LAINE
THEATRE ARTS

Risk Appetite Statement

1. Introduction

The Board of Directors is responsible for setting and monitoring Laine Theatre Arts' appetite for risk. Risk appetite is defined as '*the amount and type of risk that Laine Theatre Arts is willing to take to meet its strategic objectives'.*

Laine Theatre Arts ('the College') has a responsible approach to risk management, seeking to recognise and manage exposure to risks, and ensuring that no unnecessary or unacceptable risks are taken which might expose the College or any of its stakeholders (staff, students, partners, and visitors) to potential harm or jeopardise the overall achievement of its strategic aims.

The College has therefore established processes to recognise key risks and manage those risks through effective implementation of its *Risk Management Policy* and regular monitoring of its *Institutional Risk Register*. This risk appetite statement should be read in conjunction with these documents.

This risk appetite statement describes the broad parameters within which the College considers its appetite for risk.

2. Statement of Risk Appetite

In order to achieve its strategic objectives, Laine Theare Arts will accept a level of risk proportionate to the expected benefits of the proposed activity and the impact and likelihood of any damage that may arise should risks materialise.

The College recognises that an excessively risk-averse attitude may limit its ability to make the most of opportunities or to respond effectively to changes in the external environment. The College will not necessarily stop pursuing activities that lead to risks materialising where those activities are fundamental to the achievement of its strategic objectives.

In assessing whether a particular level of risk is proportionate, the College will have regard to four guiding principles:

- The College has a **relatively high appetite** for risk in the context of encouraging and promoting critical enquiry, academic freedom, freedom of expression, and open debate through and around the creation of original musical theatre work and associated scholarly and practice-based output. In these areas, however, it is still expected that appropriate and proportionate mitigating actions will be taken to minimise both the impact and likelihood of any risk occurring.

- The College has a **moderate appetite** for risk where there is a likelihood of a significant negative impact on financial viability and sustainability.

- The College has a **low appetite** for risk where there is a likelihood of a

    - a significant reduction in the quality of education and experience provided to students.
    - a negative and lasting impact on the reputation of the College.

- The College has **no appetite** for risk where there is a likelihood of harm to students, staff, partners and visitors, or in the context of

    - legal and regulatory compliance.
    - professional standards
    - ethical practice.
    - bribery or fraud
    - data governance and cybersecurity.

3. Risk Appetite by Risk Category

In relation to the College's operation and the implementation of the Business Plan, the College's *Institutional Risk Register* identifies several categories of risk, and the College recognises that the risk appetite will be different for different types of risk in line with its general statement of risk appetite.

Risk Category	Risk Appetite.
Regulatory	No Appetite
Legal Compliance	No Appetite
Financial Sustainability	Moderate Appetite
Cybersecurity and Data Governance	No Appetite
Student Experience	Low Appetite
Student Wellbeing	Low Appetite
Student Safeguarding	No Appetite

4. Office for Students Reportable Events

The College has a regulatory duty to notify the Office for Students of any event that falls within the definition of a *Reportable Event* and acknowledges that the materialisation of a risk associated with activities assessed as having a **high likelihood** of materialising and/or a **high impact** on the College may fall within the definition of a *Reportable Event*.

As part of its consideration of institutional risk at each quarterly meeting, the Audit and Risk Committee will consider whether any risks have materialised, or are highly likely to materialise, that may constitute a *Reportable Event*. Should the Committee consider that is it may be necessary to submit a *Reportable Event* report to the Office for Students, the Chair of the Audit and Risk Committee will request an urgent extraordinary meeting of the Board of Directors to consider the Committee's recommendation and, if appropriate, approve the submission of a *Reportable Event* report to the Office for Students.

Should the Principal and Artistic Director, as Accountable Officer, identify the materialisation or likely materialisation of a risk that may constitute a *Reportable Event* between scheduled meetings of the Audit and Risk Committee and/or the Board of Directors, the Chair of the Board of Directors and the Chair of Audit and Risk Committee will determine whether an urgent extraordinary meeting of the Board of Directors is required or whether a decision to submit a *Reportable Event* report can be taken on Chair's Action on behalf of the Board of Directors in accordance with the Board's Standing Orders.

5. Monitoring and Review

The Risk Appetite Statement is reviewed annually by the Board of Directors on the recommendation of the Audit and Risk Committee and is considered alongside the annual review of the Institution Risk Register.

The Audit and Risk Committee considers the Institutional Risk Register at each quarterly meeting and receives a report by exception from senior management on progress in implementing the agreed risk mitigations.

The Board of Director's maintains oversight of the Audit and Risk Committee's undertaking of its risk management responsibilities through consideration of the Committee's minutes and receives a report on any significant changes to already identified risks or the identification of any significant new risks.

Next review: June 2026