



Risk Policy and Strategic Risk Appetite

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Risk Policy and Strategic Risk Appetite

Introduction

1. Heriot-Watt's vision is to be world leading, within all its specialist areas of science, engineering, technology, and business. The University will strengthen research intensity in fields of economic and societal benefit; provide truly global education while maintaining our Scottish roots; and deliver excellent student experience and highly employable graduates.

In its Strategic Plan 2013-2018, the University has outlined its ambitions and objectives for growth and development across 4 key strategic objective areas:

- Learning, Teaching and the Student Experience
- Research Intensification and Knowledge Transfer
- Internationalisation
- Enabling Strategies

The University does not generally have an appetite for high exposure risks but recognises that delivering upon the ambitious strategic aims and objectives outlined in the Strategic Plan 2013-18 will involve a degree of risk-taking and uncertainty. As such, there is an appetite for higher levels of risk where appropriate in order to deliver upon strategic aims, objectives, and targets. However, it is also important to note that the University's approach to risk taking will continue to be managed within our established risk management policy, framework, and process. As such, higher levels of risk will only be accepted on the basis of a comprehensive understanding of the exposures involved, potential benefits arising and subject to appropriate mitigation, control responses, and approval arrangements being in place.

2. The management of risks in the University is undertaken within a framework comprising:

- Governance processes
- Risk Policy and Appetite statement.
- Identification, evaluation and management of significant risks
- Assurance and audit processes
- The underlying policy and control environment.

3. The Statement of Risk Policy and Appetite specifies the amount of risk the University is willing to tolerate or accept in the pursuit of its long term objectives. It indicates the parameters within which the University would want to conduct its activities. The statement below has been considered by the University Executive, the Audit, and Risk Committee and formally adopted by the University Court.

4. Good practice in Risk Management indicates that all organisations should specify their appetite for risk at a generic level related to the nature of activities within the organisation. The attached Appendix provides the background to the developments in risk management practice that lie behind the adoption of this Statement of Risk Policy and Appetite by the University.

5. In terms of priorities, 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 research activities providing they do not expose the University to undue reputational, compliance, or excessive financial risk. A balanced

assessment has to be taken of risks, in many cases there are risks attached to both doing something and doing nothing.

6. Given the devolved nature of the University, the Statement is intended to act as a guide to academic and professional managers and committees indicating the:

- Areas where colleagues should step out and be innovative,
- Areas where colleagues should be conservative and compliant in their activities, and
- The “Lines” across which the University Court and the University Executive would not wish to cross, and where the University Executive and Court would need to be notified

7. Where appropriate, the implementation of the Statement will be incorporated into processes and procedures of the University.

8. Responsibility for managing the activities of the University within the Statement of Risk Policy and Risk Appetite lies with the management of the University in particular Heads of Schools, Institutes and Professional Service and Subsidiary Companies, as well as key University Committees.

Statement of Risk Policy and Risk Appetite

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 mission and objectives. 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. The University’s appetite for risk across its activities is provided in the following table of descriptions.

Strategic Risk Appetite Descriptions	
Compliance, Regulation & Ethics	The University is committed to maintaining the highest standards of integrity, compliance, and ethics. As such the University has no appetite for any breaches in statute, regulation, professional standards, research ethics, bribery, or fraud. Including systems and processes.
Learning & Teaching	The University is committed to delivering high quality learning and teaching for all of its students as well as developing enhanced approaches to learning and teaching. This will involve further investment in learning and teaching facilities / infrastructure and continual updating and refreshing of the curriculum. In delivering its objectives, the University recognises the need to identify solutions to meet increasingly diverse student needs and to further its work with professional bodies and industry to ensure success for our graduates and their employers. As such, we will continue to seek and invest in new and innovative approaches. We recognise that this will involve an increased degree of risk in developing education and are comfortable in accepting this risk subject always to ensuring that potential benefits and risk are fully understood before developments are authorised and that sensible measures are in place to mitigate risk are embedded.

