



UNIVERSITY OF
LIMERICK
OLLSCOIL LUIMNIGH

Enterprise Risk Appetite Statement

Contents

- 1. Introduction 2**
 - 1.1 Risk Appetite 2
- 2. Overall Risk Appetite 2**
 - 2.1 Risk Tolerance 2
- 3. Risk Appetite Principles 3**
- 4. Statement of Risk Appetite 5**
 - 4.1 University of Limerick Risk Appetite Statement (Risk Categories) 5
 - 4.2 Risk Appetite Evaluation 7
- 5. Document Control16**

1. Introduction

Risk management is an essential component of the University's governance framework. It supports the achievement of the University's strategic goals and objectives.

Effective risk management protects the University's reputation by anticipating and addressing potential threats, increasing the likelihood of successfully achieving organisational objectives.

The aims of the Governing Authority for the operation and development of the University and its strategy are set out in its strategic development plan (S.34 Universities Act 1997). These aims or "goals" for achieving their aims (which are subject to change as strategy changes) are as follows:

- Transforming Education;
- Research Excellence,
- Internationalisation
- City and Region; and
- Operating Model.

The University's Enterprise Risk Management (ERM) Policy and companion Handbook provide the framework for managing its risks effectively. The framework seeks to maximise opportunities and minimise adverse outcomes.

The University is deeply committed to its stakeholders and takes its responsibilities to them seriously. ERM is also an important tool for building and maintaining trust and confidence with our key stakeholders.

1.1 Risk Appetite

Risk appetite is the level of risk that an organisation is prepared to undertake in pursuit of its strategic objectives. By clearly defining its risk appetite, the University can make well-informed decisions regarding which risks to embrace, mitigate, or avoid. This process ensures a robust alignment between risk management practices and the institution's overarching strategic direction.

The Risk Appetite Statement (RAS) considers the most significant risks the University is exposed to and outlines the approach to managing these risks.

2. Overall Risk Appetite

The University must consider stated risk appetite when making strategic or operational decisions. It is important to emphasise that risk appetite is not to be seen as a hindrance but rather as a guide.

2.1 Risk Tolerance

In order to achieve its vision and strategic objectives, the University must be willing to

accept the risks that inevitably come from pursuing growth, transformation, and innovation.

The key consideration is whether it is proportionate to take those risks having regard to the University's main objectives and the potential rewards. It is recognised that the University may engage in activities that inherently involve greater risks, but these activities must align with our strategic direction.

Risk tolerance is the specific level of risk that the University is prepared to accept while pursuing its objectives within the broader context of its risk appetite.

The key to achieving appropriate risk tolerance is to ensure the following:

- Knowledge and understanding of the University's risk appetite.
- Ethical and effective governance practices, including responsible stewardship of resources.
- The realisation of opportunities and allowing growth, transformation, and innovation while avoiding unnecessary negative impacts.
- Avoid a risk-averse culture that stifles growth, transformation, and innovation.
- Promote a culture of identifying, assessing, and managing risk to support the University's strategic objectives.
- Continuous monitoring of the effectiveness of controls and management techniques and decision-making informed by the risk management process.

3. Risk Appetite Principles

The University manages risks responsibly systematically identifying, evaluating and mitigating potential threats, thereby ensuring sustainable growth and resiliency. The acceptable level of risk varies across the core domains of the University's activities. Therefore, it's important to establish clear principles and general guidelines to outline the University's risk appetite for the understanding and awareness of its stakeholders.

Key Principle 1:

The University must prioritise risks related to reputation, regulation, compliance, ethics, organisational continuity, people and culture, and overall financial viability. All activities must consider these risk domains from the outset and revisit them as necessary throughout the current or proposed activity.

Examples:

— When undertaking an infrastructure project or a capital acquisition, the University must fully assess regulatory compliance (legislation, regulations codes, circulars, policies), due diligence, required internal and external approvals, potential for financial overruns or funding shortfalls. Reputational damage may quickly arise from project mismanagement and/or inadequate due diligence. Strategic considerations also arise as any such project must align with institutional goals.

