



Charles Sturt
University

Risk Appetite Statement



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1. Introduction

1.1 Context

“Charles Sturt University is the largest regionally-based university in Australia, enrolling nearly 43,000 students from across Australia and more than 120 countries around the world. Charles Sturt University is a leader in online-supported distance learning and one of the largest and most experienced providers of courses delivered by innovative online education.

We offer one of the most comprehensive suites of courses of any university in the country, with more than 70% of our professional programs delivered in areas of identified national and regional labour market skill shortages.

We are a university of the land and people of our regions. True to the character of regional Australia we have gumption, we have soul and we collaborate with others.”

Based on the above statement, Charles Sturt University is presented with tremendous **Opportunities**, which are accompanied by **Obligations**, which carry **risks**. The University has obligations towards its students, staff and the communities it serves, as well as regulators.

When thinking about risk, the context should be taken into account.

1.2 What is Risk Appetite?

Risk appetite applies to the management of existing activities, as well as the University seeking out new opportunities. The University Council, management and staff members are responsible to continually review what the University does, to investigate new opportunities, and to take account of individual risks in decision-making.

The Risk Appetite Statement summarises the University’s tolerance for risk in each of a whole range of activities undertaken. For example, the University’s tolerance for risk in health and safety is low; hence a low risk appetite has been identified for the ‘People’ Risk Category which health and safety falls under. On the other hand, tolerance for risk in learning and teaching innovation is relatively high. All of the activities undertaken by the University can be classified in terms of risk appetite.

The Risk Appetite Statement provides the parameters within which the University must operate and conduct its activities. The statement, sets out the most significant types of risks to which the University is exposed and provides an outline of the level of risk the University is willing to accept for each risk category.

1.3 Objectives of Risk Appetite

The Risk Appetite Statement is a written articulation of the University’s Risk Appetite to guide management and staff members in their daily roles. It serves to:

- Define the risk profile of the University;
- Establish a consistent view of the risk parameters the University operates in; and
- Establish boundaries for risk categories to determine whether further risk mitigation strategies are required.

When reading a Risk Appetite Statement, it is important to note:

- It is not a substitute for, but an adjunct to Charles Sturt University’s Risk management Framework and is intended to be consistent with the organisations overarching approach to Risk management;
- It is developed to guide decision-making, particularly with respect to the extent to which resources are required to be allocated in response to the level of risk which is considered ‘acceptable and justifiable’. In this regard the Risk Appetite Statement is intended to operate as a trigger for decision making, escalation and reporting; and
- The Risk Appetite Statement is dynamic and will be reviewed on a regular basis in conjunction with the University’s strategic planning cycle.

2. Risk Appetite at Charles Sturt University

2.1 Risk Appetite Roles and Responsibilities

Risk management is integral to all aspects of Charles Sturt University's activities and is the responsibility of all staff members. The following table refers to the individual roles and responsibilities with regards to Risk Appetite and Risk management:

Role	Responsibilities
University Council	<ul style="list-style-type: none"> Approve the University's Risk Appetite and ensure the adequacy of its overall implementation; and Approve recommended changes to the University's Risk Profile and established Risk categories.
The Finance, Audit and Risk Committee	<ul style="list-style-type: none"> Oversee risks and management strategies to ensure that the risks are within the approved risk appetite; Review and recommend changes to the University's risk profile and established risk categories for the approval of the University Council; and Ensure that the risk framework is in alignment with the Risk Appetite Statement.
Academic Senate	<ul style="list-style-type: none"> Oversight of academic risk management through the Academic Risk Working Group.
The Vice-Chancellor's Leadership Team (VCLT)	<ul style="list-style-type: none"> Drive all activities which fall within the Risk Appetite levels established and approved by the University Council.
Risk and Compliance Unit of the Office of Governance and Corporate Affairs	<ul style="list-style-type: none"> Provide ongoing leadership, support and guidance to all Portfolio Leaders and individual Risk Owners; and Operate and maintain the 'Protect' Risk Management System.
Portfolio Leader	<ul style="list-style-type: none"> Identify and assess all emerging Principal, Whole of Organisation and Academic risks in accordance with the established Charles Sturt University risk management process; Allocate risk ownership for all risks which belong to the Portfolio; Maintain oversight of all ongoing risk assessments, existing controls and the timely implementation of planned risk treatments; and Escalate all risks exceeding the acceptable Risk Appetite directly to the Academic Risk Working Group for Academic risks or the Vice-Chancellor's Leadership Team for Whole of Organisation risks to be reviewed and signed off as part of the quarterly risk review process.
Risk Owners	<ul style="list-style-type: none"> Ensure that all existing controls and planned risk treatments are implemented in a timely manner; Undertake regular and ongoing risk assessments for all risks which they have ownership over; and Escalate all risks exceeding the acceptable Risk Appetite to the relevant Portfolio Leader as part of the quarterly risk review process.
External Independent Assessor	<ul style="list-style-type: none"> Conduct an independent evaluation of the University's compliance with the established Risk Management Framework and Risk Appetite Statement.