<p>Research and Knowledge Transfer</p>	<p>The University is committed to ambitious and performance-driven progress in research and knowledge exchange including: promoting new fields of research and generating critical mass in research capacity; developing further strategic academic and industrial collaborations and partnerships nationally and internationally; facilitating enhanced research opportunities, performance and funding through institutes, international campuses and research centres; supporting innovation and entrepreneurship and increasing the number of research students. The University recognises this this will involve an increased degree of risk in developing research subject to: limitation imposed by ethical considerations and ensuring that potential benefits and risks are fully understood before developments are agreed and that appropriate measures to mitigate risk are established.</p>
<p>Internationalisation</p>	<p>The University has a reputation as Scotland’s ‘international University’ and is among the UK’s top 5 universities in terms of international presence and number of international students. The University has committed to rapid international growth and will continue to assess further overseas campuses where appropriate as well as increasing the internationalisation of its research/knowledge exchange activities and the international mobility of students and staff. The University recognises that this will involve an increased degree of risk in developing international activities. The University is comfortable in accepting this risk subject to ensuring that the potential benefits and risks are fully understood before developments are agreed and that appropriate measures to mitigate the risks have been agreed.</p>
<p>Student Experience</p>	<p>The University is committed to further development of facilities and support arrangements for the student learning and living experience and in ensuring that programmes are accessible to the brightest and best from all backgrounds. We will maintain a generally low-moderate appetite for any risks which threaten the delivery of objectives in this area.</p>
<p>Reputation</p>	<p>The University has an established and enviable track record for world-class international learning, teaching, research, and student experience. As such, there is a low appetite for any risks which would impact negatively upon its reputation, ‘brand’, ethical standing, or heritage which could lead to undue adverse publicity, or could lead to loss of confidence by the Scottish, UK and international political establishments and funders of its activities.</p>
<p>Financial Performance and Sustainability</p>	<p>The University has a sound financial base in terms of annual operating surpluses, diversified and growing income streams, and effective control of costs. The University’s borrowing strategy has historically been conservative but the 2013-2018 strategy will require further investment. The University has a moderate appetite for any risks which impact upon the achievement of the financial targets. The University will ensure that potential benefits and risks are fully understood before developments are agreed and that appropriate measures to mitigate risk</p>

	are established. Excluding systems and processes.
People and Culture	The University aims to value support and develop and utilise the full potential of our staff to make the University a stimulating and safe place to work. It places importance on a culture of academic freedom, equality and diversity, dignity and respect, collegiality, annual review, the development of staff and the health and safety of staff, students, and visitors. It has a low appetite for any deviation from its standards in these areas.
Manage Major Project Activities –projects, change, collaborations, and mergers	Major change activities are required periodically to develop the University, and to adapt to changes in the regulatory and technological environment and in the nature and conduct of the University’s international activities. The University expects such changes to be managed according to best practice in project and change management The University applies the project management disciplines rigorously and so are willing to tackle very difficult projects that pose moderate risk if the resulting benefits justify this.
Organisational Continuity	The University is committed to maintaining continuity of all aspects of its operations and has a low appetite for any adverse risks, incidents, or events which could impact upon the University’s brand or upon the normal operation of learning, teaching, research and support operations, or access to relevant buildings or facilities.
Environment and Social Responsibility	The University aims to make a significant, sustainable, and socially responsible contribution to Scotland, the UK and the world through its research, education, knowledge exchange, and operational activities. It recognises that this should involve an increased degree of risk and is comfortable in accepting this risk 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.

Explanatory note

For each of the areas of activity, the Risk Appetite Evaluation Map has a coloured bar that represents the level of risk the University regards as the ‘manageable’ zone, where risks will need careful management but may be worth taking. Risks above the bar are in the ‘dangerous’ zone, and represent risks the University is unlikely to be willing to take. Risks below the bar are in the ‘comfortable’ zone where the level of risk does not pose a major threat as long as it is managed sensibly. Thus for “Learning and Teaching”, a risk in the range from the upper end of ‘low’ into ‘moderate’ is regarded as manageable; a very low risk is comfortable; and anything above ‘moderate’ is dangerous. In contrast, the manageable zone for “Research” is ‘major’.

Risk Appetite Evaluation Map

	Net Risk	Low	Moderate	Major	Severe
Compliance, Regulation & Ethics		Man ←		Dangerous	→
Learning & Teaching		Comfy	Manageable ←		Dangerous →
Research & Knowledge Transfer		←	Comfortable →	Manageable ←	Dangerous →
Internationalisation		←	Comfortable →	Manageable ←	Dangerous →
Student Experience		Comfy	Manageable ←		Dangerous →
Reputation		Comfy	Man ←		Dangerous →
Financial Performance & Sustainability		←	Comfortable →	Manageable ←	Dangerous →
People & Culture		Comfy	Man ←		Dangerous →
Manage Major Project Activities		←	Comfortable →	Manageable ←	Dangerous →
Organisational Continuity			Manageable ←		Dangerous →
Environment & Social Responsibility		←	Comfortable →	Manageable ←	Dangerous →
	Net Risk	Low	Moderate	Major	Severe

Opportunity Appraisal Approach

The world is full of potential opportunities all carrying some degree of inherent risk, some with more, some with less. Good practice in any organisation is to set out a statement of its risk appetite. In our case this is to state the amount of risk the University is willing to accept. It is imperative that risk is taken into account when appraising any potential project. Decisions are often taken on the basis of avoiding loss as people are influenced more by potential losses than potential gains. However, to evaluate the full potential of an opportunity the associated benefits and risks must both be considered.