— A proposal for a research project must take account of ethical considerations, as well as financial and reputational risk, including of foreign influence or interference. Depending on the nature of the research, regulatory and health and safety risks may also arise. The University must consider whether compliance with statutory or regulatory frameworks governing such projects may involve reputational and financial risks that cannot be adequately mitigated. It is important to recognise that circumstances will change as the project progresses and the governance processes should revisit the level of risk-taking in such projects.

Key Principle 2:

All activities and projects should be managed within a framework appropriate to the specific activity or project, including risk identification and management as a core component.

Examples:

— A proposal for an IT system where several different solutions (e.g., commercial products) are available that the University might wish to operate. All solutions and their respective advantages and disadvantages (including costs versus benefits) are considered before making a final decision. (A good example of this is the process put in place via the Digital Governance Steering Committee).

— A proposal for a major consultancy project should operate within a framework that establishes the financial costs of the University delivering the project against benefits (e.g., financial and reputational benefits).

Key Principle 3:

Established activities should be considered within a risk management framework to continually assess whether risks are managed appropriately, including being accepted at the appropriate level.

Examples:

— The existing academic portfolio should be subject to appropriate oversight and management concerning applicant trends, relevant outcome data (e.g., attainment, student satisfaction, career destination data), and other appropriate measures to ensure the ongoing 'health' of the educational offering.

— A research project where ethical considerations have been identified and addressed before the commencement of the project should incorporate appropriate ongoing ethical evaluation as part of the project governance framework.

4. Statement of Risk Appetite

The University maintains a balanced risk appetite, appreciating the need to take calculated risks to advance its objectives in teaching and research while safeguarding its reputation and academic standing, its assets, and its relationships with key stakeholders. It assesses the potential benefits and harm before deciding on its risk tolerance level. The University works to reduce its exposure to risks associated with its strategy, operations, and financial position while accepting a level of risk appropriate to achieving the goals and objectives in its Strategic Plan. This helps to mitigate the risk of failing to meet those goals and objectives.

The University understands that its risk appetite varies depending on the activity and takes steps to fully understand the potential advantages and disadvantages before authorising any new development/activity. To support this approach, any new developments or activities should include a risk analysis section in their business case to ensure potential risks are identified and managed appropriately. Reputational risks must always be considered.

4.1 University of Limerick Risk Appetite Statement (Risk Categories)

Term	Definition
Reputation	The University regards any project or activity that would seriously threaten its reputation as a high-quality provider through adverse publicity or loss of status as an autonomous institution as unacceptable.
Compliance, Regulation & Ethics	The University is committed to maintaining the highest standards of integrity, compliance, and ethics. As such, the University has low tolerance for any breaches in statute, regulation, professional standards, research ethics, bribery, or fraud.
Learning and Teaching	<p>The University is committed to delivering high quality teaching and learning as well as developing enhanced approaches to teaching and learning. 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.</p> <p>The University recognises that this will involve an increased degree of risk in developing education and are comfortable in accepting this risk always subject to ensuring that potential benefits and risk are fully understood before developments are authorised and that sensible measures to mitigate risk are embedded.</p>

