

## **TSANZ Risk Appetite Statement**

### **Introduction**

This Risk Appetite Statement considers the significant risks to which the Thoracic Society of Australia and New Zealand (TSANZ) is exposed in pursuit of its goals, and provides an outline of the approach to managing these risks. The Risk Appetite Statement is aligned with the strategic and operational plans of the TSANZ.

The TSANZ is the only health peak body representing a range of professions (medical specialists, scientists, researchers, academics, nurses, physiotherapists, students and others) across various disciplines within the respiratory/sleep medicine field in Australia and New Zealand. The TSANZ is a Health Promotion Charity.

TSANZ is committed to serving the professional needs of its members by improving knowledge and understanding of lung disease, with the ultimate goals being to prevent respiratory illness through research and health promotion and to improve health care for people with respiratory illness.

TSANZ is committed to ensuring that its activities are conducted legally, ethically and with integrity. It has developed policies and procedures to help its employees and volunteers meet these high standards of ethics and conduct. In its work, TSANZ seeks to protect its members, its staff and the resources entrusted to it.

### **Risk Appetite**

TSANZ's risk appetite statement reflects its risk management philosophy and sets out a vision on how risks are to be viewed. TSANZ's risk appetite provides the basis for setting acceptable levels of risk tolerance and thresholds and contributes to the identification and implementation of mitigation actions.

The TSANZ Board has responsibility for the organisation as a whole, the security and safety of its staff, for the setting and implementation of strategic goals and for the managing of risk associated with its activities.

The risks arising from TSANZ's operational activities can be significant. To remain a stable organisation with the capacity to work for TSANZ's members and stakeholders long into the future, these risks must be managed through processes that enhance TSANZ's standing and reputation, education support, member engagement activities and strengthen advocacy.

Learning from past experience and continually improving processes, depending on results from year to year, TSANZ may choose to increase or decrease its risk appetite in favour of higher or lower risk activities.

### **Risk Management Framework**

The TSANZ has established a risk management framework to effectively identify and manage risk across the organisation. Risks are identified, analysed, evaluated and monitored at both an organisational (top-down) and operational (bottom-up) level.

The TSANZ Board has ultimate accountability for this process. It may choose to delegate part or all of the oversight of this process to its Finance, Risk and Governance (FRG) Subcommittee to manage on behalf of the TSANZ Board. The TSANZ Board will formally review the Risk Appetite Statement at least biennially.

## **Coverage**

The TSANZ Risk appetite for our key categories of risk is outlined below, and summarised in Table 1.

### **1. Strategic Risks**

TSANZ recognises that the actual or perceived inability to deliver strategic initiatives could have a significant impact on its ability to achieve its goals. TSANZ values innovation and external engagement. Overall, TSANZ has a medium risk appetite for strategic risks that will realise its strategic goals and objectives. At times the TSANZ may have a high risk appetite for specific strategic objectives.

### **2. Reputational risks**

The ethics, brand and credibility of the TSANZ are key assets that allow us to pursue our goals. Public scrutiny is an inherent component of TSANZ's activities. TSANZ will seek to ensure transparent and clear communication with our stakeholders (members, partners, health system, government, the public) to mitigate this risk and ensure key stakeholders are informed. TSANZ has a low risk appetite for activities that will compromise the ethics, brand or credibility of the organisation.

### **3. People**

Our people, including our staff, members and volunteers, are critical to the delivery of quality TSANZ activities and the achievement of our vision. We have no tolerance for harms to our people, and the safety of our people is a high priority for TSANZ. TSANZ has a strong commitment to diversity, inclusion and respect for all members. We proactively advocate to increase diversity and inclusion across all Society activities. TSANZ has a low risk appetite for non-compliance with TSANZ HR stated policies and procedures, and no tolerance for non-compliance with the TSANZ Code of Conduct.

### **4. Information**

TSANZ has low appetite for use of information that is not evidence based. TSANZ has no appetite for misuse of member information.

