



# RISK MANAGEMENT REPORT

## 2023

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**UNIVERSITY OF NEW BRUNSWICK**

**RISK MANAGEMENT REPORT**

**2023**

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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 2024.

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.

### **The “New Normal”**

In 2023, with the passage of time, availability of vaccines, and other public health measures the University continued to actively respond and adapt in response to the COVID-19 pandemic. The University proceeded cautiously and with the best interests of our students, faculty and staff in mind. The 2023-24 academic year saw a return to teaching and learning that most closely resembled pre-COVID structures. As we approach the first respiratory virus season in the “new normal”, UNB continues to respond with the health and safety of our faculty, staff, and students as a top priority.

### **Insurance**

Following several years of deteriorating insurance markets where policies renewed with increased rates, coverage restrictions, reduced limits, and fewer markets willing to underwrite policies, the industry is showing signs of stability. 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 underwriting decisions. While we have not seen a recovery of the lower policy limits seen in previous years, premiums are showing signs of stability. While UNB has been relatively sheltered from steep increases in insurance premiums we continue to see year over year increases. In 2023 UNB experienced premium changes ranging from a decrease of 11% to an increase of 25%.

### **Summary**

The University has demonstrated a commitment to providing quality education and services while ensuring the associated risks have been managed to an acceptable level. Looking forward, UNB can draw on the success of recent years and aim to progress a culture of intelligent risk taking where risk mitigation continues to be the lens through which decisions are made.

## Introduction

The purpose of the risk management function at UNB 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. 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 internal risk(s).

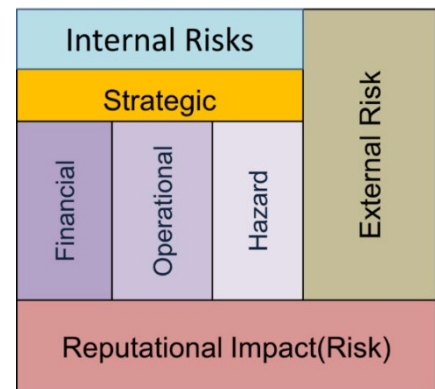


Figure 1 - Interrelationship of Risk & Reputational Impact

The 2023 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 2023; a look back at the previous year; goals & objectives for 2024; 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.

## 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.

The top risks have been 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

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Human resources

---

Labour relations

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### **INFRASTRUCTURE**

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Deferred maintenance

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### **OPERATIONAL & STRATEGIC**

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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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### **REPUTATIONAL IMPACT**

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While some risks are classified as “financial risks”, virtually all risks have financial implications and many impact operations as well. Reputational impact, while represented as a distinct risk to highlight its importance, is a risk that is connected to all other risks. It can be viewed as an outcome of success or failure in relation to the management of other risks identified.

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.

Risk	Risk Implications / Consequences	Management Processes	Governance Oversight
<b>FINANCIAL</b>			
Financial sustainability	<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>
Student recruitment, enrolment, and retention	<ul style="list-style-type: none"> <li>- Reduced student enrolment related to recruitment and / or retention of students</li> <li>- Impacts our ability to provide an exceptional learning experience</li> </ul>	<ul style="list-style-type: none"> <li>- Strategic enrolment management plan</li> <li>- Recruitment marketing campaign</li> <li>- Multi-year budget framework linked to academic plans</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Finance and Properties Committee</li> <li>- Advancement Committee</li> </ul>
Reliance on provincial government funding	<ul style="list-style-type: none"> <li>- Reliance on provincial funding impacts the University's ability to plan and deliver quality education and services</li> </ul>	<ul style="list-style-type: none"> <li>- Thoughtful approach to 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>
Market uncertainty – investments	<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> <li>- The impact of higher levels of inflation on the university's ability to maintain the current, real spending rate</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>			
Student, faculty, and staff physical safety and mental health	<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>

<u>Risk</u>	<u>Risk Implications / Consequences</u>	<u>Management Processes</u>	<u>Governance Oversight</u>
<b>Student experience and success</b>	<ul style="list-style-type: none"> <li>- Poor student outcomes and experiences 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>
<b>Human resources</b>	<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>
<b>Labour relations</b>	<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><u>INFRASTRUCTURE</u></b>			
<b>Deferred maintenance</b>	<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 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><u>OPERATIONAL</u></b>			
<b>Data and information management</b>	<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>- 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>- Signing Authority and Contract Review Policy, including detailed 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>- IT Security Strategy developed</li> <li>- Beauceron training for faculty and staff</li> <li>- Ongoing and continuous review of system access</li> <li>- After-hours network and system monitoring, detection, and remediation service</li> </ul>	<ul style="list-style-type: none"> <li>- Board of Governors</li> <li>- Audit Committee</li> </ul>
<b>REPUTATIONAL IMPACT</b>			
Reputation	<p>Poor internal communication and coordination can have a lasting impact on the beliefs and expectations of the University's stakeholders</p>	<p>Coordination and involvement of PET in key strategic and operational decisions Involving of the Strategic Communications and Marketing Office to ensure a united voice to move UNB forward</p>	<p>Board of Governors Every Board Committee</p>



## Section 2

### Risk Management - A Year in Review

The 2022 Risk Management Report identified the activities below as priorities for 2023. Some goals and objectives, such as the relaunch of the Risk Management Steering Committee have been delayed as a result of personnel changes, and the prioritization of other institutional goals.