Term	Definition
Research and Knowledge Transfer	<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 collaborations and partnerships nationally and internationally; facilitating enhanced research opportunities, performance and funding through institutes and research centres; supporting innovation and entrepreneurship and increasing the number of research students. The University recognises this may involve an increased degree of risk in developing research subject to acceptable ethical standards and ensuring that potential benefits and risks are fully understood before developments are agreed and appropriate measures to mitigate risk are established.</p>
Internationalisation	<p>The University wishes to have an international footprint and profile and engage with academic partners globally. The University acknowledges that all international activities carry a degree of risk, with the offshore delivery of its programmes in partnership with third partners being high risk. These risks include a breakdown in the partnership, a change in the regulatory environment of the host country, and geopolitical upheavals.</p> <p>The University will always ensure that the benefits and risks are fully understood before activities or projects are authorised and that reasonable and sensible risk mitigation measures are established. The importance of maintaining reputation and compliance is paramount in such activities.</p>
Student Experience	<p>The University is committed to the further development of facilities and support arrangements for the student learning and living experience and in ensuring that programmes are accessible to the most talented individuals from diverse backgrounds. UL will maintain a generally low to moderate appetite for any risks which threaten the delivery of objectives in this area.</p>
Financial Performance and Sustainability	<p>The University will always aim to work within financial parameters that maintain the long-term financial sustainability of the University within generally accepted boundaries of financial prudence. UL recognises that there is a degree of financial risk involved in the pursuit of ambitious strategic goals, which require significant change. There are also demanding financial targets set in the implementation of the strategy. The University ensures that financial risk is appropriately managed by ensuring it has sound systems and processes for financial planning, budgeting, reporting and control. However, UL has low tolerance in relation for any breaches to financial parameters demanded by statute and/or regulation and/or governance.</p>
People and Culture	<p>The University aims to value, support, develop and utilise the full potential of staff to make the University a stimulating and safe workplace. UL emphasises a culture of academic freedom, equality and diversity, dignity and respect, collegiality, annual review, staff development, and the health and safety of staff, students, and visitors. UL has a low appetite for deviation from its standards in these areas.</p>

Term	Definition
Major Change Activities (e.g. projects, collaborations, 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 activities. The University expects such changes to be managed according to best practice in project and change management. Project management disciplines must be applied rigorously to tackle 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 reputation or upon the normal operation of learning, teaching, research and support operations, or access to relevant buildings or facilities. This low appetite for risk also relates to ability of the University to securely carry out its role as a data controller and processor, maintaining the security of its data subjects' personal information.
Environment and Social Responsibility	The University aims to make a significant, sustainable, and socially responsible contribution 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.
Strategic Initiatives	The University is dedicated to navigating strategic landscapes with care and with foresight. By aligning initiatives with well-defined policies, leveraging accurate data, and providing robust support for commitments, plans, and objectives, the University not only mitigates risks but also transforms challenges into opportunities. The University embraces the dynamic macro-environment, which is characterized by shifts in politics, economics, society, technology, environment, and legislation, as a platform for innovation and strategic evolution. This reinforces the institution's adaptability and resilience, making it better equipped to face future challenges.
Cybersecurity	The University is dedicated to safeguarding its digital assets and ensuring a secure learning environment. This commitment includes continuous investment in cybersecurity infrastructure, advanced technologies, and ongoing staff training. We recognise the necessity of identifying and addressing potential vulnerabilities and collaborating with industry experts. Key measures include robust access controls, regular training programs, incident response plans, continuous monitoring, and collaboration with stakeholders to adapt to the evolving threat landscape. Through these efforts, the University aims to create a safe digital environment that fosters innovative teaching and learning while protecting the interests of our functioning users.

4.2 Risk Appetite Evaluation

The Risk appetite evaluation map is a crucial tool, providing insight into the University's approach to risk management across various segments. The map uses colour-coded bars to illustrate the University's openness to engaging with different risk categories while carefully considering the potential benefits and associated risks. This method enables the University to navigate risks effectively and leverage opportunities for growth and progress. With its constructive perspective, the map empowers the University to make informed decisions, implementing measures to minimise risks and maximise benefits.

