions to mitigate the risk.	<ol style="list-style-type: none"> <li>1. Investment losses in a market downturn - investment policies</li> <li>2. Research activity</li> </ol>
3	Balanced	There is some risk associated with the opportunity being pursued. However mitigating actions have reduced these risks to a low level or exposure.	<ol style="list-style-type: none"> <li>1. Fire or damage to a building - insurance with \$250K deductible, safety policies and procedures</li> <li>2. Research activity - with policies and procedures to limit risks (e.g. animal care policy, internal controls over spending)</li> </ol>
2	Low	University will only accept opportunities with risks attached that will not result in significant exposure or loss.	<ol style="list-style-type: none"> <li>1. We do not allow dangerous activities on campus without appropriate policies and procedures</li> <li>2. We do not invest in speculative investments</li> </ol>
1	Very Low	There are no circumstances under which the University will accept an opportunity that has risk.	<ol style="list-style-type: none"> <li>1. Compromise of ethical standards is never a consideration.</li> </ol>

### Inherent Risk Exposure Matrix

#### 2022 TOP RISKS

Severity	5		A	K, M			A Financial sustainability B Student recruitment, enrolment, and retention C Reliance on provincial government funding
	4		D	B, C, H, J, L	I		D Market uncertainty - investments E Student, faculty and staff safety and mental health F Student experience and success
	3						G Human resources H Labour relations I Deferred maintenance
	2				E, F, G		J Data and information management K Operational continuity L Contractual oversight
	1						M Cybersecurity
		1	2	3	4	5	
		<b>Probability</b>					

(impacts over 12-24 months with no additional risk mitigations)

		Sererity Factors					
		Safety	Reputation	Financial	Recovery	Probability Factors	
5	Loss of Life	Stakeholder intervention	More than 10% of budget	10+ days to recover	5	Expected to occur (almost certain)	
4	Lost time injury with permanent disability	Loss of stakeholder support and trust	Between 5%-10% of budget	5-10 days to recover	4	Probably will occur (Likely)	
3	Lost time injury	Sustained complaints by multiple stakeholders	Between 3% and 5% of budget	3-5 days to recover	3	Might occur (moderate)	
2	Injury that requires treatment	Multiple Stakeholder complaints	Between 1% and 3% of budget	1-3 days to recover	2	Could occur (unlikely)	
1	Injury but no treatment required	Stakeholder complaint	Less than 1% of budget	Less than 1 day to recover	1	May occur (rare)	

\*Adapted from Memorial Univesity Enterprise Risk Management Framework 2019

## Top Risk Identification and Assessment

Top Risks	Impact on Strategic Goals					Risk Gap Assessment	
	Research Impact	Transformative Education for the Future	Engagement and Impact	A People-Centric Values Informed University	A Modern, Integrated, Sustainable UNB	Current Risk Assessment	Risk Appetite Threshold
Financial sustainability	✓	✓	✓	✓	✓	moderate	low
Student recruitment, enrolment, and retention	✓	✓	✓	✓	✓	moderate	low-mod
Reliance on provincial government funding	✓	✓	✓	✓	✓	moderate	moderate
Market uncertainty - investments	✓	✓	✓			balanced	moderate
Student, faculty and staff physical safety and mental health		✓	✓	✓		balanced	very low
Student experience and success	✓	✓	✓	✓	✓	balanced	low
Human resources	✓	✓	✓	✓	✓	balanced	low-mod
Labour relations	✓	✓	✓	✓	✓	moderate	low-mod
Deferred maintenance	✓	✓	✓		✓	moderate	moderate
Data and information management	✓	✓	✓		✓	moderate	low
Operational continuity	✓	✓	✓		✓	moderate	very low
Contractual oversight	✓	✓	✓		✓	moderate	low
Cybersecurity	✓	✓	✓	✓	✓	moderate	low