

Health Research Authority

Risk appetite statement

November 2025

Introduction

This risk appetite statement sets out how the Health Research Authority (HRA) balances threats and opportunities in pursuit of achieving its strategic vision to enable high quality health and social care research that improves people's health and wellbeing.

Understanding and setting a clear risk appetite statement is a key element of our overall risk management and assurance framework. Establishing and articulating the risk appetite statement helps to ensure that the HRA can manage and respond to risks consistently across the organisation. A shared understanding of how we manage risk supports the development of the HRA's risk culture and allows our teams to understand how the risks they are taking relate to the overall strategic objectives and direction of the HRA.

This document will provide a high-level risk appetite statement along with more specific risk appetite statements for different business areas (e.g. financial risk appetite).

It is important to note the risk appetite statement, and its framework will change and develop as the environment affecting the HRA changes and as the risk culture of the HRA matures. This statement will therefore be reviewed by the Board on an annual basis as a minimum.

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Risk appetite assumptions

The implementation and adoption of risk appetite requires organisations to implement the principles outlined in the Orange Book and recognise the following:

- *“While desirable, it is often not possible to manage all risks at any point in time to the desirable level, but the discipline and approach set out in the HRA Risk Management Policy & Procedure provides a means to manage risks to a tolerable level.*
- *Outcomes cannot be guaranteed when decisions are made in conditions of uncertainty.*
- *It is often not possible, and not financially affordable, to fully remove uncertainty from a decision or in the design and application of control activities.*
- *Decisions should be made using the best available information and expertise.*
- *When decisions need to be made urgently, the information relied upon and the considerations applied to it should, as in normal course of business, be retained.*
- *The risk culture must embrace openness support transparency, welcome constructive challenge and promote collaboration, consultation, co-operations and continual improvement”.*

[Risk Appetite Guidance Note \(2021\), Crown](#)

The HRA has adopted the principles outlined in the Orange Book and accepts the recommended assumptions throughout its risk management systems and processes.

