

Risk Appetite Statement & Summary Table

Background

In 2016/17, a third-party service provider audited the Enterprise Risk Management (ERM) program. The most significant recommendation included the development of Risk Appetite Statements.

Executive supported the development of Risk Appetite Statements based on value drivers corresponding to the Strategic Framework. After consultation with campus leaders, these Risk Appetite Statements were submitted to the Board of Governors in January 2019 where they were formally adopted.

This consultative approach allowed for the creation of high-level statements that represent the key value drivers of the university and that define the broad level of risk UVic is willing to accept in the pursuit of its mission.

During consultation with stakeholders there were many areas identified where the integration of the Risk Appetite Statements would assist in the day to day operations of the university. One integration point was the Academic and Administrative Service Planning processes, with Risk Appetites being overlaid on these plans to assist in identifying priority initiatives with supporting resources.

What is Risk Appetite?

Risk Appetite defines the amount and type of risk that the university is prepared to accept when completing our usual activities and considering new opportunities. It is the responsibility of each leader, faculty and staff to ensure that they identify and manage risks in accordance with our appetites.

The Risk Appetite Statements summarize UVic's appetite for risk by value driver (e.g., academic, research, etc.). The risk appetite summary table provides further refinement on each value driver by identifying key activities and where they reside on the risk appetite continuum.

For example, our operational appetite for risk in health and safety is **very low**; on the other hand, the risk appetite to take risks related to pursuing research opportunities is **high**.

Where initiatives cross multiple value drivers and have different risk appetites, discussion is necessary to determine how to proceed. For instance, from an academic perspective there is **high** risk appetite to roll out a new program, but there is **low** risk appetite for irreparably harming the UVic brand.

The [UVic Impact Rating Scale](#) is intended to be read in conjunction with the Risk Appetite Statement. It is not intended to directly correlate to the amount of risk that UVic is prepared to accept, but rather to serve as a guide.

Risk Appetite Statements are intended to:

- define the risk universe/culture of the university;
- establish a consistent view of the risk parameters the university operates in; and
- establish boundaries for risk management activities to determine whether further risk mitigation strategies are required.

Leaders, faculty and staff should familiarize themselves with these appetites and when evaluating the risks inherent in their initiatives consider if these risks correspond with a particular risk appetite and its key activities. Where an initiative's risks exceeds appetites, it needs to be determined if the initiative should proceed, if additional mitigation is required, or further consultation is necessary. Conversely, the Risk Appetite also informs where we may be prepared to accept risk in pursuit of the benefit of a particular opportunity.

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Risk Appetite Statement:

Academic Risk Appetite Statement:

UVic has a **high risk appetite** in the pursuit of academic excellence that enhances students' learning and experience. This includes innovation in academic programming, experiential learning and co-curricular opportunities that support academic and personal success, lifelong learning, leadership, social responsibility and community engagement.

UVic has a **very low risk appetite** for poor quality learning and teaching practices and environments, academic programs, or student experiences that do not meet the values, goals and academic standards of the university.

Research Risk Appetite Statement:

UVic has a **high risk appetite** to excel in diverse forms of research and creative activity, innovation and knowledge mobilization that advances human knowledge, improves and enriches lives, tackles global challenges, and promotes the sustainability of the planet. In support of this objective UVic makes strategic investments in infrastructure and research services.

UVic has a **low risk appetite** for non-compliant research conduct, including conduct that is unethical.

Financial Risk Appetite Statement:

UVic needs to remain financially sustainable to continue to serve its purpose and achieve its aspirations. UVic has a **medium risk appetite** for making financial investments that support strategic initiatives, diversify revenue or reduce costs.

UVic has a **low risk appetite** for misuse of university resources and unnecessary liabilities.

Operational Risk Appetite Statement:

UVic has a **very low risk appetite** to accept risks to the health, safety and well-being of faculty, staff, students and others on our campuses. It is not our intention to avoid risky activities which are part of running a university; however, a strong culture of health and safety awareness and risk management is expected of all faculty and staff. UVic has a **very low risk appetite** for misconduct, harassment or discrimination that undermines the integrity of the university.

UVic has a **low risk appetite** for business interruptions at critical periods of operations impacting faculty, staff and students. The ability to support operations on a day-to-day basis is important to UVic and as a result, has a **medium to high risk appetite** for change necessary to ensure that the university has the right resources, processes, policies, technologies and structures to optimize performance.

Reputational Risk Appetite Statement:

UVic's reputation is sustained by the quality of our contributions to a better future for people, places and the planet through teaching, student experience and research excellence.

UVic has a **high risk appetite** in pursuing academic, research and student activities and initiatives that will advance our reputation. UVic has a **high risk appetite** in working with partners locally and globally to establish deep and long-lasting connections that will contribute to advancing our profile and reputation.

UVic has a **low risk appetite** for risks that will compromise or prevent us from delivering on our values and commitments, irreparably harm the university's brand and significantly diminish our role as a partner and contributor to the communities we serve.

Risk Appetite Summary					
Risk Appetite Range	Very Low	Low	Medium	High	Very High
Approach to Risk	A cautious approach towards taking risk		A balanced approach to risk-taking		An aggressive approach to taking risk
Key Activities					
Academic	<ul style="list-style-type: none"> Academic Standards & Integrity Quality in Learning & Teaching 	<ul style="list-style-type: none"> International Partnerships Quality of Student Experience 	<ul style="list-style-type: none"> Alternative Delivery Models 	<ul style="list-style-type: none"> Experiential Learning Learning & Teaching Innovation 	<ul style="list-style-type: none"> Providing access to under-represented populations Academic Inquiry
Research	<ul style="list-style-type: none"> Research non-compliance / misconduct 		<ul style="list-style-type: none"> Advanced Research Training Engaging with local and global communities 	<ul style="list-style-type: none"> Research collaboration and partnerships Impactful Research Inclusive & Diverse Research 	<ul style="list-style-type: none"> Attracting high performing research talent Attracting Research Revenue
Financial	<ul style="list-style-type: none"> Financial Stewardship Fraud 		<ul style="list-style-type: none"> Financial Sustainability Financial Flexibility/Contingency Investment (short-term pool) Cash Flow Entrepreneurial activities 	<ul style="list-style-type: none"> Investment (Staff Pension Plan) Diversification of revenue 	<ul style="list-style-type: none"> Strategic Investments Fundraising
Operational	<ul style="list-style-type: none"> Critical business disruption Health & Safety 	<ul style="list-style-type: none"> Fit for purpose physical infrastructure Leadership Compatibility and Effectiveness Protection of Assets 			<ul style="list-style-type: none"> Talent Management & Professional Growth Organizational changes to optimize performance
Reputational	<ul style="list-style-type: none"> Compliance with Key Legislation 	<ul style="list-style-type: none"> Government Expectations International Engagement / Positioning 	<ul style="list-style-type: none"> Government/Political Engagement & Advocacy Strategic Associations & Partnerships 	<ul style="list-style-type: none"> Brand Differentiation Local community Engagement 	