

Purpose of this document2 DGF TdSsRS202a8dThe University(RAAP) for 2023/24 Analysis embedded within the process and register, identification of the relevant strategic aim of the University as laid out in the revised University Strategy 'Together we will make the difference' for each risk. Each risk is also categorised as within an impact category, with categories ranging from operational delivery to legal to financial to reputational (amongst others).

4. The revised RAAP also allocates each risk to the Board and its Committees, together with the Academic Board, to ensure appropriate oversight of the management of key risks across the institution is taking place.
5. Good use of 'risk appetite' helps to focus an organisations approach to managing risk – adding value to decision making, direction and control. The principle of defining 'risk appetite' however, is not straightforward. What may be an acceptable or desirable risk profile in one area of delivery, management or growth, may not be in another.
6. When defining 'risk appetite' at an institutional level therefore, Governing Bodies need to balance risk aversion, which can lead to missed opportunities for development, and risk acceptance within levels of tolerance. Applying risk appetite requires, like all of risk management, using judgement informed by circumstances and information.
7. Through determining its risk appetite, the Board is able to use this as a framework to help decide what risks can be engaged with and taken, and what should be as far as possible avoided, resulting in a range of risks that sit within these two end points.
8. Studies by RSM recommend apportioning risks individually to risk appetite levels including;
 - Averse
 - Minimal
 - Cautious
 - Open
 - Hungry

This exercise will take place during 2023/24 to further enhance the revised RAAP.

9. In addition to the RAAP, papers for the Board and Committees will include a section on how the subject matter aligns to the strategic objectives of the University, and will seek to highlight risks. This should assist the relevant committees to link business to the RAAP appropriately to provide increased information for oversight to operate effectively.
10. We recognise that the approach to taking risks can vary over time, depending upon the current portfolio of activities and the ability of the University to manage new initiatives balanced against the need to take a degree of risk to capture new market opportunities. This means that the University, through its annual planning processes, should have a clear idea of the activities (and associated risks) in which it is prepared to engage and those in which it is not. Additional risks may then only be added on a case by case basis if they are either (a) of a low rating or (b) provide a significant opportunity for the development of a new funding stream or market position. A confounding factor may be external audit or monitoring requirements that are introduced after this process has been completed. Wherever these factors can be planned ahead, and their potential risks identified, they should be incorporated in the University's planning cycle and /or the annual review of the RAAP

11. HEFCE suggested that the risk tolerances of key stakeholders should be taken into account on a regular basis. The University is aware of these issues through routine contact with major stakeholders such as the OfS and its bankers as well as other sector organisations such as the QAA. The OfS determines its assessment of an HEI's risk rating annually.
12. As in previous years it has been agreed that a statement along the following lines be incorporated in the University's risk management plans, and that it be reviewed annually by the Board alongside the Risk Analysis and Action Plan (RAAP):

'The University has risk management procedures in place that help identify key risk areas and risks associated with major new developments. The University's approach, through these measures, is to recognise risks and to minimise exposure to the adverse consequences of risks. **The University recognises, however, that an increased degree of risk may be necessary, from time to time, to help it achieve its strategic objectives and/or that external events may cause increased risks which need consideration of appropriate action (i.e. cost of living increases).** In such cases, the University will analyse the risks associated with external events and new developments before they are agreed, and will ensure that the relative benefits and risks are understood before action is taken. The University will employ appropriate measures to mitigate risk which, whilst not preventing