We actively manage a range
of risks to the achievement
of our Strategy to 2020.

ACCA's Audit Committee provides ongoing oversight
of the following corporate level risks, each of which is
owned by one or more Executive Team members on a
day-to-day basis.

As part of its management of risks, the Executive Team
reviews all corporate level risks every month in light
of market, legislative and operational developments,
adjusting mitigations and threat levels accordingly.
There is also an established risk management
framework which allows for the elevation of directorate
risk to the overall corporate level risk register.

Audit Committee's oversight of these risks
includes reviewing the effectiveness of ACCA's risk
management process and approach, including 'deep
dive' reviews of specific corporate level risks on a
rolling basis.

Enhancements to our risk approach in 2014-15

Over the past year, we have clarified our risk appetite to
provide us with a clearer basis for assessing our attitude
and approach to risks and opportunities.

In line with our vision, we are willing to be bold and
innovative in our approach to market development,
so that we can maintain our first mover advantage
and respond to emerging market needs. Recognising
that the integrity of our qualifications and associated
processes is central to the reputation of our brand and
those who rely on it, we have a very low tolerance for
any risks that affect the quality – or perceptions of the
quality – of our qualifications, brand and service.
Because the integrity of our qualification is at the heart
of our brand, our corporate level risks have a strong
focus on minimising threats to the standing and value
of the ACCA brand.

Our risks and their management

Risk appetite definitions:

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Hungry:
Eager to be innovative
and choose options
offering potential higher
rewards, despite greater
inherent risk

Open:
Willing to consider all
potential options with
a bias towards options
likely to prioritise the
certainties of successful
delivery over potentially
high reward strategies

Averse:
Preference for safer
options which have a
lower level of residual
risk but which may have
more limited upside
potential

Our strategic risks

	Risk	Strategic outcome	Mitigation	Risk appetite		Risk	Strategic outcome	Mitigation	Risk appetite
CR1	Failure in the end-to-end exam process	Operational excellence	A comprehensive range of physical and digital controls to ensure the integrity of the process, both within ACCA and across external suppliers.	Averse	CR8	Reduced probability of customers willing to transact online	Digitally enabled and flexible delivery	Ongoing development of internal systems and active management of suppliers to minimise and prevent service failures.	Open
CR2	Changes to ACCA's audit recognition in the UK	Sustain	Active engagement with UK regulators and pro-active and speedy implementation of any recommendations, alongside monitoring developments in the regulatory environment and the enhancement of our regulatory function.	Open	CR9	Our suppliers ceasing to support or maintain systems	Digitally enabled and flexible delivery	Service Level Agreements, support contracts and regular review of contract effectiveness in place for all key systems suppliers.	Open
CR3	Changes in student behaviour regarding exam entry, scheduling and payment	Our difference	Research on, and engagement with, all stakeholders in the student process to predict and affect behaviour.	Open	CR10	Inability to deliver our strategic outcomes	High-performing people	A performance management process aligned to our Strategy to 2020, supported by a programme of culture and behavioural development and talent management.	Open
CR4	Failure to deliver the key elements of our Flexible Exam Delivery and Support Programme	Vision	Clear programme governance and management framework, supported by external assurance.	Hungry	CR11	Failure to deliver services	Operational excellence	Business continuity plans in place, including ISO22301 compliance for CHQ operations, together with a detailed procurement and contact management policy.	Averse
CR5	Restriction on our ability to operate	Attract	Cross-organisation review group reports to the Executive Team monthly on recognition risks, with specific mitigations taken on a market by market basis.	Hungry	CR12	ACCA's revenue levels difficult to predict	Our difference	Cross-organisational group forecasts income levels based on current and anticipated customer behaviour.	Open
CR6	Increased competition attracting potential students to other career paths	Attract	Ongoing review of marketplace and alternative offerings through a programme of competitor monitoring.	Hungry	CR13	Loss of students to alternate qualification	Vision	Developing more flexibility around products and offerings to cater for market needs.	Hungry
CR7	Failure to comply with legislations in countries where we operate	Lead	Dedicated team of Regional Business Support Managers who actively manage ACCA's national and regional compliance risks, with guidance from ACCA's global Corporate Assurance team.	Open	CR14	Cybercrime leading to loss of data	Flexible delivery	Defined security strategy, encompassing a vulnerability management process and information security awareness training.	Open
					CR15	ACCA not adequately adaptable to implementing change quickly and innovating effectively	Flexible delivery	A defined technology strategy with adaptability as a key theme and a new behavioural competency framework developed which emphasises seizing opportunities and innovation.	Open