

# Statement of Risk Appetite

## Introduction

1. The University's Statement of Risk Appetite is part of the University's Risk Management Framework which consists of the following elements:
  - a. Governance processes;
  - b. The [Risk Management Policy](#) and [Risk Management Guide](#);
  - c. This Statement of Risk Appetite;
  - d. The identification, evaluation and management of significant risks through the regular review of the Strategic Risk Register, Faculty and Directorate risk registers, the risk registers for strategic plan sub- and enabling strategies and risk registers for major projects;
  - e. Assurance and audit processes;
  - f. The underlying policy and control environment; and
  - g. [Business Continuity Planning](#) and [Emergency Response Planning](#).
2. The University must take risks in order to achieve its strategic priorities. Risks will be taken in a considered and controlled manner, commensurate with the potential reward and at a level deemed to be acceptable by the Governing Body. The University will generally accept a level of risk proportionate to the expected benefits gained and with due regard to the impact and likelihood of potential harm.
3. The Statement of Risk Appetite specifies the amount of risk the University is willing to seek or accept in the pursuit of its long-term objectives. It indicates the parameters within which the University would want to conduct its activities. It is intended to act as a guide to colleagues indicating the:
  - a. Areas where the University should 'step out' and be innovative;
  - b. Areas where the University wishes to be conservative and compliant in its activities, and;
  - c. The 'lines' which the University would not wish to cross, and where the University's executive and the Governing Body would need to be notified.

## Risk appetite: key

4. The University's appetite to risk will vary depending upon the nature of the activity.
5. The following key is used to identify the University's appetite to risk in the key Strategic Priorities described in paragraphs 7-9 and the Compliance and Cross-cutting Strategic Risks in paragraphs 10 - 11 below.
6. The risk appetite is used to determine the maximum risk tolerance using the scoring system in the University's Risk Management Guide and the risk tolerance bands in this Statement of Risk Appetite. While *risk appetite* is about the pursuit of risk, *risk tolerance* is the maximum level of residual risk which the University is willing to tolerate after risk treatment (controls and mitigating actions). Risk tolerance will increase or decrease in accordance with risk appetite:

Risk Appetite	Description	Risk Tolerance
<b>Averse</b>	An avoidance of all risk and uncertainty by selecting approaches with ultra-low levels of residual risk, with no expected reward/return	Residual risk score up to and including 4 (Green)
<b>Minimalist</b>	A preference for very safe options with limited potential for reward/return that have a minimal levels of residual risk	Residual risk score up to and including 6 (Amber)
<b>Cautious</b>	A choice of safe delivery options offering some modest potential for reward/return which have low levels of residual risk	Residual risk score up to and including 9 (Amber)
<b>Open</b>	An openness to those options with a higher probability of productive outcomes that have higher levels of residual risk	Residual risk score up to and including 12 (Amber)
<b>Hungry</b>	An eagerness for the highest potential for reward/return which have substantial levels of residual risk	Residual risk score up to and including 15 (Red)

## Risk appetite levels for Strategic Plan priorities

7. The descriptions in the table below define the University's appetite for risk in key strategic areas, according to the strategic priorities in the University of Greenwich's Strategy to 2030, [This Is Our Time](#).
8. The University's approach is to minimise its exposure to reputational, compliance and excessive financial risk, whilst accepting and encouraging more risk in pursuit of its strategic priorities. It recognises that its appetite for risk varies according to the activity undertaken, and that its acceptance of risk is subject always to ensuring that potential

benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

9. A balanced assessment will always be taken of risks, recognising that in many cases there are risks attached to both doing something and doing nothing.

