Risk Appetite Statement

Arts University Bournemouth is committed to delivering excellence across all aspects of student education, innovation, research, knowledge exchange, enterprise, and civic engagement. We value entrepreneurship and creativity and wish to encourage and enable the creation and dissemination of new knowledge and to stimulate student learning and opportunity in the broadest sense. We value critical enquiry, academic freedom, entrepreneurial spirit, challenging received wisdom, and freedom of speech within the law. We accept that this and our day-to-day operations will necessarily entail elements of risk. We will conduct robust risk assessments, scenario plan, and implement appropriate mitigating actions and controls where required; but know that we cannot eliminate all risk, and we do not aspire to do so. Equally, there will be time that we need to recognise the risk of not taking action, and the opportunities which would thereby be forfeited.

We recognise the need to balance our approach to risk, and that risk in some areas of activity might be offset by rigorous assessment and scenario planning, and on occasion, a more cautious approach in other areas of work. The University is aware of its obligations as a charity, and a body in receipt of public funds, and will safeguard responsible stewardship in all aspects of its business including institutional sustainability relating to governance, financial control, legal compliance, environmental sustainability and health and safety. Assessments of risk will be considered with particular attention to the impact of the risk on the core activities and reputation of the University.

The University has adopted the following levels of risk appetite:

- *Averse*: preference for ultra-safe, low-risk options
- *Cautious*: preference for safe options that have a low degree of risk and may only have limited potential for reward
- *Open*: willingness to consider potential emerging opportunities or options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money
- *Ambitious*: eager to be innovative, entrepreneurial and future thinking, and willing to choose options offering potentially higher business rewards, despite greater inherent risk.

The levels of risk appetite for specific areas of work are as follows:

Area	**Risks arising from:**	**Risk level**
Academic reputation	Research, quality of courses, student outcomes, behaviours of staff, associations with organisations or individuals, partner or collaborator institutions	Averse

Student experience	Failure to provide a safe, high-quality learning and living environment, failure to deliver in accordance with marketing information, failure to provide appropriate safeguarding and support	Averse
Strategic	Failure to clearly define, plan, implement, and deliver key strategic projects, weak governance, not taking account of changing external environment or horizon scanning, lack of accountability or performance	Cautious
Financial management	Not monitoring and managing the university's financial health effectively, failure to secure value for money, lack of business planning, poor budget management, covenant compliance	Averse
Financial investment	Failure to secure returns on investment or seed funding for projects	Cautious
People	Ineffective leadership and management, lack of capability, capacity or skills	Cautious
Legal / regulation	Failure to comply with legal or regulatory requirements, resulting in a risk of enforcement action by an individual or organisation	Averse
International and Partnerships	Lack of appropriate due diligence checks, quality monitoring, governance and income potential	Cautious
Information security	Failure to prevent unauthorised access to information or to protect personal or commercially sensitive data; failure to provide deliver correct levels of data availability to inform planning	Averse
Values	Lack of transparency, integrity (including fraud), authenticity, honesty and ethical practices	Averse
Business Development and Entrepreneurialism	Testing and piloting emerging concepts, ideas, entrepreneurial activity, and developments that generate new income, provide efficiencies, or offer the potential to future proof the university in any aspect of business	Ambitious
Future Proofing Projects, and Partnership Development with HE, FE, businesses or organisations	Supporting the potential of different types of new business and/or income generation based on limited or minimal research due to a lack of prior existing activity or evidence	Open

Approved by the Board of Governors, 23 April 2026