<u>2023 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>- 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 within the context of the provost-model and 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 2023 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 2023</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 leadership groups in 2024</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</li> </ul>

<u>2023 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 2023</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 identified for review and updates on a case by case basis</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

### 2024 Risk Management - Goals & Objectives

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 2024 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 2024
  - 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 Integrate the occupational health and safety functions on both campuses under the One UNB model
  - o Ensure risk management and risk management initiatives are incorporated into the budget strategy to ensure funding is appropriately allocated
  - o Foster effective risk management discussions at the faculty, department, and unit levels via communication with the senior administrative groups
  - 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, the Environmental Health & Safety Office (Fredericton), and the Environmental Health, Safety & Security Office (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
  - o Ongoing policy review and implementation with a specific goal of updating the requirement for Liability Insurance Policy and associated procedures
  - o 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>2023</u>	<u>2022</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 9%
Property	▼	▼	Approximate 12% increase in premium due to an approximate 6.3% increase in property values combined with a 5% increase on the overall CURIE property insurance portfolio
Liability	●	▼	Approximate 11% decrease in premium due to UNB's favourable 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 premium changes ranging from an 11% decrease to a 25% increase. Large increases due primarily to increases in insured limits. 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	▼	●	One property claim in 2023
Liability	●	▼	No claims in 2023
Other	●	●	Low frequency & severity of claims in 2023
<b>Self-Insurance Reserves</b>			
	●	●	Reserve balances in excess of guidelines. Excess will be spent in 2024 on deductible for property insurance claim. Risk Management to assess balance and guidelines in 2024.
<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	2023	2022	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	●	●	Regulatory revisions completed. Approved by Radiation Safety Committee.
<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	●	●-▽	Regulatory revisions completed. Approved by Biohazard Safety Committee.
<b>Fredericton</b>			
<b>Workplace Health and Safety</b>	●-▽	●	<b>Operations continued with minimal impact</b>
- Safety Orientation	●-▽	●-▽	Included in employee onboarding SharePoint site. Updates to EHS training package made on D2L. Uptake still lagging.
- Hazardous Waste	▽	▽	Removal and disposal of hazardous waste continues on a regular basis.
- WorkSafeNB Visits	●	●	None to date.
- WorkSafeNB Orders	●	●	No open orders.
- Fredericton Fire Dept	●	●-▽	Residence buildings inspected. Orders received and addressed. Fire Safety Plan annual review ongoing.
- Health and Safety Program	▽	▽	Policy work continues.
- Training	●	●-▽	
<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 2023.
- WorkSafeNB Orders	●	●	No orders received.
- Health and Safety Program	●	●	Supplier found for training and all members up to date.
- 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.

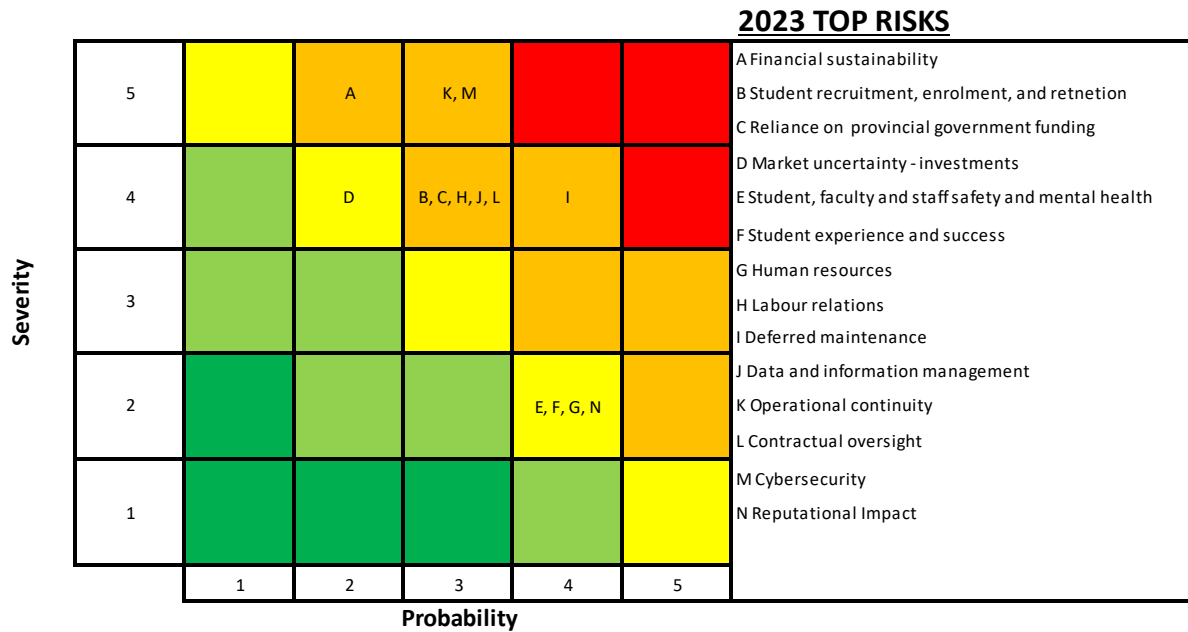
While pursuing innovation and improvement, UNB will not compromise its reputation for teaching, learning and research.

	Very Low	Low	Balanced	Moderate	High
We accept a <b>very low risk</b> in areas of:					
- Faculty, 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 - property insurance, 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



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

Servery Factors				Probability Factors		
Safety	Reputation	Financial	Recovery			
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
Reputational Impact	✓	✓	✓	✓	✓	balanced	balanced