



Risk Appetite Statement

Introduction

DCU, (hereinafter referred to as the 'University'), in taking a responsible approach to risk management, seeks to limit its exposure to adverse risk across all risk categories, while also striving to successfully deliver on its mission and objectives as set out in the University's [Strategic Plan 2017-2022 – Talent, Discovery and Transformation](#).

This Risk Appetite Statement (hereinafter referred to as the 'Statement') is intended to:

- a) define the risk universe for the University;
- b) establish a consistent view of the risk parameters within which the University operates;
- c) establish boundaries for risk management activities to determine whether further risk mitigation strategies or actions are required to reduce the risk to an acceptable level;
- d) act as a guide to assist in decision making; &
- e) support the successful achievement of the University's strategic objectives.

What is a 'Risk Appetite'?

A Risk Appetite refers to the amount of risk that an organization is prepared to accept, tolerate or be exposed to at any given point in time. In the context of the University this Statement seeks to summarize its tolerance for risk across a range of activities. Consequently, it contributes to the University's commitment to uphold the highest standards of corporate governance and professional conduct, while also being consistent with, and maintaining, its credibility with a broad range of stakeholder groups.

Context

The University can be risk taking or risk averse and different levels of risk appetite will apply to different activities. The University recognizes that risk appetite is not static; that its appetite for risk varies according to the activity undertaken and that its acceptance of risk is subject to ensuring that both the potential benefits and downsides of a particular activity are fully understood. This Statement is an integral element of the University's and it sets a risk appetite that ranges over three risk categories (i.e. low, medium and high). The University's appetite for risk across these categories is outlined in this Statement and its [Appendix](#).

Scope

This Statement applies to all units of the University, both academic and central services, and to its wholly owned subsidiaries.

Responsibility

Responsibility for managing the activities of the University within the parameters of this Statement lies primarily with the Executive of the University with addition of the Heads of both academic and central service units and the Managing Directors of its wholly owned subsidiaries.

Risk Appetite Statement

The Statement is broadly defined for the key activities of the University which are aligned to both its strategic and operational objectives as well as the associated risk levels. The key activities are defined below.

1) Strategic

The University engages in a wide range of activities in pursuit of its strategic objectives as set out in its strategy. It recognizes that this requires some degree of risk and that external and internal forces, which often cannot be predicted, may have a significant impact on achieving these strategic objectives. In order to achieve these strategic goals, the University must be willing to sometimes take and accept risk and is therefore willing to take or accepts a **medium to high level of risk** in pursuit of its overall strategic priorities. There is low willingness to accept risks which have no alignment with our Strategic Plan or which may tarnish the University's reputation, its role in the community and/or its values.

1.1) *Research and Innovation*

The University wishes to enhance its reputation as a research intensive institution that is excellent, globally collaborative, creative, interdisciplinary and entrepreneurial. It engages in research that serves and anticipates economic, societal and cultural needs and plays a transformative role in Irish society. Such is the nature and complexity of the major research challenges facing the world that international collaboration is essential in order to make significant and sustained advances. The University is committed to ambitious and performance driven progress in research, enterprise and innovation including knowledge exchange/transfer by:

- a) promoting new fields of research and generating critical mass in research capacity;
- b) developing further strategic academic and industrial collaborations and entering partnerships both nationally and internationally;
- c) facilitating enhanced research collaboration and research opportunities; &
- d) supporting innovation and entrepreneurship and increasing the number of research students.

The University recognizes that this strategy will involve accepting a **high risk appetite** for investment to grow its research strengths through research grant applications, international research collaborations and developing linkages with industrial partners. Research activities are subject to ethical standards and health & safety regulations. The University has a **low risk appetite** for research conduct that is unethical, non-compliant with legislation or compromises quality and/or reputation of the University.

1.2) Teaching and Learning

The University is committed to ensuring a high quality teaching and learning environment for all its students in addition to developing enhanced teaching methodologies and pedagogies. The University has a low risk appetite for poor teaching and learning outcomes or academic quality which would not achieve University standards and external accreditation requirements.

Delivery of the Teaching and Learning strategic objectives requires on-going investment in teaching and learning infrastructure across three academic campuses. In addition, the University recognizes the need to identify workable solutions to meet the increased demands from a diverse and expanding student population and to further its work with professional bodies and industry to ensure the continued success of our graduates and their employers. The University has a **high risk appetite** for transnational education and partnerships and for academic programme development including the online learning environment that enhances student learning outcomes and experience. This involves pursuing an academic programme which is relevant to current employment and industry needs.

1.3) Internationalisation

The University has an international presence through academic linkages and strategic partnerships with overseas universities and is committed to the continued growth of its international student population. The University's strategy is to continue to develop as a global university by continuing to expand its international presence and student cohort through academic linkages, partnership arrangements and other co-operative structures while also recognizing that there is an increased degree of risk in developing these international activities. The University has a **medium to high risk appetite** for Internationalisation where the strategy supports the mission and vision of the University while acknowledging a **low appetite** for investment in developing campuses outside of Ireland. There is low appetite for internationalisation that does not align with the University's values and quality standards.

1.4) Student Experience

At the core of the mission and values of the University is to provide the highest quality international standard education and research experience for its students within a multi-campus environment. The University is committed to the further enhancement of this student-centric, supportive learning environment through infrastructural investment and the continual updating of the academic programmes. The University recognizes that this investment in the educational continuum involves an increased degree of risk in pursuit of key strategic objectives and in so doing it accepts a **medium to high risk appetite** subject to ensuring that

the potential benefits and risks are fully understood before developments are authorized and that practical and sensible measures are embedded with the system to mitigate risk.