	MINOR 1-3 Low Risk Appetite	MODERATE 4-6 Medium Risk Appetite	SERIOUS 8-9 High Risk Appetite	EXTREME 12-16 Extreme Risk Appetite
	Accepts as little risk as possible and takes a very cautious approach towards taking risk	A moderate and informed approach to risk-taking	Pursuit of opportunities is encouraged provided risks are considered and documented, and resources applied are commensurate with the potential benefit to the existing goals and objectives of UL	A more aggressive approach to risk-taking for increased benefit and to achieve the goals set out in UL Strategic Plan 2019-2024
Risk Category	Low appetite for risk			High appetite for risk
Reputation	<ul style="list-style-type: none"> - Academic and Research Integrity - Relationships with Governments, funders, - Relations with local communities and the wider public 			
Compliance, Regulation & Ethics	<ul style="list-style-type: none"> - Health and Safety - Legal - Regulatory - Equality and Diversity - GDPR - UL Policies 			
Financial Performance and Sustainability		<ul style="list-style-type: none"> - Student Fee Income - Other Income - Investment - Budget Management - Sustainability of Income Streams - Infrastructure (maintenance / investment) - Major investment and sustainability of funding 		

	MINOR 1-3 Low Risk Appetite	MODERATE 4-6 Medium Risk Appetite	SERIOUS 8-9 High Risk Appetite	EXTREME 12-16 Extreme Risk Appetite
Risk Category	Low appetite for risk			High appetite for risk
Research and Knowledge Transfer			<ul style="list-style-type: none"> - Partnerships - Intellectual Property 	
Learning and Teaching		<ul style="list-style-type: none"> - Quality of Facilities - Quality of Teaching - Professional, Regulatory and Statutory Bodies (PRSB) Accreditation 		
Student Experience		<ul style="list-style-type: none"> - Student Surveys / Student Satisfaction - Student safety and security - Work Based Learning Placements - Sufficient Accommodation 		
Internationalisation			<ul style="list-style-type: none"> - Erasmus placements - Global Engagement - International academic partnerships 	
Major Change Activities (e.g. projects, collaborations, mergers)		<ul style="list-style-type: none"> - People, roles, teams, and structures - Project Risk Engagement and Communication Training and implementing new structures /systems /processes. 		
Organisational Continuity	<ul style="list-style-type: none"> - Facilities/Assets - Supply Chain - Core Business Functions - Data Loss - Pandemic - Emergency or Disaster - Internal Processes 			
Environment and Social Responsibility		<ul style="list-style-type: none"> - Engagement - Reputational - Environmental standards 		

	MINOR 1-3 Low Risk Appetite	MODERATE 4-6 Medium Risk Appetite	SERIOUS 8-9 High Risk Appetite	EXTREME 12-16 Extreme Risk Appetite
Risk Category	Low appetite for risk			High appetite for risk
People and Culture	<ul style="list-style-type: none"> - Equality, and Diversity, and Inclusion - Staff Engagement and Morale - Recruitment and Retention - Succession Planning - Staff Management - Adherence to University values, Policies and Procedures 			
Strategic Initiatives			<ul style="list-style-type: none"> - Enhancing Research Programs - Student Recruitment and Retention - Technology Integration - Internationalisation - Community Engagement - Sustainability Initiatives - Diversity and Inclusion Programs - Infrastructure Development - Alumni Relationships - Quality Assurance and Accreditation 	
Cybersecurity	<ul style="list-style-type: none"> - Network Infrastructure - Servers - Databases - Cloud Services - Hardware - Software Applications - Operating Systems - Firewalls - Intrusion Detection Systems (IDS) - Virtual Machines - Endpoints (e.g., desktops, laptops, mobile devices) - Backup Systems - Access Control Systems - Configuration Management - Patch Management 			

Summary of the Risk Appetite Statement

	Averse	Cautious	Open	Willing	Innovative
Reputation	█				
Compliance, Regulation and Ethics	█				
Financial Performance and Sustainability		█			
Research and Knowledge Transfer					█
Learning and Teaching			█		
Student Experience			█		
Internationalisation				█	
Major Change Activities			█		
Organisational Activity	█				
Environment and Social Responsibility			█		
People and Culture	█				
Strategic Initiatives			█	█	
Cybersecurity	█				