## **5. Cybersecurity**

To ensure the operations and service delivery of the Society to its Members and stakeholders, TSANZ requires its information management systems and procedures to be adequate and relevant for its intended purpose. TSANZ's internal control processes need to ensure the development of robust technology systems to potentially mitigate significant service interruption or malicious threats to TSANZ assets. TSANZ has a low appetite for cybersecurity risks, including non-availability of systems.

## **6. Advocacy**

TSANZ approaches the delivery of its advocacy both from strategic (impact and reach) and operational (structure and delivery) perspectives. Advocacy for the respiratory health of people in Australia and New Zealand is one of TSANZ's core strategic goals, approaching its advocacy activities in accordance with its policies, processes and controls in place to manage the risks inherent in this activity. TSANZ has a medium risk appetite in advocating for initiatives that will prevent, cure and relieve the burden caused by respiratory conditions in Australia and New Zealand.

## **6. Financial**

TSANZ assesses its financial risks both from a strategic and operational perspective. TSANZ requires at all times a balance between adequate reserves and liquidity and understands that it is not always possible to eliminate all risks. TSANZ will manage associated balance sheet risks to an acceptable level through a framework of policies and financial controls.

TSANZ has medium risk appetite for financial activities that advance our strategic goals. TSANZ has a low appetite for activities that might adversely affect financial sustainability, but will tolerate a higher risk where activities will contribute to longer-term financial sustainability. We stand by our core values and objectives, including diversity and inclusion, environmental, social and governance (ESG) principles and zero tolerance for tobacco industry-related funding, and are willing to turn down or lose income or discount opportunities where – to accept them – would be in contravention of those values.

## **7. Governance and Compliance**

TSANZ is committed to a high level of compliance with relevant legislation, regulation and industry standards, as well as internal policies and sound corporate governance principles. Minor breaches are expected from time to time but will be reported and responded to. TSANZ will seek to mitigate compliance risks through adherence to internal policies and good corporate governance. TSANZ has a low risk appetite for non-conformance with relevant compliance standards and corporate governance principles.

## **8. Service Delivery**



TSANZ is an organization for member benefit, and delivery of services is our core business. We value the development of new and innovative programs to meet member needs. We have a decentralized model of service delivery, with many member activities delivered by member volunteers in our branches. TSANZ has a medium risk appetite for initiatives that deliver services of benefit to members. TSANZ has no tolerance for delivery of services and activities that do not align with our core values, including diversity and inclusion, ESG principles and zero tolerance for tobacco industry-related funding.

**Table 1. Risk Appetite Summary**

<b>Risk Category</b>	<b>Risk Appetite</b>	<b>Risk Appetite Description</b>
Strategic	Medium appetite	TSANZ has a medium risk appetite for activities that will realise its strategic goals and objectives.
Reputational	Low appetite	TSANZ has a low risk appetite for activities that will compromise the ethics, brand or credibility of the organisation.
People	Low appetite	TSANZ has no tolerance for harms to our people.
Information	Low appetite	TSANZ has low appetite for use of information that is not evidence based.  TSANZ has <b>no appetite</b> for misuse of member information.
Cybersecurity	Low appetite.	TSANZ has a low appetite for cybersecurity risks, including non-availability of systems.
Advocacy	Medium appetite	TSANZ has a medium risk appetite in advocating for initiatives that will prevent, cure and relieve the burden caused by respiratory conditions in Australia and New Zealand.
Financial	Medium appetite	TSANZ has medium risk appetite for financial activities that advance our strategic goals.  However, TSANZ has a <b>low appetite</b> for activities that might adversely affect financial sustainability.

Governance and Compliance	Low appetite	TSANZ has a low risk appetite for nonconformance with relevant compliance standards and corporate governance principles.
Service Delivery	Medium	<p>TSANZ has a medium risk appetite for initiatives that deliver services of benefit to members.</p> <p>However, TSANZ has <b>no tolerance</b> for delivery of services and activities that do not align with our core values.</p>