The HWU Project Management Methodology’s “Opportunity Appraisal Approach”¹ document describes the process for the evaluation of candidate opportunities and the assessment of the degree of alignment to strategic objectives. The benefits and risks relating to potential opportunities ought to be evaluated in a consistent manner. The aim is to build a balanced portfolio of day-to-day activities, programmes, and projects to implement the strategy of the University. A number of management heuristics that are brought to bear during the decision-making process assists the process of determining the optimum balance. These include the Values of the University and the University’s Risk Appetite Statement.

Opportunity appraisal is an integral component of the HWU PMM Proposal phase. It provides a framework to assess whether or not the benefit / risk profile of an opportunity merits investment by the University.

The Opportunity Appraisal Process has 4 steps:

1. Risk Profile Evaluation
2. Consideration of Risk Appetite
3. Benefit Profile Evaluation
4. Evaluating Benefit versus Risk

¹ <http://intranet.hw.ac.uk/ps/gls/ps0/Pages/HWU-PM-Toolkit.aspx>

Step 1: Risk Profile Evaluation

The first step is to evaluate the opportunity in terms of its Residual (or “Net”) Risk by employing the procedures described in the HWU “Risk Management Guide”² and the HWU PMM “Risk Management Approach”³ toolkit document (both based on HM Treasury’s “The Orange Book: Management of Risk: Principles and Concepts”).⁴

It should be noted that a balanced assessment has to be taken of risks as in many cases there are risks attached to both doing something and also to not doing it.

The opportunity is assessed and plotted on the Risk Evaluation Map shown below.

Risk Evaluation Matrix

	Impact				
Likelihood	Insignificant 1	Minor 3	Moderate 6	Major 7	Severe 10
Almost certain 7	Low	Moderate	Severe	Severe	Severe
Likely 6	Low	Moderate	Major	Severe	Severe
Possible 5	Low	Low	Major	Major	Severe
Unlikely 4	Low	Low	Moderate	Major	Major
Rare 3	Low	Low	Moderate	Moderate	Major

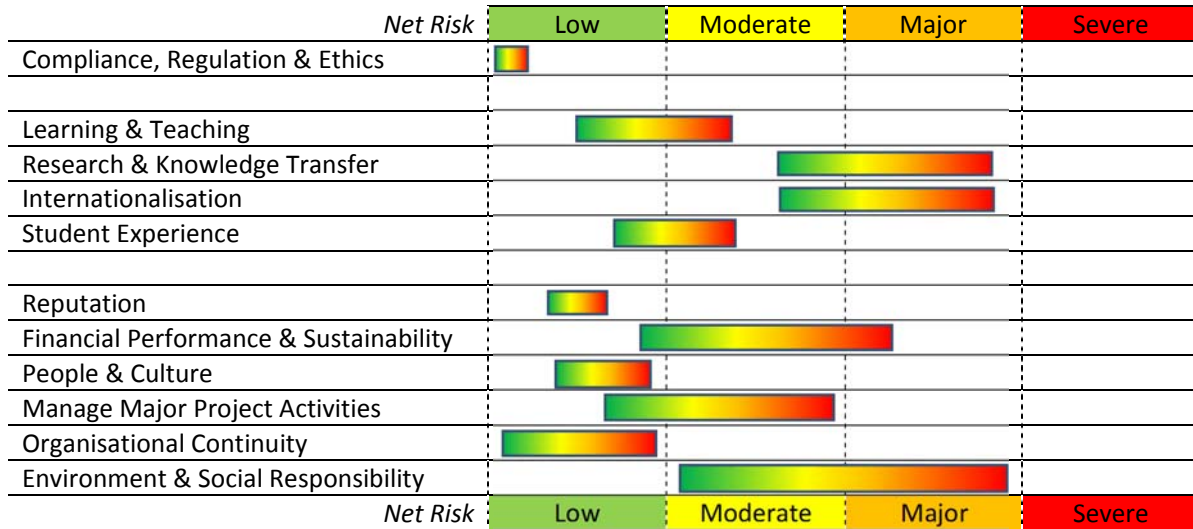
² <http://intranet.hw.ac.uk/ps/gls/ram/RM/Risk%20Documents/Forms/AllItems.aspx>

