

Annexe A: risk appetite summary

Risk appetite	Description	Examples
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.	Finance: fraud. IT: cyber security. Governance: health and safety.
Minimalist	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.	Finance: investments. IT: policies. Policy: public protection. Governance: assurance framework.
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.	Finance: budgeting. Section 29: decision reviews and appeals. PR: judgements on regulator performance. AR: judgements on AR performance. Governance: statutory HR policies.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.	Policy: general. Communications: learning from PSA activities; perspectives on health and social care issues; media engagement; sharing expertise. Governance: non-statutory HR policies. AR: programme development.
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.	Communications: innovations to further increase awareness and impact. IT: innovations to increase productivity.