

STATEMENT OF RISK APPETITE AND TOLERANCE

1. This Statement of Risk Appetite and Tolerance defines the amount and type of risk that the University of Sussex will take in order to achieve its objectives (risk appetite) and sets the parameters which determine the acceptance of risk (risk tolerance). This statement will be reviewed annually by the Audit and Risk Committee, to reflect changes in the University's operating environment.

Risk Tolerance

2. The University of Sussex will accept a limited degree of financial risk in order to develop and improve; whilst overall, it will adopt a more cautious approach to increase its operating surplus and promote financial sustainability.
3. The University operates in a highly regulated environment and intends to operate within the relevant legal and regulatory frameworks and will not seek to take risks to systemic compliance in these areas.
4. The University will accept risks that could result in short term adverse publicity, but will seek to avoid any longer term exposure to reputational risk.

Risk Appetite

5. Within the parameters set by its Risk Tolerance, the University will be open to risk taking in activities which support the fulfilment of its objectives. Particular objectives may carry numerous inherent risks and within this context, risk appetite may vary on a case-by-case basis. Risks will therefore be assessed as they arise, in proportion with the opportunities that they present and the controls that will be introduced to protect the University from financial/reputational loss or non-compliance with legislation.
6. The University will seek to enhance sustainability and to preserve and improve the estate. The University will be open to risk taking in order to achieve these goals.
7. The University will seek to enhance knowledge and understanding of globally important issues through its commitment to excellence in teaching, research and external engagement. Students will be empowered to challenge conventional thinking, actively participate in their own development and embrace opportunities so that they can obtain the full advantages of University education. UEG is open to an appropriate level of risk taking which is beneficial to advancing education and supports an excellent student experience.
8. The University positions itself as a research-intensive institution amongst the UK's top universities. The University's reputation will directly influence its ability to attract high calibre staff, which in turn will affect student applications and the ability to secure funding to deliver impactful research programmes. To this extent, the University will ensure that appropriate measures are in place when exposed to risks which promote and enhance its reputation for excellence in research.
9. The University recognises that it must continue to maintain and improve its estate and technical infrastructure in order to operate effectively and achieve its strategic objectives. The University has embarked upon a programme of significant investment to transform its digital and estates infrastructure and associated risks will be controlled through robust project management, oversight and governance.
10. The University operates in a challenging environment with uncertain funding, increasing competition and a growing cost base. The University aims to be competitive by diversifying its income base and creating additional income streams through innovation, growth, engagement and enterprise. The University will be open to risk taking in order to achieve these goals.
11. The University must be responsive to increasing demands within the higher education sector and will reflect upon its efficiency and effectiveness with the aim of delivering continuous improvements to services. Organisational change will expose the University to risk and this will be mitigated through strong leadership and meaningful engagement with all personnel in order to promote a culture of innovation, development and resilience.