³ <http://intranet.hw.ac.uk/ps/gls/pso/Pages/HWU-PM-Toolkit.aspx>

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220647/orange_book.pdf

Step 2: Consideration of Risk Appetite

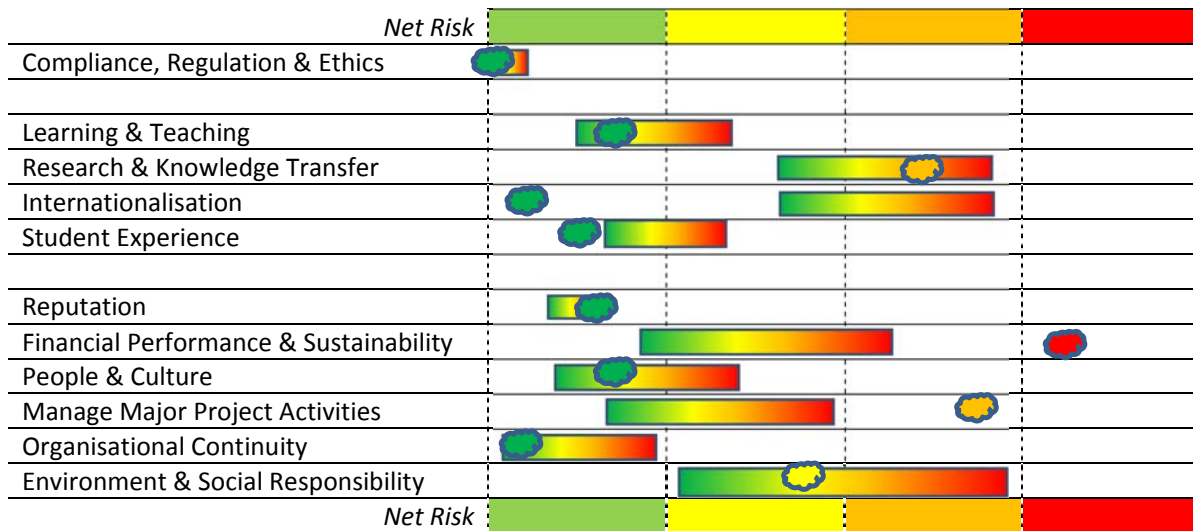
The next step in the assessment of a potential initiative is its evaluation using the Risk Appetite Evaluation Map which is reproduced below.



The analysis of risk appetite is now illustrated in summary graphical form by means of three examples.

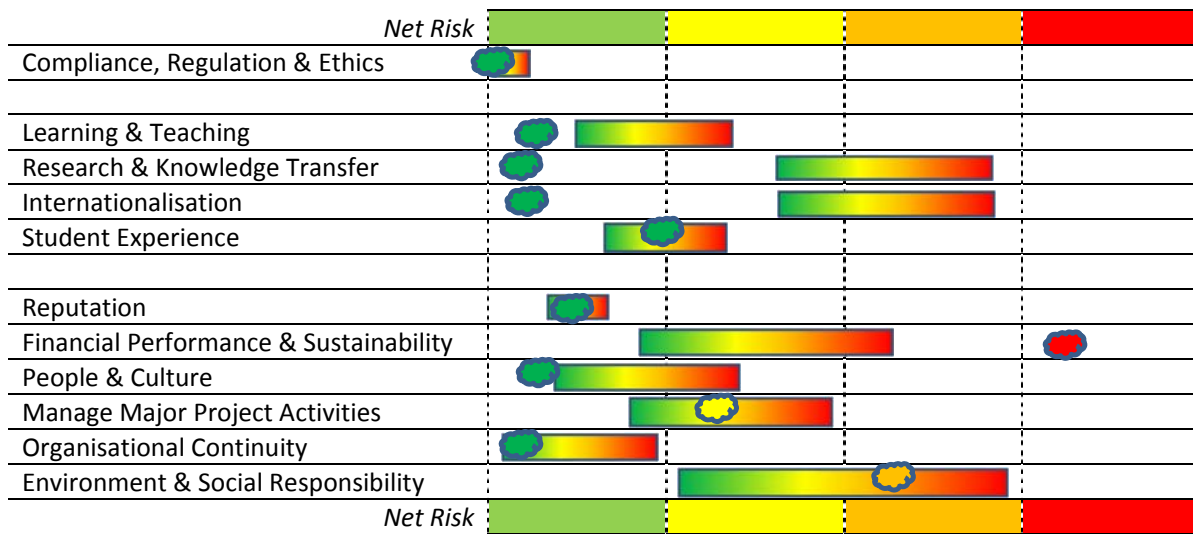
1. Eco Village Proposal Risk Appetite Map

This shows that the Eco Village proposal breached both the “Financial” and “Manage Major Project Activities” aspects of the risk appetite statement and was also close to the maximum “Research and Knowledge Transfer”. For each of “Internationalisation”, “Learning & Teaching”, “Student Experience”, “Compliance”, “Reputation”, “People”, and “Continuity” the residual risk is Green and is in the “manageable zone” on the Map. For “Environment” and “Research & Knowledge Transfer” the residual risk is Yellow and Amber respectively but both are still in the “manageable zone” for that area. For “Projects” the residual risk is Amber and for “Financial” the residual risk is Red – both aspects are in the “dangerous zone” therefore this proposal was not taken forward.



