Session 2B
Assessing current and emerging risks: your blueprint for success

Presented by

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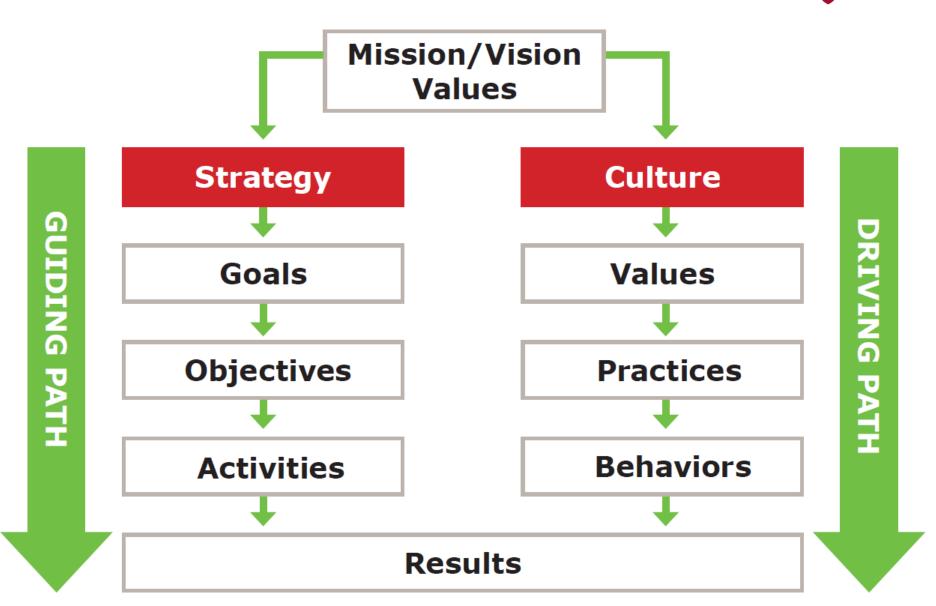**Director, Audit and Risk**
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Risk Conversation Begins At ...

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              ┌─────────────────────┐
              │   Mission/Vision    │
              │      Values         │
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GUIDING PATH

Strategy	Culture
Goals	Values
Objectives	Practices
Activities	Behaviors

Results

DRIVING PATH

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Approach to Risk Management

Strategic Risks

- Understand the Goals, Objectives
- Assess the risks that prevent the achievement of the strategic goals and objectives

Operational Risks

- Understand how strategic goals will be delivered through tactical and operational plans
- Assess the risks that impact the operational goals

Risk Appetite

- Define the risk appetite for each strategic goals
- Implement the RAS at the operational level

Putting into Practice:

Understanding the Strategy

In addition to its core objective of being distinctively student-centred the University renews its commitment as an anchor institution and key contributor to civil society and to development and well-being within Western Sydney.

Six strategic objectives are identified to secure the University's success:

1 Student-centredness that integrates academic and professional opportunity with personal support

2 Ambition as a vibrant research-led university with regional, national and global impact

3 Aspiration to provide a research-informed learning experience that is innovative, flexible and responsive

4 Strategic intent to expand international reach and reputation

5 Commitment as an anchor institution and a leading advocate and champion for Greater Western Sydney

6 Commitment to a dynamic and innovative culture that secures success.

Multiple Layers of Strategy

People Strategy

Campus Location Strategy

IT & Digital Strategy

Organisation Strategy

Finance & Investment Strategy

Research Strategy

Academic Strategy

Putting into Practice: Strategic Risk Assessment

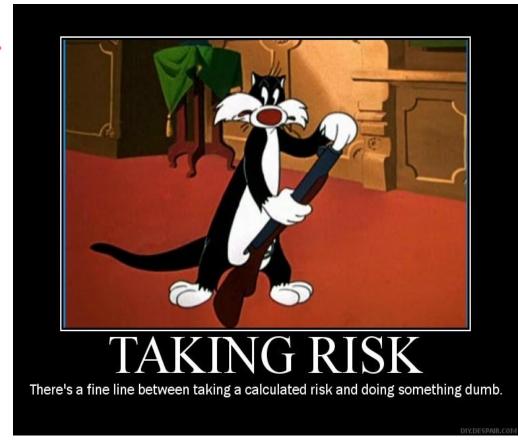| Strategic Goal	Strategic Objectives	SR No.	Strategic Risks	Risk Category	Inherent Risk Rating	Residual Risk Rating	Trend of Residual Risk	Risk Appetite	Risk Owner
6. A dynamic and innovative culture that secures success	Use technology to transform teaching, learning and research.	4	IT & Digital transformation strategy is not aligned to the strategic goals of the University.	Technology			No Change		
1. A distinctively student-centred University 6. A dynamic and innovative culture that secures success	Foster a commitment to the health, wellbeing and safety of our staff and students.	6	Health and well-being of University Staff, Students and visitors is compromised.	Behaviour			No Change		
6. A dynamic and innovative culture that secures success	Foster a commitment to the health, wellbeing and safety of our staff and students.	7	Safety and Security of University Staff, Students and visitors is compromised.	Behaviour			No Change		