Strategic Priority	Risk Appetite level	Rationale
<p><b>Student Success</b></p> <ul style="list-style-type: none"> <li>• Inclusive Recruitment</li> <li>• Enhanced Student Experience</li> <li>• Best Graduate Outcomes</li> </ul>	<p><b>12 Open</b></p>	<p>The evolution of an enhanced curriculum, with multiple pathways and innovative teaching practices will necessitate an open approach to new developments and partnerships. The breadth of such innovation and ambition will naturally carry some higher elements of residual risk.</p> <p>Reflecting our approach to Regulatory Compliance (see below), our appetite is cautious with regard to compliance requirements relating to academic quality and standards (e.g. OfS conditions of registration, Ofsted requirements).</p>
<p><b>Inclusivity and Culture</b></p> <ul style="list-style-type: none"> <li>• Sector leading EDI</li> <li>• Staff Development</li> <li>• Mental Health</li> </ul>	<p><b>9 Cautious</b></p>	<p>The nature of cultural change and the feelings and wellbeing of students and staff are matters which will require the utmost care and sensitivity. New initiatives will require careful design, implementation and communication with a possibility of low residual risk.</p>
<p><b>Research and Knowledge Exchange</b></p> <ul style="list-style-type: none"> <li>• Strategic Partnerships</li> <li>• Impactful Research</li> <li>• Eco system for Knowledge Exchange</li> </ul>	<p><b>12 Open</b></p>	<p>The collaborative engagement that this priority envisages amongst staff, students and partners will result in an openness to an increased number of new relationships at many levels. These relationships and the creation of knowledge, ideas, and ventures will bring with them higher levels of residual risk to be understood and mitigated.</p>
<p><b>Connected and Sustainable Campuses</b></p> <ul style="list-style-type: none"> <li>• Innovation through technology</li> <li>• Distinct Campus Identities</li> <li>• Green and Sustainable University</li> </ul>	<p><b>12 Open</b></p>	<p>Each of the University's campuses presents an individual set of challenges and opportunities. The goal to achieve distinct campus identities, which have a positive local impact, will need a campus specific approach and combination of initiatives. In addition, the goals of environmental sustainability and digital first technology recognise the need to be agile and effective during periods of significant change. This will bring with it higher levels of residual risk which will need to be understood and mitigated.</p>

## Risk appetite levels for Compliance and Cross-cutting Strategic Risks

10. The descriptions in the table below define the University's appetite for risk for Compliance and Cross-cutting Strategic Risks.
11. The need to avoid reputational, compliance and excessive financial risk will take priority over other factors: e.g. it will be acceptable to undertake risks in those activities that further the University's priorities in relation to Student Success; Inclusivity and Culture; Research and Knowledge Exchange; and Connected and Sustainable Campuses, provided they do not expose the University to undue reputational or compliance risks or threaten financial sustainability targets.

Risk	Risk Appetite level	Rationale
<b>Regulatory Compliance</b>	<b>9 Cautious</b>	The University places great importance on regulatory compliance and has an appetite for a low degree of residual risk for any breaches of statute, regulation, or professional or ethical standards. In line with professional practice in areas such as health and safety, the University recognises that compliance risks cannot be wholly eliminated and that they should each be assessed to ensure that risks with the highest inherent levels are prioritised and mitigated to an acceptable level.
<b>Reputation</b>	<b>9 Cautious</b>	The University's reputation is a key intangible asset and is crucial to its ability to attract and retain students and staff. The University therefore has an appetite for a low level of residual risk in the conduct of its activities which may damage its reputation, lead to adverse publicity, or lead to loss of confidence by funders or public bodies. Where activities which are essential to achieve other strategic objectives (e.g. organisational and staffing changes) involve reputational risk, these risks will be assessed in advance and appropriate measures put in place to manage the risk (e.g. through communications plans).
<b>Student Recruitment</b>	<b>12 Open</b>	Ensuring that the demand for places at the University is sufficient to achieve its recruitment targets is a fundamental base for long term planning and success. The wide range of the strategic elements that create and sustain student demand means that the University is open to

Risk	Risk Appetite level	Rationale
		pursuing every aspect of access and support for UK and overseas-based students, together with being innovative in curriculum design and delivery. This will bring with it higher levels of residual risk which will need to be understood and mitigated.
<b>Financial Sustainability</b>	<b>9 Cautious</b>	<p>The University has historically generated financial surpluses. However, the five-year financial forecasts considered by the Governing Body in 2022 highlight long-term risks to this position from a range of factors, including student recruitment, government funding, inflation, pension liabilities and estates costs.</p> <p>The University recognises that risks have to be taken to ensure the University's long-term financial sustainability, and will put in place appropriate controls and mitigations to reduce financial risks to a low acceptable level. For example, projects identified in the Estates Strategy are subject to approval according to the capital programme governance model agreed by the Finance Committee, enabling affordability checks to be made before major capital commitments are entered into.</p>

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