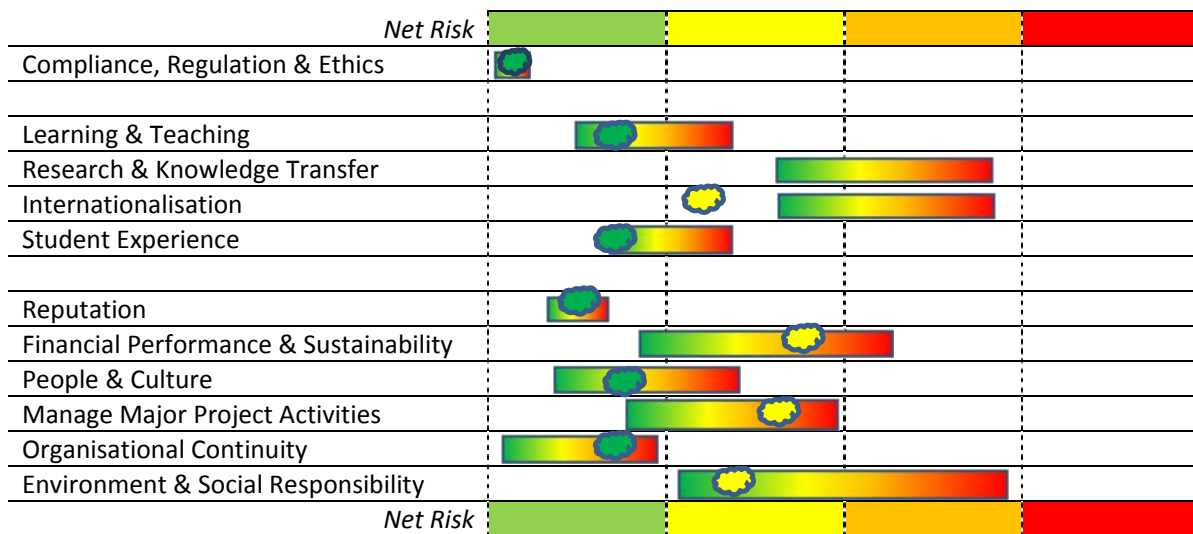
2. Swimming Pool Proposal Risk Appetite Map

The Swimming Pool proposal breached the “Financial” aspect of the risk appetite statement as shown below. This proposal was not taken forward.



3. Lyell Centre Proposal Risk Appetite Map

This proposal was taken forward as it did not breach any of the risk appetite thresholds. Further analysis during the “Start Up” and “Initiation” phases of the HWU PMM process would highlight the potential for achieving considerable benefits for the University which clearly out-weighed the residual risk of the programme.



Step 3: Benefit Profile Evaluation

The next step is to evaluate the opportunity in terms of the impact of the benefits, the likelihood that they will be realised, and how they will contribute to delivering the strategic objectives of the University. This is done using the Benefits Evaluation Matrix which employs indicative ranges rather than absolute values as such evaluations are subjective and cannot be considered quantitatively accurate mechanistic determinations.

Benefits Evaluation Matrix

I m p a c t	Extreme High academic, financial and intangible returns in support of University strategy	High (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	Major High to average academic, financial and intangible returns in support of University strategy	Medium (4)	Medium (8)	Medium (12)	High (16)	Extreme (20)
	Moderate Average academic, financial and intangible returns in support of University strategy	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	Minor Average to low academic, financial and intangible returns in support of University strategy	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	Insignificant Low academic, financial and intangible returns in support of University strategy	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
		Rare	Unlikely	Possible	Likely	Almost Certain
		Less than 10% chance of occurrence	10-36% chance of occurrence	36-63% chance of occurrence	63-89% chance of occurrence	90% or above chance of occurrence
		Likelihood				

Further assessment of the benefits to be derived will form part of the full business case should the decision to proceed with the programme / project be taken.