2. Risk Appetite at Charles Sturt University (Cont.)

2.2 Risk Reporting Structure

Organisational Level	Risk Reporting Responsibility
University Council	Responsible for reviewing and approving the relevant risk report and reviewing organisational mitigation and treatment approach for all Principal, Whole of Organisation or Academic risks.
The Finance, Audit and Risk Committee	Responsible for reviewing the relevant risk report for the following: <ul style="list-style-type: none"> The treatment plans developed by Academic Senate through its Academic Risk Management Working Group or the Vice-Chancellor's Leadership Team for all Principal, Whole of Organisation or Academic risks which exceed the established Risk Appetite Level or where the Risk Rating has increased; Emerging Principal, Whole of Organisation or Academic risks; and Overdue Risk Treatment Plans.
Academic Senate	Through the Academic Risk Management Working Group, responsible for exercise of academic governance by reviewing the relevant risk report and establishing or updating the organisational mitigation and treatment approach for all Academic risks which exceed the established Risk Appetite Level.
The Vice-Chancellor's Leadership Team	Responsible for reviewing the relevant risk report and establishing or updating the organisational mitigation and treatment approach for all Principal or Whole of Organisation risks which exceed the established Risk Appetite Level.
Portfolio Leader and Risk Owners	Responsible for conducting the initial review of Academic or Whole of Organisation risks and responding to any additional requests for clarification or status updates from the Academic Risk Working Group for Academic risks and the Vice-Chancellor's Leadership Team for Whole of Organisation risks.
Risk and Compliance Unit of the Office of Governance and Corporate Affairs	Responsible for preparing, developing and presenting all relevant Risk Reports to Academic Senate's Academic Risk Working Group, the Vice-Chancellor's Leadership Team, the Finance, Audit and Risk Committee and the University Council.

2.3 Risk Appetite Levels

Level	Appetite Description
Very Low Appetite	Avoidance of risk and uncertainty is a key organisational objective.
Low Appetite	Preference for ultra-safe options that are low risk and only have a potential for limited reward.
Medium Appetite	Preference for safe options that have a low degree of risk and may only have limited potential for reward.
High Appetite	Willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.
Very High Appetite	Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

2. Risk Appetite at Charles Sturt University (Cont.)

2.4 Risk Appetite in Practice

Risk Appetite Level	Action Required by Management
Within the Desired Risk Appetite Level	Continue to undertake standard Risk management and Risk assessment processes and ensure that existing controls are functioning effectively.
Approaching the Desired Risk Appetite Level	Risk owner to conduct a Risk assessment to determine the likelihood of the Risk exceeding established Risk Appetite levels and to consider developing and implementing additional Risk treatment actions.
Exceeding the Desired Risk Appetite Level	Risk owner to conduct an immediate Risk assessment and implement Risk treatment actions to reduce the Risk to an appropriate rating within the established Risk Appetite levels.

