

RISKS AND OPPORTUNITIES

CPA Australia has a Board-approved risk appetite statement that articulates the amount of risk we are prepared to accept or avoid in pursuit of our strategy and the approach taken to meet risk appetite.

The risk appetite statement enables the Board and management of CPA Australia to be aligned on risk management and to identify, assess and treat risks related to the achievement of objectives while remaining within the Board's approved appetite for these risks. This includes:

- Making decisions that reflect the taking of appropriate risk for appropriate reward, leveraging the right controls
- Providing timely monitoring and reporting on risks to all stakeholders

- Creating a sound risk culture that is embedded throughout the organisation
- Continually improving and maturing the management of risk
- Satisfying corporate governance and regulatory requirements at all times.

Throughout 2019, CPA Australia has continued to further enhance and consolidate its risk management strategy and practices including:

- Implementation of the risk management framework approved in 2018
- Set up of an automated risk and compliance system to be implemented in 2020
- Improved alignment of business continuity to strategic objectives

- Board oversight of risk management activities is via quarterly reporting to the Audit, Risk and Compliance Committee and an annual workshop for the formal assessment of existing, new and emerging risks.









ENTERPRISE RISKS

The table below shows the key enterprise risks most relevant to strategy in order of priority. Priority order has been determined by consideration of the likelihood of the risk occurring and the consequences of that risk on our ability to create value for the organisation and its members.

Table 6: Risks and opportunities

RISK	TIME FRAME	OPPORTUNITY	STRATEGIC GOAL	RELATED MATERIAL ISSUES
Education and professional development – Failure to produce education and professional development that is relevant and meets members' needs and value expectations	Medium to long-term	A new education strategy to reflect the future of learning. New digital technologies that enhance our ability to deliver content and learning to members.	  	M2 M4 M6 M7 M10
Member experience – Inability to provide a consistent and positive member experience	Short to medium-term	Service transformation project to enhance the member experience. New digital technologies that enhance our ability to deliver member service. A new website strategy centred on member needs.		M1 M5 M11 M13
Member value – Failure to provide and demonstrate the value of being a CPA Australia member in terms of quality, relevance and pricing	Medium to long-term	Investing in products and services to increase the value we offer to members including an enhanced free CPD offer, greater support through the CPA Program and increased divisional support. Increased advocacy resources to increase our thought leadership.	  	M3 M4 M5 M6 M9 M10 M12

Table 6: Risks and opportunities (continued)

RISK	TIME FRAME	OPPORTUNITY	STRATEGIC GOAL	RELATED MATERIAL ISSUES
Brand and reputation – Failure to maintain CPA Australia’s brand health, perception and reputation	Short to medium-term	We are considering in a new brand strategy to highlight the value of the CPA designation. Continued investment in activities that capitalise on our strong brand perception in key markets. Continued investment in key areas of governance such as risk, audit and compliance.		
People and culture – Failure to attract, retain and develop talent aligned to CPA Australia culture and capability requirements	Short-term	Following the results of our culture survey, we will be investing in the areas our people believe require improvement.		
Data and systems – Loss of data/systems availability	Short to medium-term	We are investing in new digital technologies that enhance our ability to deliver content and learning to members.		
Governance – Inability to maintain appropriate corporate governance frameworks	Short to medium-term	We are continuing to critically review our key governance frameworks to ensure they are fit for purpose and consistent with best practice.		

*Short-term impact is likely to occur in the next one to two years, medium-term within two to five years and long-term in five years or more.

MOVING FORWARD

- Continuing implementation of an enhanced risk management strategy and practices including:
 - Risk identification, monitoring and reporting
 - Compliance obligations management
 - Incident management
 - Policy management.
- Enhancing business continuity planning and awareness