1.5) Engagement

The University is committed to making a positive impact on our local, regional, national and global communities through research, education and knowledge exchange by leading public debate and providing critical analysis on areas of societal importance. Through a range of initiatives, (including formal credentialing and curricular recognition) the University will continue to foster student engagement and volunteering. The University has a **medium to high risk appetite** range for Engagement, where the strategy supports the mission and vision of the University and while acknowledging this increased level of risk it is committed to ensuring that potential benefits and risks are fully understood before developments are authorized and that sensible measures are embedded to mitigate risk.

2) Operational

The University, which operates across a multi campus environment 365 days of the year, is committed to maintaining continuity of all aspects of its operations and has a **low to medium appetite** range for any risk, incident or event which could impact upon the University's normal operations of teaching and learning, research and innovation.

2.1) Physical Infrastructure & Operational Capabilities

At the core of the mission and values of the University is to provide the highest quality operational infrastructure for its students and staff within a multi campus environment. The University is committed to the further enhancement of this student-centric, supportive learning physical environment through infrastructural investment. The University recognizes that this investment involves an increased degree of risk in pursuit of key strategic objectives and in so doing is willing to accept primarily a **medium to high risk appetite** subject to ensuring that the potential benefits and risks are fully understood before physical developments are authorized and that practical and sensible measures are embedded with the system to mitigate risk.

The University has a low risk tolerance for the operational capabilities associated with our staff and their competence levels. The University relies on the skills, experience and dedication of its staff to ensure the on-going delivery and quality of its education, research, engagement and operational systems and processes.

2.2) Health & Safety

The health, safety and wellbeing of staff, students and others on University campuses is of paramount importance to the University and consequently the University has a **low risk appetite** for such risks. However, it is not the University's intention to avoid potentially risky activities which are part of managing a university and a strong culture of health and safety awareness and risk management is expected. This includes identifying and managing health and safety risks to the best extent possible. The University has a strong interest in protecting and preserving the environment, and hence, it has a **low risk appetite** for activities which will impact upon environmental safety.

3) Financial

The University has maintained a sound financial base and has an effective system of cost control, audit and oversight. In order to sustain its financial position and achieve the realization of its strategic goals the University has to look beyond exchequer funding and seek to grow commercial income opportunities. As a consequence, the University has a **medium appetite** for any risks which impact upon the achievement of financial goals and targets. In addition, the University recognizes a higher risk appetite in respect of Strategic Investment opportunities. The University will ensure that potential benefits are fully understood before developments that may impact upon financial performance and sustainability are implemented and that appropriate measures to mitigate risk are established and embedded.


4) Reputational

The University has an established and enviable track record for world-class international teaching and learning, research and innovation, and it is critical that the University preserves its high reputation. The University is committed to maintaining the highest standards of integrity, compliance and ethics, and has a **low appetite** for any breaches in statute, regulation, professional standards, research or medical ethics including systems and processes. The University has a **low appetite** for risk which would impact negatively on its reputation, brand, ethical standing or heritage which could lead to loss of confidence by the international community, research community and its stakeholders.

Review

This Statement will be reviewed annually by the Risk Advisory Committee as part of the process for the preparation of the Institutional Risk Register.

Version Control

Document Name	Risk Appetite Statement	
Version Reference	1.0	
Document Owner	Office of the Chief Operations Officer	
Approved by	Governing Authority	
Date	6th December 2019	

End.

Appendix – Risk Appetite Table

Risk Appetite Range 1-9		Low Appetite			Medium Appetite			High Appetite		
		1	2	3	4	5	6	7	8	9
Approach to Risk		Accepts as little risk as possible and takes a cautious approach towards taking risk			A moderate and informed approach to risk taking			A more aggressive approach to risk taking for increased benefit and to achieve the goals set out in the DCU Strategic Plan 2017-2022 - Talent, Discovery and Transformation		
1	Strategic	Key Activities								
1.1	Research & Innovation	* Unethical Conduct			* Academic Programme Development Research & Training			* International Research Collaborations and Partnerships		* Attracting High Performing Research Staff & Students
1.2	Teaching & Learning	* Academic Standards & Integrity * Quality of Teaching & Learning Design						* Linkages with Industry/Partners * Transnational Education & Partnerships		* Teaching Learning & Innovation * On Line Learning Environment
1.3	Internationalization	* Alignment to University values			* Trans-National Education Development			* Academic Linkages & Strategic Partnerships		* Organisational Change to Optimise Performance
1.4	Student Experience	* Overall holistic approach to Student Experience			* Academic Programme Enhancement & Engagement			* Coherent & Integrated Multi Campus Experience		* Student Transition Support Services
1.5	Engagement	* DCU Brand & Reputation in Local Communities and Regional			* Engagement with Alumni			* Enterprise Engagement Strategy with our 4 primary communities - Local / Regional / National / Global		
2	Operational									
2.1	Physical Infrastructure & Operational	* Fit for Purpose Physical Infrastructure * Cyber Risks * Staff Resourcing & Competence Levels			* Enabling Technologies and Connectivity * Strategic Infrastructure Investment * Multi Campus Environment * Multi Campus Infrastructure			* Technological Innovation		
2.2	Health and Safety	* Staff & Student Health & Safety Compliance * Environmental Safety			* Sustainable Operations					
3	Financial	* Compliance with Policies, Standards, Legislation & Relevant Government Directives * Stewardship & Reporting			* Financial Sustainability			* Strategic Investment Opportunities		* Philanthropic Engagement * Non-Exchequer Income Generation Plan
4	Reputational	* Reputation, DCU Brand, Ethical Standing, Professional Standards and other Legislative Compliance * Alignment with DCU Values and the DCU Community								

Risk Appetite Table Layout - Charles Sturt University