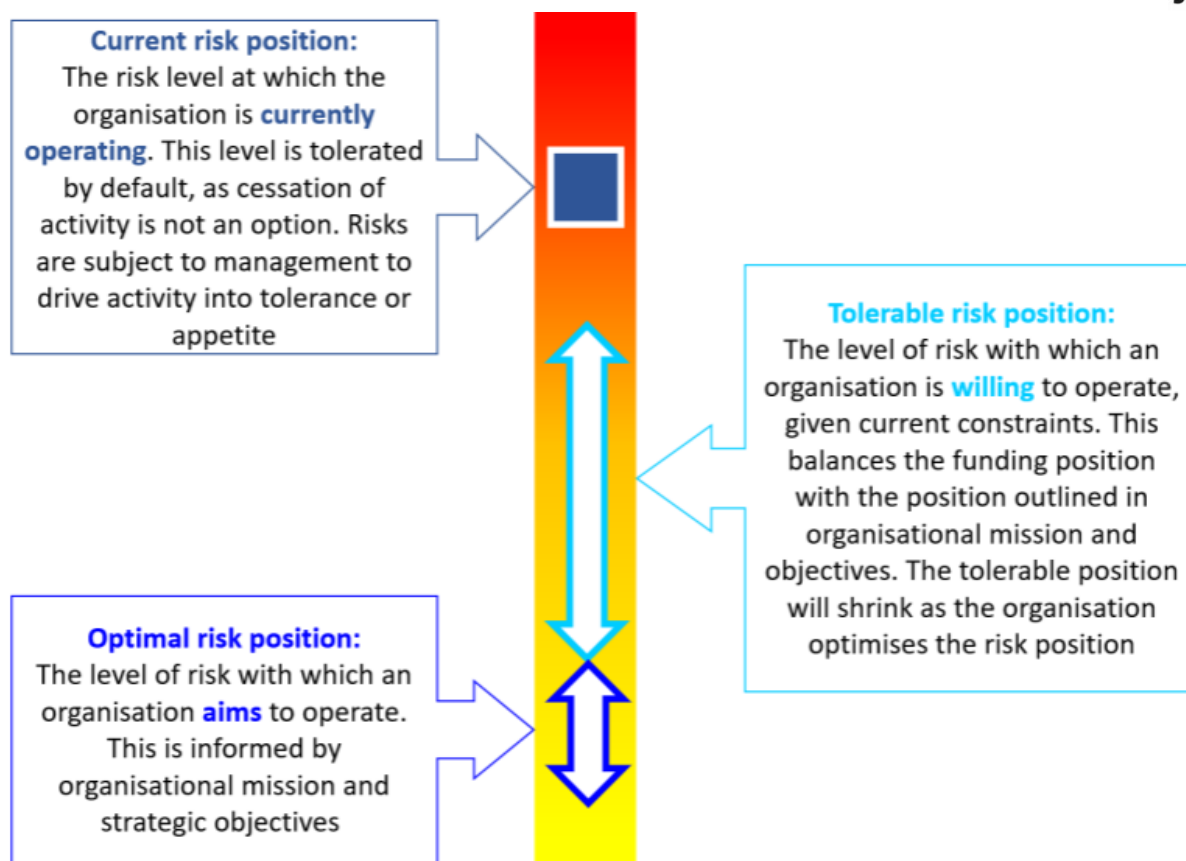
What is the HRA Strategic risk appetite

*“The Board should determine and continuously assess the nature and extent of the principle risks that the organisation is exposed to and is willing to take to achieve its objectives – **its risk appetite**”* [The Orange Book – Management of Risk, Principles and Concepts \(2020\), Crown](#)

In the HRA Strategic Risk Register, risk appetite can be referred to as a concept. Within this concept it can be referred as optimal risk and tolerable risk positions using the following definitions:

- **Optimal risk position:** the level of risk with which the HRA aims to operate.
- **Tolerable risk position:** the level of risk which an organisation is willing to operate.

The following diagram demonstrates the interaction between these concepts.



The definition of tolerable risk in this document relates specifically to the HRA's position. A tolerable risk position should not be confused with tolerating a risk, by choice, as a risk response: the HRA may be tolerating a risk which sits within the tolerable or optimal positions. Organisations have their own scale of risk acceptance; it is not suggested that a risk appetite or tolerance position must be set to a low / green position risk assessment scale. [Risk Appetite Guidance Note \(2021\)](#), Crown

The Importance of risk appetite

Risk appetite provides a framework which enables an organisation to make informed management decisions. By defining both optimal and tolerable positions, an organisation clearly sets out both the target and acceptable position in pursuit of its strategic objectives. The benefits of adopting a risk appetite include:

- *Supporting informed decision-making.*
- *Reducing uncertainty.*
- *Improving consistency across governance mechanisms and decision-making.*
- *Supporting performance improvement.*
- *Focusing on priority areas within the organisation*
- *Informing spending review and resource prioritisation processes.*

[Risk Appetite Guidance Note \(2021\)](#), Crown

HRA Risk Appetite Summary

The HRA is generally willing to take on risk but does so selectively and with care. It reflects a flexible stance where the organisation may be cautious in areas like compliance, finance, or operations—prioritising stability and control—while being more open to risk in strategic or innovative areas such as digital transformation or market expansion. This approach allows for calculated risk-taking where appropriate, supported by strong governance and clear decision-making criteria. It also advocates a culture that encourages measured innovation while maintaining accountability and adapting to changing conditions or opportunities.

HRA overarching risk appetite statement

One of the HRA's fundamental roles is to protect participants involved in research and a key focus of the HRA's strategy is therefore to enable high-quality research which is in the interests of patients. We accept that the very nature of research involves an element of risk or potential risk.

The HRA, through HRA Approval, our Research Ethics Committees (RECs) and the Confidentiality Advisory Group (CAG), endeavours to balance the risks of taking part in research with the potential benefits to the public, both those participating in studies and the wider public benefit as result of any research findings. It is therefore fundamental to the ethical conduct of trials that research participants are given clear information to enable them to make an informed choice about participation, including making a choice to accept any associated risks.

The HRA also has a duty to encourage and facilitate research therefore as an organisation we must ensure our processes and systems meet user needs and support our ambition for the UK to be the easiest place in the world to do trustworthy and high-quality research. We recognise therefore that in pursuit of our strategic objectives and delivery of our statutory responsibilities some risk taking will be necessary.

The HRA is not averse to taking risks however recognises that we must accept different levels of risk dependent on the area of business. Some areas we may be risk averse as the perceived benefit of taking the risk is minimal or the consequences of taking such a risk are too high, whilst there may be other areas where we can be more open or eager in our approach to taking risk. We therefore have identified and articulated our risk appetite for several key areas.