Executive Accountability for Strategic Risks

Accountable Executive	Strategic Risks
VC and President	
Senior DVC	
DVC and VP Research and Innovation	
DVC and VP Academic	
VP Finance and Resources	
VP People and Advancement	

Risk Appetite Discussion

- What is our Attitude to key strategic and operational risks?

- How hungry are we? What amount of risk are we willing to take in pursuit of our goals and objectives ?

- Risk versus Return

- Is the level of risk taking aligned with our appetite for growth, innovation, transformation initiatives ?

TAKING RISK

There's a fine line between taking a calculated risk and doing something dumb.

DIY.DESPAIR.COM

Define the Risk Appetite

Strategic Risks		Risk Appetite							
		Unacceptable to take risks						**Higher willingness to take risks**	
No	**Strategic Risks (Brief Description)**	Very Low		Low		Moderate		High	
		0	1	2	3	4	5	6	7
1	Market Competition and Society Changes								
2	Resilience following Disaster, Crisis or events impacting Business Continuity								

No.	Key Risks	Risk Appetite Description	Risk Appetite
1	**Market Competition and Society Changes**	While the University regards any activity that will seriously threaten its existence or reputation as a high quality provider either through adverse publicity or loss of status as an autonomous institution as unacceptable, it has moderate appetite to deal with market disruptions, decline in its ability to innovate or respond to political changes, whilst not losing sight of competitor's actions. The University is prepared to take a moderate level of entrepreneurial risks from market competition and society changes.	Moderate
2	**Resilience following Disaster, Crisis or events impacting Business Continuity**	It is important to the University that its activities and services operate efficiently and effectively. The University has low appetite for any risks that may jeopardise its standards of operation or could lead to a loss of confidence by its stakeholders, communities, or key government agencies.	Low

Key Principles to Define the Risk Appetite

Principal 1	Principal 2	Principal 3
• Health & well-being • Safety & Security • Regulatory Compliance • Financial Viability	• All activities and projects are managed within the risk appetite for these activities and projects • Risk management is key	• Established activities should be considered within a RM framework • Risks accepted at appropriate level

Implementation and Review of Risk Appetite

Responsibility	• Executives are responsible for implementation and compliance
Communication	• Must be articulated for each process and project • For approval of key strategic and operational decisions
Risk Tolerances	• Are set by the Board • Management to demonstrate they are operating within the approved levels
Risk Assessment	• Risk profile / registers maintained at business unit level • Take into account internal and external factors • Unacceptable risks are reported to the ARC and Board
Confirmation and Review	• Reviewed annually together with the Strategic Risk Register • Board approved

Risk Management Plan

Ref	Risk Focus Areas	High Level Scope and Objective	Planned Days	2019
1	Review of the key risk management policies and frameworks including: • Risk Management Framework • Risk Appetite Statement • Risk Management Policies • Review of Risk Coverage in the ARC Charter • Fraud and Corruption Risk Management Framework	• Implementation of the Risk Management framework. • Update the University-wide Risk Appetite Statement. • Update of risk related policies, procedures and guidelines if required. • Benchmark risk management practices against industry best practices.		
2	Strategic Risk Register (SRR)	Annual update of the SRR.		
3	Operational Risk Register (ORR)	Develop and refresh the Operational Risk Register for all the key areas of the University over a three-year cycle.		
4	Enterprise Risk Management System (Protecht)	Develop the Strategic and Operational Risk assessment processes into the Protecht System.		
5	Compliance Risk Management Framework	Review implementation of the Compliance Risk Framework, including breach reporting processes.		
6	Risk Assessment for Key Project Management Practices	Review project management practices being implemented by the Project Management Office (PMO).		
7	Assess Risks of New Commercial Activities and Significant Infrastructure Investments	Review risk assessment tool used in commercial activities and provide management assistance in performing the risk assessment.		
8	Identify Emerging Risks and Perform Risk Assessment to Ensure Timely Awareness and Response to These Risks	Using the information from the industry peers, feedback from the University staff and insights from other industries and existing network to identify potential risks that need to be proactively responded to.		
9	Risk Practices Managed by Other Risk Functions of the University - Insurance, BCP, Crisis Management, Campus Safety & Security, Quality & Performance, WHS	Collaborate with other areas of the University that manage risks and provide input into their policies and practices for risk areas they are responsible for.		
10	Financial Reporting - Annual Certifications	Review the annual certification requirements and co-ordinate the management's compliance signoffs to support the finalisation of the year-end financial accounts.		
		TOTAL FOR RISK MANAGEMENT PLAN		

