

FNU Risk Appetite Statement

The University's approach to risk management, as set out in the FNU Risk Management Framework, seeks to recognise and manage exposure to risk, while recognising that it may be necessary to accept a degree of risk to achieve the University's vision, mission and strategic objectives. There will be occasions when taking calculated risks will be appropriate, commensurate with the potential reward. The risk that the University is willing to take will be within agreed tolerances for risk appetite agreed by the Council for key risk areas specified in the High-Level Risk Register.

Definitions

Risk appetite can be defined as the amount of risk that an organisation is prepared to accept in the pursuit of its strategic objectives. Assessing whether to transfer, tolerate, treat or terminate a risk is based on the University's agreed appetite for risk and the availability of resources. This Risk Appetite Statement outlines the level of risk FNU is willing to accept for each risk category in the High-Level Risk Register. Risk appetite is defined in three bands – low, medium and high – as follows:

Risk Appetite Level	Appetite Description
Low	'Conservative': The University will not generally pursue opportunities that come with a level of risk that could result in significant exposure or loss.
Medium	'Balanced': The University will balance opportunity and risk, taking mitigating actions to reduce risk to an acceptable level
High	'Entrepreneurial': The opportunity is too good to miss, and the University will consequently accept some measure of risk whilst taking appropriate mitigating actions

Specific Statements of Institutional Risk Appetite

The following specific statements of institutional risk appetite are based on the categories of institutional risk set out in the University's High-Level Risk Register. The categories represent twelve groupings of the most prominent institutional risks listed in the University's High-Level Risk Register and identified through the University's Risk Management Policy. As adjustments are made to the High-Level Risk Register, those adjustments will be reflected as necessary in the annual review of this Statement.

Risk Category	Risk Appetite	Risk Appetite Description
A. Finance	Medium	The University has a medium appetite for risks in this category, recognizing the regular oversight of financial matters by the Council and management, the overall financial position of the University, and the flexibility to respond to changing circumstances both in the annual budget cycle and in-year.
B. Learning & Teaching	High	The University has a high appetite for risks associated with the development of innovative programmes aligned to labour-market needs and market-share opportunities.
	Low	The University has a low appetite for risks associated with teaching quality and student experience, given the associated financial, reputational and regulatory risks.

C. Research	High	The University has a high appetite for risks associated with the development of innovative research in support of the University's strategic objectives.
	Low	The University has a low appetite for risks associated with research ethics, integrity and standards, given the associated financial, reputational and regulatory risks.
D. Regulation	Low	The University has a low appetite for risks in this category because full regulatory compliance is essential for the University to continue operating.
E. Risk & Compliance	Low	The University has a low appetite for risks in this category, primarily because they have a direct impact on all other risk categories.
F. Governance & Management	Low	The University has a low appetite for risks in this category, primarily because they have a direct impact on all other risk categories.
G. Legal	Low	The University has a low appetite for risks in this category, given the financial, reputational and regulatory implications of legal action.
H. Staff	Medium	The University has a medium appetite for risks in this category, recognising that a dynamic, engaged, flexible and resilient staff body, responsive to change, is vital for the University's continued success and growth.
I. Capital Projects	Low	The University has a low appetite for risks in this category, recognizing that tight oversight of capital projects is essential for the University's financial sustainability, reputation and delivery of core services.
J. Estates & Facilities	Low	The University has a low appetite for risks in this category, since the development, maintenance and operation of the estate and facilities are central to the delivery of the University's core mandate and vital to the safety and security of the University community.
K. Reputation	Low	The University has a low appetite for risks in this category since preserving the University's reputation has a direct impact on the accomplishment of its key objectives.
L. Strategy & Policy	High	The University has a high appetite for risks in this category, recognizing that an entrepreneurial approach to strategy and policy is necessary to keep pace with a dynamic external environment and to take advantage of new opportunities.