Risk appetite level by category

The strategic categories listed mirror the guidance provided in the [Risk Appetite Guidance Note](#), and are organised by taxonomies or categories of risk. The table in [appendix 1](#) has been used as a guide to support decision making for each of the categories.

Strategy Risks	Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g. political, economic, social, technological, environment and legislative change)
HRA Appetite	Open: Guiding principles or rules in place that are receptive to considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 2–3-year intervals
Comments from MS Forms Survey (Source Copilot)	This description appears consistently across all respondents when asked about the overarching strategic risk appetite. It reflects a willingness to take calculated risks in support of strategic objectives, provided there is a clear governance framework in place.

Governance Risks	Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.
HRA Appetite	Cautious – Willing to consider actions where benefits outweigh risks. Processes, and oversight/monitoring arrangements enable cautious risk taking. Controls enable fraud prevention, detection and deterrence by maintaining appropriate controls and sanctions.
Comments from MS Forms Survey (Source Copilot)	This cautious appetite reflects a preference for safe and well-controlled governance systems, ensuring that any risk taken is carefully managed and justified by clear benefits. It also emphasizes strong internal controls and oversight mechanisms to maintain integrity and accountability.

Operations Risks	Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.
HRA Appetite	Cautious – Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision-making authority generally held by senior management. Management through leading indicators.
Comments from MS Forms Survey (Source Copilot)	This cautious approach suggests that the HRA prefers operational stability and predictability, with limited risk-taking unless there's a clear and necessary reason. It also implies a centralised decision-making structure and a reliance on proactive monitoring to manage operational risks.

Legal Risks	Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets (for example, intellectual property).
HRA Appetite	Cautious – Want to be reasonably sure we would win any challenge.
Comments from MS Forms Survey (Source Copilot)	This reflects a careful and risk-aware approach to legal matters, where the HRA aims to avoid legal exposure and ensure compliance, particularly to maintain public confidence in the research it approves. The cautious stance suggests that legal risks are managed conservatively, with decisions made to minimise the likelihood of legal disputes or challenges.

Property Risks	Risks arising from property deficiencies or poorly designed or ineffective/ inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.
HRA Appetite	Cautious – Requirement to adopt a range of agreed solutions for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.
Comments from MS Forms Survey (Source Copilot)	However, some respondents also selected: Open – Consider benefits of agreed solutions that meet organisational requirements. Eager – Application of dynamic solutions that ensure meeting organisational requirements. Minimal – Only prepared to accept very limited financial impact if essential to delivery.

Financial Risks	Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.
HRA Appetite	Cautious - Seek safe delivery options with little residual financial loss only if it could yield upside opportunities.
Comments from MS Forms Survey (Source Copilot)	While the placeholder text dominates the raw data, the actual selected and commented responses point toward a Cautious to Minimal financial risk appetite. This aligns with a conservative approach, but with some flexibility for low-risk financial decisions when necessary.

Commercial Risks	Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and /or failure to meet business requirements/objectives.
HRA Appetite	Cautious – Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.
Comments from MS Forms Survey (Source Copilot)	This reflects a cautious stance toward commercial activities, such as contracts and partnerships. The HRA prioritises robust governance and programme controls to monitor deliverables, and is willing to accept minimal risk in commercial engagements.

People Risks	Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.
HRA Appetite	Open – Prepared to invest in our people to create an innovative mix of skills and environment. Responsibility for non-critical decisions may be devolved.
Comments from MS Forms Survey (Source Copilot)	This reflects a progressive and empowering approach to people (volunteers and workforce) related risks. The HRA is willing to take considered risks to support development, innovation in people practices, and decentralised decision-making. It aligns with strategic goals around culture, capability, and leadership.

Technology Risks	Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.
HRA Appetite	Open – Systems/technology developments considered to enable improved delivery. Agile principles may be followed.
Comments from MS Forms Survey (Source Copilot)	This reflects a forward-thinking and adaptive approach to technology, where the HRA is willing to explore and implement new systems and innovations that enhance service delivery. The use of agile principles suggests flexibility and responsiveness in managing technological change.

Information Risks	Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.
HRA Appetite	Minimal – Minimise level of risk due to potential damage from disclosure.
Comments from MS Forms Survey (Source Copilot)	This indicates that the HRA takes a highly cautious approach to managing information, especially sensitive or confidential data related to research applications. The focus is on stringent controls to prevent unauthorised access, disclosure, or loss, reflecting the importance of maintaining trust and compliance with data protection standards.