Internal Audit Assurance Plan

No	Strategic Risk	IR Rating	RR Rating	Proposed Audit and High-Level Scope	Accountable Executive	ARA or Outsourced	ARA Planned Days	Outsource Planned Days	Budget	2019
1	Risk 2 - Lack of Resilience by the University during disaster, crisis or circumstances impacting business continuity.			**Review of Business Continuity Plan** Review of Business Continuity Policies and procedures and assess adequacy of Business Continuity Plan						
				Review of the Crisis Management Plan Review of Crisis Management plan and procedures and assess effectiveness of Crisis management plan						
2	Risk 3 - Cyber Security threatens the University's people, processes, systems and infrastructure.			**Cyber Security Risk** 1. Review of the Cyber Security Strategy, Policies and Governance and ITDS risk management practices for cyber risks. 2. Assessment of the Cyber threats faced by the University and the incident management and reporting of data breaches. 3. Identify vulnerabilities and poor configuration of the network architecture, IT systems and applications that could permit penetration into the university network. 4. Review of Third-Party Vendor management in ensuring they are not exposed to Cyber Security risks which would in turn expose the University. (ARA time for involvement is 5 days)						

Getting the Focus on Risk in ARC

Meeting Date	Strategic Risk	Accountable Executive

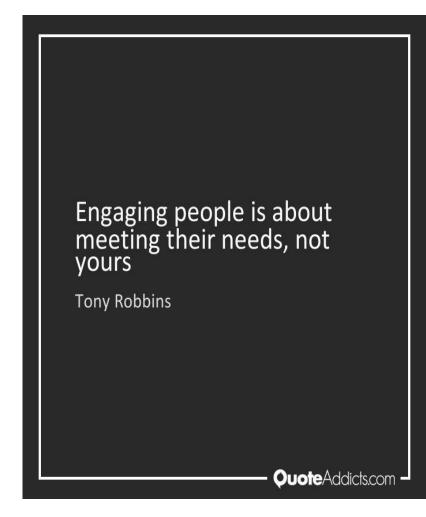| Projects	Cyber Incidents	Health and Well-being	Safety and Security	Regulatory Breaches

Risk Management Context

- Risk professionals need to see risks from the Management's perspective

- This context sets the leader's tone and attitude towards risk

- Management look for risk experts to help them achieve their goals & targets

- Growth and innovation require risk taking - our role is to assist management to navigate through these risks

Engaging conversation

- Are we are taking a conservative approach while the strategy requires growth, innovation, transformation?

- Conversely, are we too aggressive and not aligned with our strategic priorities?

- Growth, innovation, transformation is all about taking some degree of risk

- Challenge the status quo - are we taking enough chance?

- How can we assist you in achieving your goals and objectives?

Engaging people is about meeting their needs, not yours

Tony Robbins

QuoteAddicts.com

Things we don't talk about ……

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- Likelihood Rating - does this keep you awake?

- Impact Analysis / Rating - why is this important to us?

- 3 Lines of Defense Model - 1 line only and that is management

- Risk Culture - there is only one culture in the organisation - Leadership Behavior sets the tone

- Mitigation Actions - should we be doing something different? What is at stake if we don't act?

- Root Cause - simply why?

Keys to success

- Keep the language around risk simple and real

- Use of "Risk", "Risk Management" can create a different and defensive mindset

- Let's not insist on being technically correct – Risk can be complex

- Support management to pursue opportunities and take calculated risks

- Not us vs Them

Let's share our stories …..