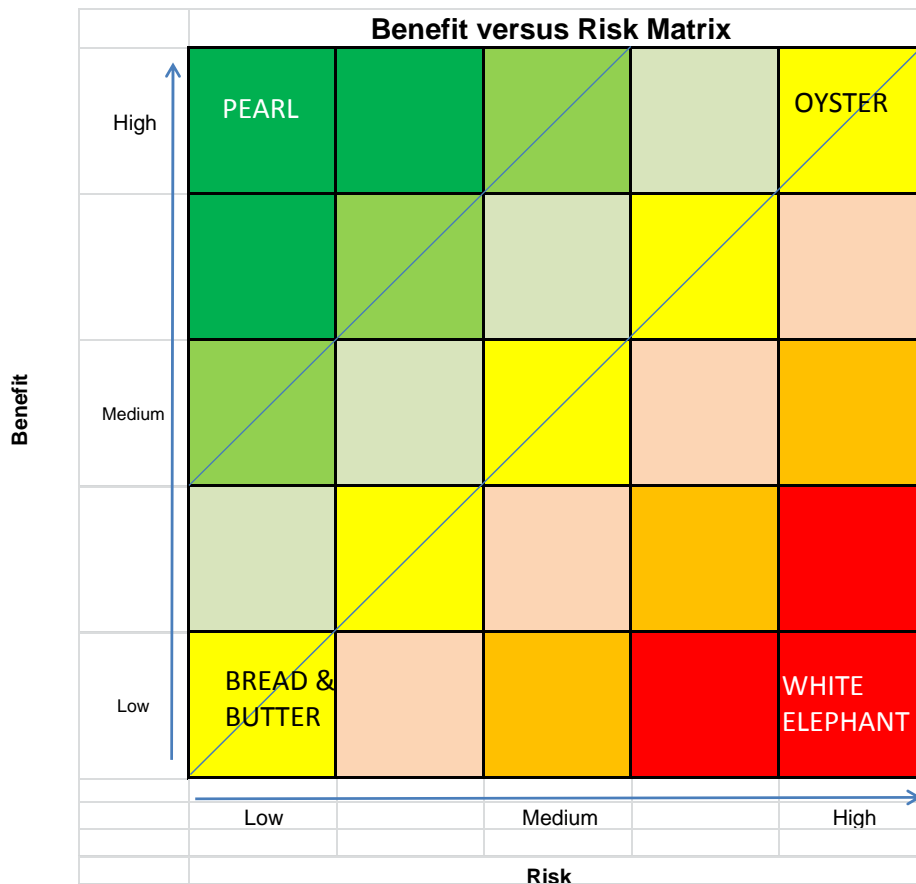
To illustrate the approach several examples will be used. Note the cost figures below are for illustrative purposes only.

		Benefits				Risks		
Proposal	Cost £M	Likelihood	Impact	Rating		Likelihood	Impact	Rating
Swimming Pool	8	2	2	4		4	1	4
Library	32	4	3	12		3	1	3
Lyell Centre	27	4	4	16		4	4	16
Student Record System	4	4	3	12		2	3	6
ECO Village	48	3	2	6		4	4	16

The Impact and Likelihood values for a given candidate opportunity are then plotted on the Benefit Evaluation Matrix as explained in the HWU PMM “Options Appraisal Approach” toolkit document.

Step 4: Evaluating Benefit versus Risk

To gain a better understanding of the relative Benefit / Risk Profile of an opportunity the scores obtained using the Benefit Profile Evaluation and the Risk Profile Evaluation processes are plotted on the HWU PMM “Benefit versus Risk Evaluation Matrix” shown below.



An opportunity falling into the category:

PEARL – is likely to give considerable benefits with a relatively low risk and it is likely that such an opportunity would be taken forward all other things being equal.

OYSTER – may give considerable benefits but is also highly risky. It may be taken forward with appropriate risk mitigation or it might be rejected depending on the risk appetite of the University and the balance of other projects in the current portfolio.

WHITE ELEPHANT – is unlikely to deliver significant benefits while being inherently risk. It is likely such opportunities will be avoided.

BREAD & BUTTER – provides limited benefits but has little risk attached. It is likely that a number of such opportunities will be taken forward in any one planning period.

The University will seek to maximise benefits delivered and minimise associated risks. The most beneficial opportunities have characteristics that plot in the green region and the least beneficial and riskiest are found in the red region.

Portfolio Evaluation

In practice it is more important to look at sets of potential opportunities rather than singly opportunities in isolation. By carrying out the steps introduced above for a group of candidate initiatives the group as a whole can be evaluated.

For any given set of opportunities those that plot above the neutral line (mid-point) indicated by the yellow shading are more favourable for consideration for investment and the choices that plot below the neutral line are more likely to be rejected. Opportunities occurring in sections above the upper line are the better opportunities for investment where resources permit. Choices will have to be made where potential candidates compete for the same scarce resources or where they are simply mutually exclusive.

The University would be unlikely to undertake the opportunities where the risks and the cost of the risk exceed the benefits returned by the opportunity unless, of course, where there is a mandatory requirement.