Security Risks	Risks arising from a failure to prevent unauthorised and/or inappropriate access to key government systems and assets, including people, platforms, information and resources. This encompasses the subset of cyber security.
HRA Appetite	Minimal – Risk of loss or damage to HMG property, assets, information or people minimised through stringent security measures, including: • Adherence to FCDO travel restrictions • All staff vetted at levels defined by role requirements • Controls limiting staff and visitor access to information, assets, and estate • Staff personal devices permitted but may not be used for official tasks
Comments from MS Forms Survey (Source Copilot)	This reflects a highly conservative and protective stance on security risks, prioritising strict controls and compliance to safeguard organisational assets and personnel.

Project/ Programme Risks	Risks that change programmes and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.
HRA Appetite	Open – Innovation supported, with demonstration of commensurate improvements in management control. Responsibility for non-critical decisions may be devolved. Plans aligned with functional standards and organisational governance.
Comments from MS Forms Survey (Source Copilot)	This reflects a willingness to take considered risks in the delivery of projects and programmes, especially where innovation can lead to improved outcomes. It also suggests a move toward devolved governance and alignment with strategic priorities. Some respondents noted that this appetite may evolve further depending on ongoing discussions about strategy delivery oversight mechanisms, indicating a dynamic and responsive approach to programme governance.

Reputational Risks	Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations.
HRA Appetite	Open – Appetite to take decisions with potential to expose the organisation to additional scrutiny, but only where appropriate steps are taken to minimise exposure.
Comments from MS Forms Survey (Source Copilot)	This reflects a proactive and confident approach to reputation management. The HRA is willing to take calculated risks that may increase visibility or influence, if safeguards are in place to protect its credibility and public trust.

Appendix 1

The following table provides a sample of risk appetites against a selection of risk categories recommended in the Orange Book. The yellow-coloured cells are the HRA's risk appetite against each of the risk categories.

	Averse	Minimal	Cautious	Open	Eager
Strategy	Guiding principles or rules in place that limit risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 5+ year intervals	Guiding principles or rules in place that minimise risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 4–5-year intervals	Guiding principles or rules in place that allow considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 3–4-year interval	Guiding principles or rules in place that are receptive to considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 2–3-year intervals	Guiding principles or rules in place that welcome considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 1–2-year intervals
Governance	Avoid actions with associated risk. No decisions are taken outside of processes and oversight / monitoring arrangements. Organisational controls minimise risk of fraud, with significant levels of resource focused on detection and prevention.	Willing to consider low risk actions which support delivery of priorities and objectives. Processes, and oversight / monitoring arrangements enable limited risk taking. Organisational controls maximise fraud prevention, detection and deterrence through robust controls and sanctions.	Willing to consider actions where benefits outweigh risks. Processes, and oversight / monitoring arrangements enable cautious risk taking. Controls enable fraud prevention, detection and deterrence by maintaining appropriate controls and sanctions.	Receptive to taking difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements enable considered risk taking. Levels of fraud controls are varied to reflect scale of risks with costs.	Ready to take difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements support informed risk taking. Levels of fraud controls are varied to reflect scale of risk with costs.
Operations	Defensive approach to operational delivery - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority.	Innovations largely avoided unless essential. Decision making authority held by senior management.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.	Innovation supported, with clear demonstration of benefit / improvement in management control. Responsibility for non-critical decisions may be devolved.	Innovation pursued desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control.