Risk Appetite Statement Detailed Version

Classification	Description	Target Risk Score
Averse	Avoid risk completely.	3 or below
Cautious	Preference for a safe option when the expected benefits are limited.	4-6
Open	Open to considering all options where the probability of benefits exceeding potential risks is greater.	6-8
Willing	Willing to consider all options and there is a balance between risks and expected benefits.	9 or below
Innovative	Eager to be innovative to take opportunities offering potentially higher benefits despite greater risks.	12 or below

Risk Category	Risk Appetite Averse/ Cautious/ Open/ Willing/ Innovative	What It means	Responding to our Risk Tolerance	Target Risk Score
Reputation	Averse	Avoid this risk and associated uncertainty.	The University has a very low tolerance for any risks in this category.	3 or below
Compliance, Regulation & Ethics	Averse	Avoid this risk and associated uncertainty.	The University has a very low tolerance for any risks in this category.	3 or below
Financial Performance and Sustainability	Cautious	Willing to consider all options, and there is a balance between risks and expected benefits.	It is crucial to take assertive and proactive measures to address any risks in this category. A robust and well-defined set of actions should be outlined in a long-term mitigation plan. Furthermore, more immediate operational plans should be implemented to ensure the accomplishment of overall objectives.	6 or below
Research and Knowledge Transfer	Innovative	Preference for safe options where the level of benefit is limited.	It is crucial to take assertive and proactive measures to address any risks in this category. A robust and well-defined set of actions should be outlined in a long-term mitigation plan. Furthermore, more immediate operational plans should be implemented to ensure the accomplishment of overall objectives.	12 or below
Learning and Teaching	Open	Willing to consider all options, and there is a balance between risks and expected benefits.	It is crucial to take assertive and proactive measures to address any risks in this category. A robust and well-defined set of actions should be outlined in a long-term mitigation plan. Furthermore, more immediate operational plans should be implemented to ensure the accomplishment of overall objectives.	6-8
Student Experience	Open	Willing to consider all options, and there is a balance between risks and expected benefits.	It is crucial to take assertive and proactive measures to address any risks in this category. A robust and well-defined set of actions should be outlined in a long-term mitigation plan. Furthermore, more immediate operational plans should be implemented to ensure the accomplishment of overall objectives.	6-8
Internationalisation	Willing	Preference for safe options where the level of benefit is limited.	It is crucial to take assertive and proactive measures to address any risks in this category. A robust and well-defined set of actions should be outlined in a long-term mitigation plan. Furthermore, more immediate operational plans should be implemented to ensure the accomplishment of overall objectives.	9 or below
Major Change Activities (e.g. projects, collaborations, mergers)	Open	Willing to consider all options, and there is a balance between risks and expected benefits.	It is crucial to take assertive and proactive measures to address any risks in this category. A robust and well-defined set of actions should be outlined in a long-term mitigation plan. Furthermore, more immediate operational plans should be implemented to ensure the accomplishment of overall objectives.	6-8