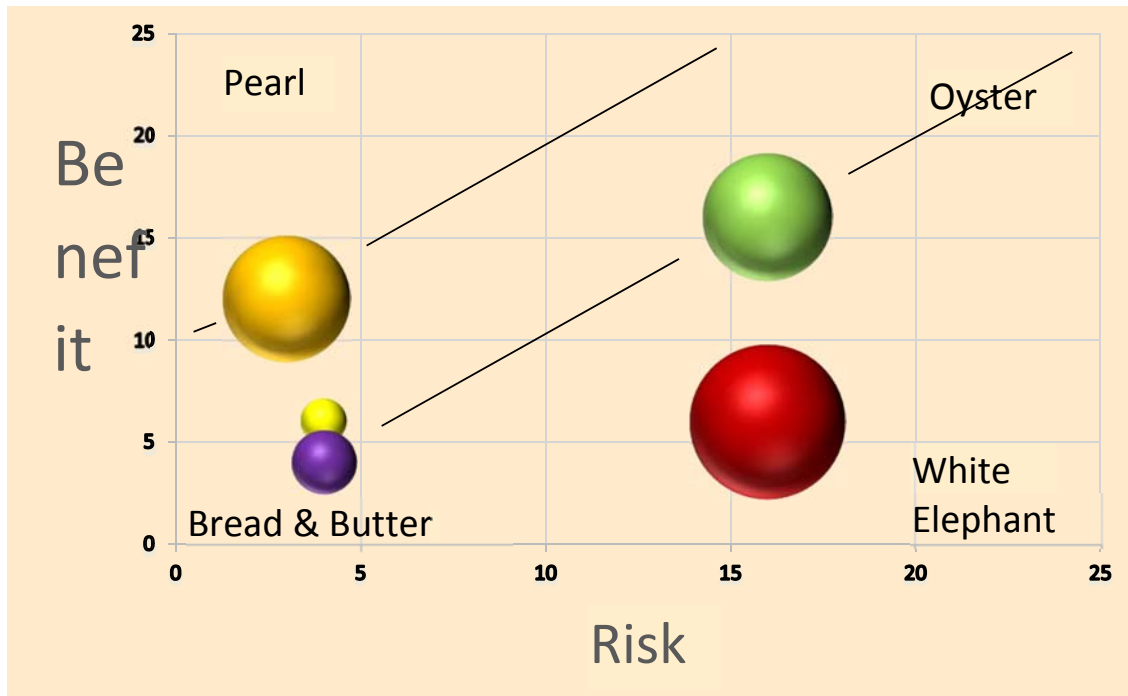
Choice is based on individual differences in perception, preference, and ability to deal with uncertainty. Benefit / Risk analysis is not an exact science but more of an art: subjective and informed by a number of factors including the Risk Appetite as stated in the University's "Risk Appetite Statement".

In terms of priorities, the need to avoid reputational, compliance and overall financial risk will take priority over other factors e.g. it will be acceptable to undertake risks in research activities providing they do not expose the University to undue reputational, compliance, or financial risk. A balanced assessment has to be taken of risks – in many cases there are risks associated with carrying out an activity but also risks associated with not carrying it out.

Assessing Multiple Opportunities on a Portfolio Basis

The bubble diagram below plots Benefit versus Risk for the example initiatives with the area of the bubble indicating the approximate Costs of the resulting programme or project.

Portfolio Opportunity Assessment Tool



	Proposal	Cost £M	Benefits			Risks		
			Likelihood	Impact	Rating	Likelihood	Impact	Rating
	Swimming Pool	8	2	2	4	4	1	4
	Library	32	4	3	12	3	1	3
	Lyell Centre	27	4	4	16	4	4	16
	Student Record System	4	4	3	12	2	3	6
	ECO Village	48	3	2	6	4	4	16

From the diagram, it can be seen that the Lyell Centre while somewhat risky offers a large return in benefits. Eco Village proposal is not worthy of further investigation as it is too risky and provides little benefit. The other opportunities appear perhaps less clear-cut. The Library proposal is less risky and offers fewer benefits falling marginally above the Bread & Butter area. This would put it in competition with other potential initiatives such as the Swimming Pool proposal. In practice, however, consideration of the Risk Appetite Statement early in the process would probably lead to the elimination of the swimming pool option before reaching the more detailed evaluation summarised above. The same would apply to the Eco

Village opportunity: In both cases, they breach the thresholds and tolerances of the University's Risk Appetite Statement.

Appendix 1

Developments in Practice - Risk Appetite

Risk Appetite is "the amount of risk that an organisation is willing to seek or accept in the pursuit of its long term objectives."⁵

There are various definitions of Risk Appetite being used in the literature, the above being the one taken from the Institute of Risk Management - Risk Appetite and Tolerance Guidance Paper (2011)

One of the key developments arising from the global financial crisis, the sovereign debt crisis, as well as individual major corporate failures that took place from 2008/9, has been a recognition of the increasing importance of defining and communicating Risk Appetite and integrating it into the strategic decision making and operations of an organisation. The key question that has been posed is why boards failed to see crises coming, and exposed themselves to risks that they had little capacity to manage. A number of reviews and changes to recommended governance codes of practice have taken place to address this issue, some of which are noted below.

1) In 2009/10 a review of the corporate governance of Banks and Other Financial Institutions ("BOFI's") was undertaken by Sir David Walker at the request of the UK Government.

2) This was followed by a review of the broader corporate governance landscape in the UK by the Financial Reporting Council (the "FRC").