	Averse	Minimal	Cautious	Open	Eager
Legal	Play safe and avoid anything which could be challenged, even unsuccessfully.	Want to be very sure we would win any challenge.	Want to be reasonably sure we would win any challenge.	Challenge will be problematic; we are likely to win, and the gain will outweigh the adverse impact.	Chances of losing are high but exceptional benefits could be realised.
Property	Obligation to comply with strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.	Recommendation to follow strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.	Requirement to adopt arrange of agreed solutions for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.	Consider benefits of agreed solutions for purchase, rental, disposal, construction, and refurbishment that meeting organisational requirements.	Application of dynamic solutions for purchase, rental, disposal, construction, and refurbishment that ensures meeting organisational requirements.
Financial	Avoidance of any financial impact or loss, is a key objective.	Only prepared to accept the possibility of very limited financial impact if essential to delivery.	Seek safe delivery options with little residual financial loss only if it could yield upside opportunities.	Prepared to invest for benefit and to minimise the possibility of financial loss by managing the risks to tolerable levels.	Prepared to invest for best possible benefit and accept possibility of financial loss (controls must be in place).
Commercial	Zero appetite for untested commercial agreements. Priority for close management controls and oversight with limited devolved authority.	Appetite for risk taking limited to low scale procurement activity. Decision making authority held by senior management.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.	Innovation supported, with demonstration of benefit / improvement in service delivery. Responsibility for non-critical decisions may be devolved.	Innovation pursued desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control.
People	Priority to maintain close management control & oversight. Limited devolved authority. Limited flexibility in relation to working practices. Development investment in standard practices only	Decision making authority held by senior management. Development investment generally in standard practices.	Seek safe and standard people policy. Decision making authority generally held by senior management.	Prepared to invest in our people to create innovative mix of skills environment. Responsibility for noncritical decisions may be devolved.	Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust rather than close control.

	Averse	Minimal	Cautious	Open	Eager
Technology	General avoidance of systems / technology developments.	Only essential systems / technology developments to protect current operations.	Consideration given to adoption of established / mature systems and technology improvements. Agile principles are considered.	Systems / technology developments considered to enable improved delivery. Agile principles may be followed.	New technologies viewed as a key enabler of operational delivery. Agile principles are embraced.
Data & Info Management	Lock down data & information. Access tightly controlled, high levels of monitoring.	Minimise level of risk due to potential damage from disclosure.	Accept need for operational effectiveness with risk mitigated through careful management limiting distribution.	Accept need for operational effectiveness in distribution and information sharing.	Level of controls minimised with data and information openly shared.
Security	No tolerance for security risks causing loss or damage to HMG property, assets, information or people. Stringent measures in place, including: • Adherence to FCDO travel restrictions • Staff vetting maintained at highest appropriate level. • Controls limiting staff and visitor access to information, assets and estate. • Access to staff personal devices restricted in official sites	Risk of loss or damage to HMG property, assets, information or people minimised through stringent security measures, including: • Adherence to FCDO travel restrictions • All staff vetted levels defined by role requirements. • Controls limiting staff and visitor access to information, assets and estate. • Staff personal devices permitted but may not be used for official tasks.	Limited security risks accepted to support business need, with appropriate checks and balances in place: • Adherence to FCDO travel restrictions • Vetting levels may flex within teams, as required • Controls managing staff and limiting visitor access to information, assets and estate. • Staff personal devices may be used for limited official tasks with appropriate permissions.	Considered security risk accepted to support business need, with appropriate checks and balances in place: • New starters may commence employment at risk, following partial completion of vetting processes • Permission may be sought for travel within FCDO restricted areas. • Controls limiting visitor access to information, assets and estate. • Staff personal devices may be used for official tasks with appropriate permissions.	Organisational willing to accept security risk to support business need, with appropriate checks and balances in place: • New starters may commence employment at risk, following partial completion of vetting processes • Travel permitted within FCDO restricted areas. • Controls limiting visitor access to information, assets and estate. • Staff personal devices permitted for official tasks

	Averse	Minimal	Cautious	Open	Eager
Project/Programme	Defensive approach to transformational activity - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority. Benefits led plans fully aligned with strategic priorities, functional standards.	Innovations avoided unless essential. Decision making authority held by senior management. Benefits led plans aligned with strategic priorities, functional standards.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Plans aligned with strategic priorities, functional standards.	Innovation supported, with demonstration of commensurate improvements in management control. Responsibility for noncritical decisions may be devolved. Plans aligned with functional standards and organisational governance.	Innovation pursued desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust rather than close control. Plans aligned with organisational governance.
Reputational	Zero appetite for any decisions with high chance of repercussion for organisations' reputation.	Appetite for risk taking limited to those events where there is no chance of any significant repercussion for the organisation.	Appetite for risk taking limited to those events where there is little chance of any significant repercussion for the organisation.	Appetite to take decisions with potential to expose organisation to additional scrutiny, but only where appropriate steps are taken to minimise exposure.	Appetite to take decisions which are likely to bring additional Governmental / organisational scrutiny only where potential benefits outweigh risks.