

APPENDIX B - Inherent Risk, Likelihood and Impact Ranking Charts

IMPACT RANKING CHART

| Impact Categories | Insignificant - 1 | Minor - 2 | Moderate - 3 | Major - 4 | Catastrophic - 5 |
|--|--|--|--|---|--|
| Financial Risk | Financial impact of is less than \$X threshold | Financial impact is between \$X to \$X threshold | Financial impact is between \$X to \$X threshold | Financial impact is between \$X to \$X threshold | Financial impact of is above \$X threshold |
| Legal, Governance & Compliance Risk | Legal action threatened No regulatory/legal consequence or injury risk. Outcomes remain within risk tolerances. | Civil action commenced / small fine assessed Limited regulatory/legal consequence and minor reversible injury risk. Potential outcomes remain within risk tolerances. | Criminal action threatened / moderate fine assessed Significant regulatory/legal consequence and major reversible injury risk. Potential outcomes may or may not remain within risk tolerances. | Criminal lawsuit commenced / significant fine assessed Substantial regulatory/legal consequence and irreversible injury or death risk. Potential outcomes are outside risk tolerances. | Criminal offence/ penalties for the Board Substantial regulatory/legal consequence and irreversible multiple injury or death risk. Potential outcomes are highly unacceptable |
| Operational Risk | Able to deliver its academic programs and services with no disruption. Potential outcomes remain within risk tolerances. | Able to deliver its academic programs and services with limited disruption. Potential outcomes remain within risk tolerances. | Able to deliver its academic programs and services with significant disruption. Potential outcomes may not remain within risk tolerances | Unable to deliver significant aspects of its academic programs and services. Potential outcomes are outside risk tolerances. | Unable to deliver its academic programs and services. Potential outcomes are highly unacceptable |
| Educational or Student Outcome Risk | Immaterial impact on student achievement | Student achievement metrics begin to show a decline | Parent's complain about student achievement | Overall student competency levels are below standards | Inability to satisfactorily deliver curriculum or key programs |

ERM Initiative

| | | | | | |
|--|---|--|---|--|---|
| Strategic and Reputational Risk | One negative article in one publication | Negative articles in more than one publication | Short term negative media focus and concerns raised by stakeholders | Long term negative media focus and sustained concerns raised by stakeholders | Stakeholders lose faith in management or Trustees |
|--|---|--|---|--|---|

LIKELIHOOD RANKING CHART

| Rare - 1 | Unlikely - 2 | Moderate - 3 | Likely - 4 | Almost Certain |
|----------------|-----------------------------------|---------------------|---|---|
| Extremely rare | Has happened already occasionally | Periodic occurrence | Frequent occurrence and could occur again | Very frequent occurrence. Extremely likely to reoccur |

PLOTTING RESIDUAL RISK

| Heat Map | | | | | |
|---------------------|--------------------|------------|---------------|------------|-------------------|
| 5 Almost Certain | 5 | 10 | 15 | 20 | 25 |
| 4 Likely | 4 | 8 | 12 | 16 | 20 |
| 3 Moderate | 3 | 6 | 9 | 12 | 15 |
| 2 Unlikely | 2 | 2 | 6 | 8 | 10 |
| 1 Rare | 1 | 2 | 3 | 4 | 5 |
| Likelihood | 1 Insignificant | 2 Minor | 3 Moderate | 4 Major | 5 Catastrophic |
| Impact | | | | | |