3) The FRC updated the UK Corporate Governance Code (2010). Under the newly expanded Section C, a board is explicitly tasked with being responsible for "determining the nature and extent of the significant risks it [the board] is willing to take in achieving its strategic objectives". This inserts the concepts of risk appetite and risk tolerance into the Code.

4) The Financial Reporting Council (FRC) subsequently issued a guidance document - "Boards and Risk: A Summary of Discussions with Companies, Investors and Advisers" (Sept 2011). The main findings included:

The Board's overall responsibilities include determining the company's approach to risk, setting its culture, risk identification, oversight of risk management, and crisis management.

Better risk decision-taking should not automatically mean less risk-taking. Risk taking is essential to entrepreneurial activity.

The Board needs to agree its appetite or tolerance for key individual risks; to understand the company's exposure to risk and how this might change, as a result of changes to strategy and the operating environment; and to take a view on these changes.

Boards need to focus especially on those risks capable of undermining the strategy or long-term viability of the company or damaging its reputation. Reputational risk has grown in importance and required greater attention.

5) The financial services community in particular is focused on articulating Risk Appetite due to the increased regulatory and supervisory focus, and the requirement for financial institutions to hold adequate

⁵ There are various definitions of Risk Appetite being used in the literature, the above being the one taken from the Institute of Risk Management - Risk Appetite and Tolerance Guidance Paper (2011)

capital and maintain a satisfactory level of solvency. One example is the EU Solvency 2 Directive which required insurance companies to produce a Risk and Solvency Assessment (ORSA) statement.

6) When assessing the quality of an organisation's risk management, credit rating agency Standard & Poor's reportedly now examines whether an enterprise has a clearly articulated risk appetite process and to what degree this process is integrated with its strategy and culture.

7) As well as meeting the requirements imposed by corporate governance standards, organisations in all sectors are increasingly being asked by key stakeholders including investors, analysts and the public, to express clearly the extent of their willingness to take risk in order to meet their strategic objectives.

Major accountancy/consultancy firms have issued guidance notes on developing and implementing Risk Appetite / Risk Tolerance statements⁶. The key messages coming from these guidance notes are:

1) Defining risk appetite is very much a task for the board and top management, as it is intimately linked to defining the overall strategy of an organisation.

2) Organisations are distinguishing between those risks that are core to their business where appetite needs to be articulated and controlled.

3) Risk appetite is not a single fixed concept. There will be a range of appetites for different risks which need to be articulated and these appetites may vary over time.

4) Risk appetite should be developed in the context of an organisation's risk management capability, which is a function of capacity, capability, and risk management maturity.

5) Risk appetite should take into account differing views at a strategic, tactical, and operational level, and also take into account the expectations of shareholders, regulators, and other stakeholders.

6) Risk appetite should be integrated with the control culture of the organisation.

7) In a corporate context, discussions on risk appetite will usually include a variety of topics such as solvency, liquidity, earnings and earnings volatility; credit rating; reputation and brand; expansion into new products, customer groups or countries; supply chain management; acquisitions; environmental impact; corporate governance and compliance; human resources.

8) The risk appetite should also be consistent with the culture of the organisation and with the capacity of the organization to manage risks inherent in its business activities.

9) A good description of a company's risk appetite will have both qualitative and quantitative elements. On various issues, it may include definitions of what is acceptable and what is not.

10) Once the organization's overall risk appetite has been clearly defined, the board and executive management should communicate it broadly throughout the organization to ensure actions of the organisation are in line with the risk appetite. Executive management should operationalise the risk appetite in various steps and for all relevant risks and business units.

⁶ Risk Appetite - A market study (Grant Thornton 2012); Risk appetite – A Strategic Balancing Act (E&Y 2010); Risk Appetite – How Hungry Are You (PWC); Risk Appetite and Tolerance Guidance Paper (Institute of Risk Management 2011); Understanding and Articulating Risk Appetite (KPMG 2008); Business risk – A Practical Guide for Board Members (IOD 2012)

11) Risk tolerance levels should be considered for specific categories of risk, e.g., strategic, operational, financial and compliance risks. Risk tolerance expresses the specific maximum risk that an organization is willing to take regarding each relevant risk (sub-) category, often in quantitative terms e.g. by reference to upper and a lower risk limits or using a traffic light alert process. Breaching risk limits will typically act as a trigger for corrective action at the process level.

12) A definition of risk appetite cannot be a one-off exercise. Risk appetite, tolerance, targets, and limits are not static. Risks change continuously. They must be updated with changes in a company's environment (economy, markets, regulations, technology etc.), strategy, and performance.

Whilst the above has a corporate focus, Higher Education institutions are expected to read across and adopt the UK Corporate Governance Code as relevant to the Higher Education setting. Updating the University's Risk Strategy and Risk Appetite should therefore take into account the above, as appropriate to this institution.