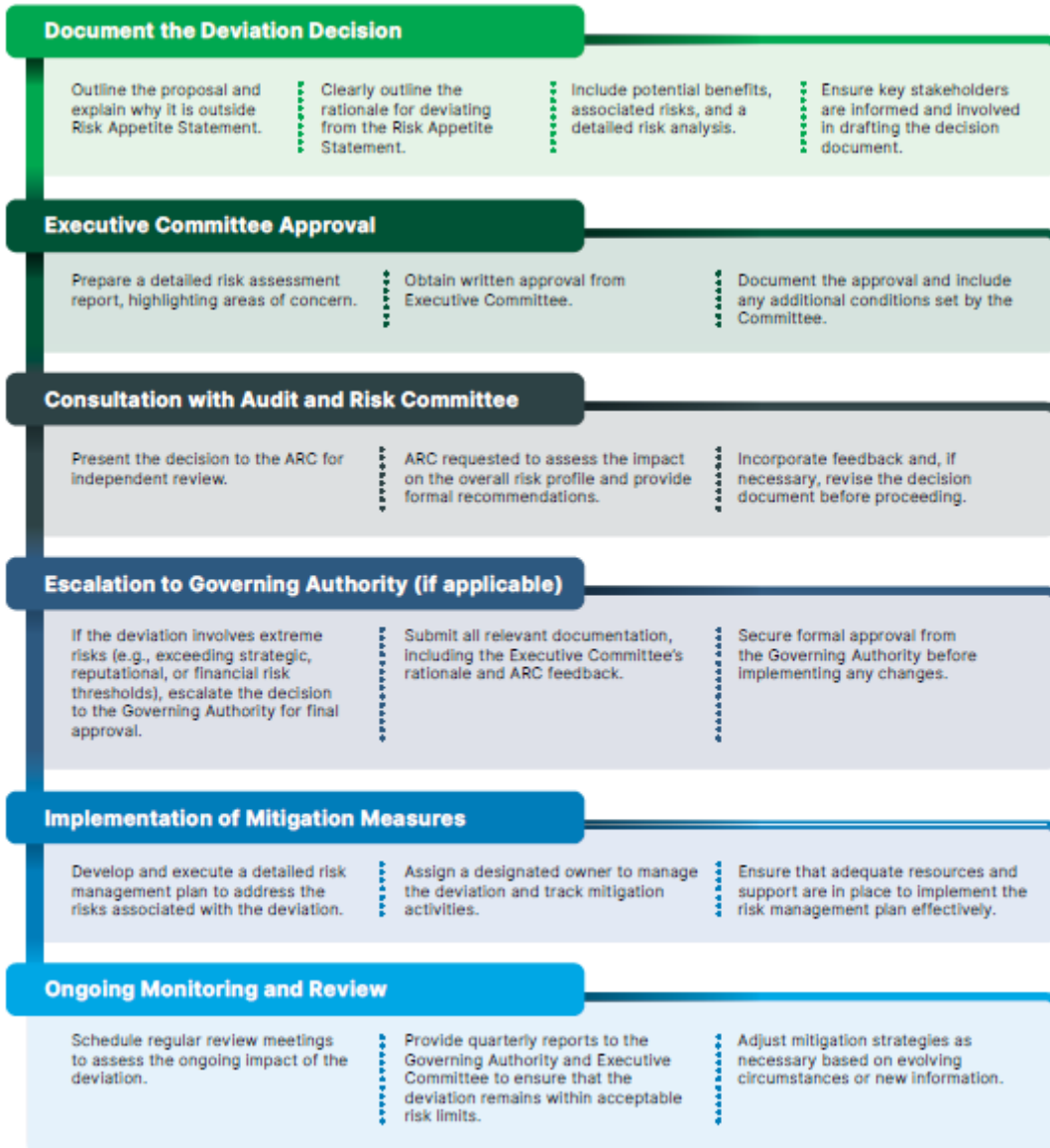
Risk Category	Risk Appetite Averse/ Cautious/ Open/ Willing/ Innovative	What It means	Responding to our Risk Tolerance	Target Risk Score
Organisational Continuity	Adverse	Avoid this risk and associated uncertainty.	The University has a very low tolerance for any risks in this category.	3 or below
Environmental and Social Responsibility	Open	Willing to consider all options, and there is a balance between risks and expected benefits.	It is crucial to take assertive and proactive measures to address any risks in this category. A robust and well-defined set of actions should be outlined in a long-term mitigation plan. Furthermore, more immediate operational plans should be implemented to ensure the accomplishment of overall objectives.	6-8
People and Culture	Adverse	Avoid this risk and associated uncertainty.	The University has a very low tolerance for any risks in this category.	3 or below
Strategic Initiatives	Willing	Preference for safe options where the level of benefit is limited.	It is crucial to take assertive and proactive measures to address any risks in this category. A robust and well-defined set of actions should be outlined in a long-term mitigation plan. Furthermore, more immediate operational plans should be implemented to ensure the accomplishment of overall objectives.	9 or below
Cybersecurity	Adverse	Avoid this risk and associated uncertainty.	The University has a very low tolerance for any risks in this category.	3 or below

