



## Risk Appetite Matrix 2022/23

**Optimal Risk Position** = the level of risk with which we aim to operate.

**Tolerable Risk Position** = the level of risk with which we are willing to operate.

In line with recommended practice, a one-word description of our risk appetite has been provided using the scale below:

<b>Least risk</b>		← →	<b>Most risk</b>	
Averse	Minimal	Cautious	Open	Eager

Our risk appetite position for risks which present threats and opportunities to achieving our objectives is summarised by risk category and principal objective in the following matrix:

Risk category and link to principal objective	Threat		Opportunity	
	Optimal	Tolerable	Optimal	Tolerable
Safety, quality of services and patient experience	≤ 3 Minimal	4 - 6 Minimal	≤ 6 Cautious	≤ 8 Cautious
Data and information management	≤ 3 Minimal	4 - 6 Minimal	≤ 6 Cautious	≤ 8 Cautious
Governance and regulatory standards	≤ 3 Minimal	4 - 6 Minimal	≤ 6 Cautious	≤ 8 Cautious
Staff capacity and capability	≤ 6 Cautious	≤ 8 Cautious	≤ 8 Open	10 - 12 Open
Staff experience	≤ 6 Cautious	≤ 8 Cautious	≤ 16 Eager	≤ 12 Eager
Staff wellbeing	≤ 6 Cautious	≤ 8 Cautious	≤ 16 Eager	≤ 12 Eager
Estates management	≤ 6 Cautious	≤ 8 Cautious	≤ 8 Open	10 - 12 Open
Financial Duties	≤ 3 Minimal	4 - 6 Minimal	≤ 6 Cautious	≤ 8 Cautious
Performance Targets	≤ 6 Cautious	≤ 8 Cautious	≤ 8 Open	10 - 12 Open
Sustainability / Net Zero	≤ 6 Cautious	≤ 8 Cautious	≤ 8 Open	10 - 12 Open
Technology	≤ 6 Cautious	≤ 8 Cautious	≤ 8 Open	10 - 12 Open
Adverse publicity	≤ 3 Minimal	4 - 6 Minimal	≤ 6 Cautious	≤ 8 Cautious
Contracts and demands	≤ 3 Minimal	4 - 6 Minimal	≤ 6 Cautious	≤ 8 Cautious
Strategy	≤ 6 Cautious	≤ 8 Cautious	≤ 8 Open	10 - 12 Open
Transformation	≤ 6 Cautious	≤ 8 Cautious	≤ 16 Eager	≤ 12 Eager

Please use the scoring in the above risk matrix as a guide when assessing whether sufficient control measures and assurances are in place to accept a risk.

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