

APPENDIX 1 – RISK APPETITE BEHAVIOUR MATRIX

	AVERSE	MINIMALIST	CAUTIOUS	OPEN	HUNGRY
	Avoidance	Ultra-safe	Low – Trade of between low risk /reward.	Medium – Value for Money	Innovative – Higher rewards
Category	Example Behaviours / Actions				
Compliance/ Legal Regulatory	Avoid anything which could be challenged even unsuccessfully	Confident we would win any challenge	Reasonably sure would win any challenge	Challenge will be problematic but likely to win and gain outweighs adverse consequence	High chance of losing and serious consequence Win seen a great coup.
Financial/ VFM	Avoidance of financial loss Only willing to accept low cost option Resources withdrawn	Only prepared to accept possibility of very limited financial loss if essential. VFM primary concern	Some limited financial loss VFM weighted against benefits Resources generally restricted to core objectives	Prepared to Invest for reward and minimise possible of financial loss Value and benefits considered Resources allocated to maximise potential opportunities	Prepared to invest for best possible reward and accept potential financial loss Resources allocated without firm guarantee of return.
Operational /Policy Delivery	Defensive approach – maintain or protect rather than create or innovate Priority of tight management controls and oversight. General avoidance of systems technology developments	Innovations always avoided unless essential Only essential systems/ technology developments to protect current operations.	Tendency to stick to the status quo. Systems / development limited to improvement to protect current operations	Innovation supported with demonstration of commensurate improvement in management control. Systems /developments considered to enable operational delivery	Innovation pursued – desire to break the mould and challenge current practices New technologies viewed as key enabler High levels of devolved authority.
Reputation	Minimal Tolerance for any decisions /actions that could lead to adverse scrutiny	Tolerance for risk taking limited to events where there is no significant repercussion	Tolerance for risk taking limited to events where little chance of failure or repercussion	Take decisions with potential to incur additional scrutiny but with mitigations to minimise exposure	take actions that attract scrutiny or criticism but where benefits outweigh risks