Risk Appetite Response

Residual Rating	Risk rating	Level of concern	Target resolution & Review	Risk management response	Immediate action required
12-16	Extreme	Unacceptable level of risk exposure which requires immediate corrective action to be taken.	1 - 3 months Status review at each EC meeting (every two weeks)	Terminate Treat Transfer	EC to be notified
8-12	Serious	Unacceptable level of risk exposure which requires constant active monitoring, and measures to be put in place to reduce exposure.	3 - 6 months Status review provided monthly to University Risk Review Group (URRG)	Terminate Treat Transfer	EC to be notified
4-6	Moderate	A mitigation/action plan must be developed and implemented to reduce exposure.	6 - 12 months Reviewed quarterly with monthly reporting to Head of School/Unit.	Treat Transfer	Head of School/ Unit
1-3	Minor	Tolerable level of risk exposure arising from established controls in place.	Review every 6 months or as and when a change occurs.	Tolerate	N/A

Escalation Process for Deviation from the Risk Appetite Statement

The Escalation Process for Deviations from the Risk Appetite Statement is a structured approach to manage and communicate decisions that fall outside the predefined risk appetite of the University. It ensures transparency, accountability, and thorough assessment at multiple levels of governance.



Risk Impact Table at a Faculty/Division level and University level (Fundamental Risk Register)

Categories by Risk Impact

Impact Category	1 Minor	2 Moderate	3 Serious	4 Extreme
-----------------	---------	------------	-----------	-----------

Impact Assessment Criteria at a Faculty & Division

Constituent Strategy 1) Research & Innovation 2) Teaching & Learning 3) International 4) Student Experience 5) Engagement	Some delay with implementing a strategic objective or initiative	Significant delay with implementing a strategic objective or initiative	Failure to deliver on one or more of the strategic objectives or initiatives	Failure to deliver one or more of the missions critical activities and/or strategic objectives
Operational 1) Physical Infrastructure 2) Unit Effectiveness 3) Health & Safety***	Short term disruption to a critical activity	Short term significant disruption to critical activities	On-going & significant disruption to critical activities	Complete shutdown of critical activities for an extended period
Financial	Up to €300k	€300k to €750k	€750k to €1.5m	Above €1.5m
Reputational	Some negative comments in local press / media	Critical article in local media or criticism from within UL Senior Management	Continuing & significant publicity in local or national media regarding the UL management	Unit loses confidence of the public and / or UL Management

Impact Assessment Criteria at a University level

Constituent Strategy 1) Research & Innovation 2) Teaching & Learning 3) International 4) Student Experience 5) Engagement	Some delay with achieving more than 1 of the constituent strategies or significant delay with a single constituent strategy	Significant delay with achieving more than 1 constituent strategy	Failure to deliver on one or more of the following constituent strategies: - International - Student Experience - Engagement	Failure to deliver on one or more of the following mission critical strategies: - Teaching & Learning - Research & Innovation
Operational 1) Physical Infrastructure 2) Unit Effectiveness 3) Health & Safety***	Short term disruption to a critical University activity	Short term & significant disruption to critical University activities	On-going & significant disruption to critical University activities	Complete shutdown of university activities for an extended period
Financial	Up to €2m	€2m - €5m	€5m - €10m	Above €10m
Reputational	Adverse & widely reported media coverage regarding the University	Widely reported (but unproven) allegations of serious misconduct	Widely reported & proven mismanagement with Government review	Widely reported & proven mismanagement with Government sanction against the University &/or loss of public confidence

Due regard is to be given to the Occupational Health & Safety Hazard and Risk Assessment

5. Document Control

Document Version	Version 2.0
Document Owner	Corporate Secretary Office
Approved by	Executive Committee
Date	17 October 2024
Approved by	Audit and Risk Committee
Date	22 October 2024
Approved by	Governing Authority
Date	29 October 2024
Effective Date:	29 October 2024
Scheduled Review Date:	30.01.2025