2.5 Definition of Risk Appetite Related Terms

Terms	Definitions
Risk Appetite	The level or degree of Risk that the University is willing to accept in pursuit of its strategic and operational objectives.
Risk Appetite Level	The level of Risk, which if breached by a Risk assessment would require the development of Risk Treatment actions to reduce the likelihood and consequence of the Risk.
Risk Appetite Statement	The overarching document which outlines University approach to Risk Appetite and establishes the unique Risk Categories and associated Risk Appetites for each category.
Risk Management Framework	The approved policies and procedures which are used to guide the organisations overarching approach to Risk management.
Risk Profile	A quantitative analysis of the University entire Risk landscape which outlines the various types of risks which the organisation is likely to encounter.
Risk Owner	The individual within each Portfolio who has been allocated the responsibility of conducting regular Risk assessments, maintaining existing controls and implementing planned Risk treatment actions to mitigate individual risks.

3. Risk Appetite Statement

3.1 Charles Sturt University Risk Appetite Summary by Risk Category

Overall, in order to achieve its objectives, Charles Sturt recognises that it is not possible or necessarily desirable to eliminate all of the risks which arise throughout the University’s inherent operations and the actions it implements to achieve its strategic goals and objectives.

Acceptance of some risk is often necessary to foster growth, innovation, competitiveness and efficient business practices. Charles Sturt University’s established Risk Categories and associated Risk Appetites are listed below:

Risk Category	Risk Appetite	Risk Appetite Description
Strategy and Business Improvement	High Appetite	Charles Sturt University has a High Appetite and willingness to pursue activities which promote strategic growth and business improvement in the highly competitive and consistently evolving higher education sector.
Research, Development, Innovation and Entrepreneurship	High Appetite	Charles Sturt University has a High Appetite and willingness to take risks in high impact research and innovation activities that will support the University’s standing in research excellence, develop our strengths in key disciplines, foster significant third-party partnerships that will contribute value to the University industry and the community and contribute to research and innovation leadership at the University.
	Low Appetite	Charles Sturt University has a Low Appetite and willingness to take risks in the strategic direction and management of research and innovation activities which might otherwise produce diffuse or limited outcomes in terms of impact, excellence and value to the University or are unaligned to key research disciplines.
Teaching and Learning	High Appetite	Charles Sturt University has a High Appetite and willingness to take risks with regards to the conceptualization and development of market-orientated innovative courses with the potential to provide the University with a competitive differentiation and contribute to ongoing commercial success.
	Low Appetite	Charles Sturt University has a Low Appetite and willingness to take risks with the potential to compromise the University course delivery, accreditation of courses, academic integrity and educational standards. Charles Sturt University considers risks related to course delivery and quality from third party providers to be captured within its low willingness to take risks in the teaching and learning category.

3. Risk Appetite Statement (Cont.)

3.1 Charles Sturt University Risk Appetite Summary by Risk Category (Cont.)

Risk Category	Risk Appetite	Risk Appetite Description
Financial Viability and Sustainability	Medium Appetite	Charles Sturt University has a Medium Appetite and willingness to pursue activities which increase the likelihood of achieving a sustainable position of financial viability, but which carry inherent risks to the University's immediate financial wellbeing.
Legislative and Regulatory Compliance	Very Low Appetite	Charles Sturt University is committed to high level of compliance with relevant legislation, regulatory compliance obligations and internal policies and procedures. Charles Sturt University has a Very Low Appetite for any intentional behaviours which result in non-compliances with any of its relevant legislative requirements, regulatory compliance obligations and internal policies and procedures.
Trust and Reputation	Low Appetite	Charles Sturt University has a Low Appetite and willingness to take risks which may impact negatively on the University's existing relationships and reputation for quality learning, teaching, research and the student experience.
People	Low Appetite	Charles Sturt University has a Low Appetite and willingness to pursue activities which may jeopardise or impact negatively on the working environment and health, safety and satisfaction of the University's staff, students and visitors. The willingness to accept a low degree of risk is directly influenced by Charles Sturt University's regional profile and travel requirements, due to the multi Campus footprint of the University, along with its desire to engage in overseas study where the educational benefits are deemed to be beneficial and justifiable.

Appendix 1. Document Administration

Authority

- The University Council is the only authority that may approve this document, and any recommended updates to this document and any other policies relating to Risk management. (Refer to the Delegations and Authority Policy - Schedule 1: Delegation GOV7).

Review

- This document is to be reviewed on an annual basis to ensure that all detail is accurate and reflective of Charles Sturt University's current Risk Profile.

Status and Details

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