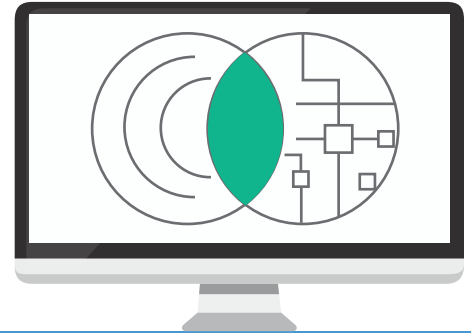


# RISK APPETITE STATEMENTS AND FRAMEWORKS WORKSHOP



1 Day

The setting of an organisation's Risk Appetite is a critical component of a robust risk management framework. This workshop is focused on improving knowledge and skills in relation to setting Risk Appetite and Tolerance for all of your organisation's key risks and developing a comprehensive Risk Appetite Framework.



Auckland, Perth

The workshop covers all aspects necessary to develop a comprehensive Risk Appetite Framework and Risk Appetite Statement at the corporate level. It also covers the cascading and operationalising of the appetite through the organisation using a range of artefacts so it can be used to evaluate and report risk levels as well as assist in making risk / reward based decisions.



Public course or  
in-house training

## COURSE HIGHLIGHTS

### IN-DEPTH LEARNING

- An in-depth understanding of Risk Appetite and Tolerance as it relates to a range of different risk types
- An appreciation of the external requirements and guidelines about Risk Appetite setting
- An understanding of who is responsible for developing, setting and owning the Risk Appetite
- An understanding of how Risk Appetite can be articulated for a range of risk types
- The ability to determine a Risk Appetite for each key risk category
- The ability to set meaningful likelihood and impact scales for risk assessment which reflect the Risk Appetite set by the board
- How to document the Risk Appetite in the Risk Appetite Statement
- Understand the nature of a Risk Appetite Framework and how it should be integrated into the overall risk management framework
- How to cascade, operationalise and embed the Risk Appetite using a range of artefacts, including key risk indicators
- How to use Risk Appetite as a basis for Board risk reporting

### PRACTICE

- Case studies and exercises are used throughout the course to reinforce concepts covered
- Participants will develop a draft risk appetite statement to take away

## COURSE OUTLINE. INTELLIGENCE GAINED

### 1. RISK APPETITE—WHAT DOES IT MEAN?

- The concept of Risk Appetite
- Appetite, Tolerance, Capacity

### 2. EXTERNAL GUIDANCE ON RISK APPETITE

- Regulations and standards requiring Risk Appetite
- ISO 31000 and Risk Appetite
- Market guidance

### 3. HOW SHOULD RISK APPETITE BE USED?

- As a basis for decision making
- As a basis for setting strategy and objectives
- Risk evaluation and prioritization, escalation, reporting and follow up

### 4. ARTICULATING RISK APPETITE

- Traditional articulation methods
- Which risks to articulate appetite for? (Types, Inherent / Residual)
- Ways risk can be measured and appetite articulated?

### 5. SETTING EVALUATION AND ESCALATION ZONES

- How many different zones are required?
- What does each zone mean?

### 6. SETTING AN OVERALL QUALITATIVE RISK APPETITE STATEMENT

- Format to use
- Which qualitative descriptors should we use?

### 7. DETERMINING AN APPETITE AROUND PERFORMANCE OBJECTIVES

- Linking Risk Appetite to strategy and objectives
- Determining the thresholds between evaluation zones for each objective

### 8. SETTING LIKELIHOOD AND IMPACT SCALES

- Scales for Likelihood and Impact
- The number of scale levels
- Determining the scale thresholds

### 9. USING KEY RISK INDICATORS

#### TO ARTICULATE TOLERANCE LEVELS

- Determining which key risk indicators to use
- Setting KRI thresholds

### 10. SETTING RISK TOLERANCES FOR FINANCIAL RISKS

- Which measures can be used where data is plentiful?
- Examples of key financial risk measures

### 11. SETTING RISK TOLERANCES FOR OPERATIONAL RISKS

- Which measures when data is not plentiful
- Examples of key operational risk measures
- What about zero tolerance risks?
- Setting key risk indicator thresholds to reflect appetite

### 12. SETTING RISK TOLERANCES FOR STRATEGIC RISK

- Identifying relevant KRIs
- Using a “worst case scenario” approach
- Setting key risk indicator thresholds to reflect appetite

### 13. A FRAMEWORK FOR SETTING AND MAINTAINING APPETITE LEVELS

- Who sets the Risk Appetite? – Roles and Responsibilities
- The process of setting the appetite

### 14. DOCUMENTING THE RISK APPETITE

- Content and Format – A blueprint RAS
- Review and updating the RAS

### 15. INTEGRATING RISK APPETITE INTO THE RISK FRAMEWORK

- Use in risk processes
- Use in escalation and driving follow up action
- Use in reporting

### 16. RISK REPORTING USING THE RISK APPETITE

- Linking Board reporting back to the RAS
- A proforma Board risk report
- Managing by exception



DAVID TATTAM

#### MEET YOUR PRESENTER:

David is the Director of Research and Training at The Protecht Group. He is a renowned risk management expert, practitioner, trainer and presenter who has trained more than 20,000 risk and compliance professionals, company directors, senior managers and frontline staff globally over the past 25 years. During more than 35 years of risk management experience, he has been Chief Risk Officer and Head of Operations at two Global Banks, spent over 10 years with the “Big 4” audit firms and the last 19 years building Protecht’s current ERM system offerings, advisory and training capabilities and working with clients across a wide range of industry groups globally.