

Board of Management Performance & Nominations Committee

Date of Meeting	Monday 18 January 2021
Paper No.	PNC4-G
Agenda Item	5.3
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning
Date of production	8 January 2021
Action	For Noting

1. Recommendations

1. To note the current College Risk Register, as approved by the Board of Management on 16 December 2020.

2. Purpose of report

2.1 The purpose of this report is to provide the Committee with the current College Risk Register, with associated risk scores for strategic risks and a record of the upward trend in overall risk scores due to the Covid-19 pandemic.

3. Context

3.1 Risk Management is a key component of the College's internal control and governance arrangements, and as such is an important responsibility of the Senior Management Team, Board Committees, and the Board of Management. The risks listed on the Risk Register have been identified by SMT and Board Committees, as the current strategic risks faced by the College. The risks are aligned within the same framework of four strategic themes as the College Strategic Plan, and those included in the Risk Register have potential impacts on one or more of the College's strategic priorities.

3.2 A full review of strategic risks is undertaken regularly by senior Risk "owners", senior managers as appropriate, and Board Committees. All Risk MAPs are updated accordingly and reported to the appropriate Board Committees. The attached risk Register reflects the status of these risks within the current cycle of Risk Reviews as at 2 December 2020, and a further review will be undertaken in the current Board Committee cycle.

3.3 The Board will note that the Risk Score Trend, indicated in the table below the Register itself, indicates a sustained high average risk score of 11.3. It is clear that this reflects ongoing uncertainties and known factors related to Covid-19.

4. Impact and implications

4.1 The effective management and control of risks is essential to the on-going stability and future growth of the College, with clear implications in terms of potential impact upon College students and staff, as well as the College's wider reputation. All strategic risks have potential strategic impact upon the College. The College Risk Register includes matters relating to legal compliance.

4.2 Several strategic risks are financial and developmental in nature, and potentially constitute a threat to the College's stated strategic priority to "Maintain our long-term financial stability" and "diversity of income and sustainable development" (Ref College Strategic Priorities 7 and 8). These risks and associated management action plans currently reflect the actual and projected consequences of the Covid-19 crisis.

4.3 Performance management and improving performance are identified as areas of strategic risk, due to the potential impact on reputation, the student experience, and funding.

4.4 Regional and sectoral considerations are included in the process of risk management, and are reflected in the risk documentation.

Appendix: Risk Register (at 02 December 2020)

Risk Register: 02 December 2020

RISK DETAIL					CURRENT EVALUATION			AIM and PROGRESS			RISK TREATMENT	
Strategic Theme	Risk Name	Risk ID	Level	Risk Owner	Likelihood	Impact	Net Risk Score	Gross Risk Score	Target Risk Score	Risk Movement/ Comments	Link to Risk Mgt Action Plan (MAP)	Date of last review
Students	Failure to support successful student outcomes	1	1	VPSE	3	5	15	25	5	Score incr. 10 to 15 RED BoM 8/20	Risk 1 MAP.docx	Nov'20
Students	Failure to establish optimal pedagogical model	2	1	VPSE	1	5	5	20	5		Risk 2 MAP.docx	Nov'20
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE	2	5	10	15	5		Risk 3 MAP.docx	Nov'20
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	2	5	10	20	4	Score incr. 5 to 10 AMBER	Risk 21 MAP.docx	Oct '20
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	Pr/DPr	3	3	9	20	3		Risk 4 MAP.docx	Aug '20
Growth and Development	Negative impact upon College reputation	6	1	VPCDI	3	4	12	25	5	RED to Amber PNC 08/20	Risk 6 MAP.docx	Nov '20
Growth and Development	Failure to achieve improved business development performance with stakeholders	7	1	VPCDI	4	5	20	25	5	Score dec. 25 to 20: AAC 11/20	Risk 7 MAP.docx	Nov'20
Growth and Development	Failure to achieve improved performance	8	1	VPSE/ DirE	2	5	10	20	5		Risk 8 MAP.docx	Aug'20
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	EDHR	2	2	4	20	3		Risk 9 MAP.docx	Oct'20
Growth and Development	Failure to achieve taught degree awarding powers	26	1	VPCS	3	4	12	20	3	Score decr. 16 to 12 AAC 9/20	Risk 9 MAP.docx	Sept'20
Processes and Performance	Negative impact of statutory compliance failure	10	1	CSP	2	5	10	20	5		Risk 10 MAP.docx	Nov'20
Processes and Performance	Failure of Compliance with the General Data Protection Regulations (GDPR)	24	1	DPr	4	4	16	25	5	Score incr. 12 to 16 AC 02/20	Risk 24 MAP.docx	Nov '20
Processes and Performance	Failure of Corporate Governance	11	1	Pr/CSP	1	5	5	20	5		Risk 11 MAP.docx	Sept'20
Processes and Performance	Failure of Business Continuity	12	1	VPCS/ CSP	3	4	12	25	4	Score decr. 20 to 12: AAC 05/20	Risk 12 MAP.docx	Nov '20
Processes and Performance	Failure to manage performance	13	1	VPSE/ DirE	1	4	4	20	4		Risk 13 MAP.docx	Aug'20
Processes and Performance	Negative impact of Industrial Action	14	1	EDHR	3	4	12	25	4		Risk 14 MAP.docx	Oct'20
Processes and Performance	Failure of IT system security	25	1	VPCS	2	5	10	25	5		Risk 25 MAP.docx	Nov'20
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	VPCS	5	4	20	25	4	Score decr. 25 to 20 FPCR 09/20	Risk 15 MAP.docx	Sept'20
Finance	Failure to maximise income via diversification	16	1	VPCS/ VPCDI	5	5	25	25	5	Amber to RED DC 4/20	Risk 16 MAP.docx	Nov '20
Finance	Failure to obtain funds from College Foundation	20	1	VPCS	1	4	4	20	4		Risk 20 MAP.docx	Sept'20
Finance	Negative impact of Brexit	22	1	VPCS/ DCS	5	2	10	tbc	5		Risk 22 MAP.docx	Sept'20
Finance	Failure to agree a sustainable model and level of grant funding within Glasgow Region	23	1	VPCS	3	4	12	25	5		Risk 23 MAP.docx	Sept'20
ALL	Failure to manage acute threats relating to coronavirus outbreak	27	1	Pr/DPr	3	4	12	25	4	Score dec. 16 to 12: AAC 11/20		Sept'20

Key:
 Pr - Principal
 DPr - Depute Principal
 VPSE - Vice Principal Student Experience
 VPCS - Vice Principal Corporate Services
 VPCDI - Vice Principal Corporate Development/Innovation
 CSP - College Secretary/Planning
 EDHR - Executive Director of Human Resources
 DirE - Director of Excellence
 DCS - Director of Corporate Support
 AAC - Audit & Assurance Committee

x	Likelihood				
Impact	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5

Note comment

Trend								
Date	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19	Dec-19	Jun-20	Dec-20
Average Risk Score	10	9.56	9	9	9.43	8.95	11.2	11.3

N.B. Closure of low-scoring risks will upwardly impact upon average risk score.

Tolerance vs Risk Score	Acceptable Risk Score		Acceptable Risk Score		Acceptable Risk Score	
	1-3	4-5	6-9	10-12	15-16	20-25
Risk Management Level of Tolerance (Able to Accept)	1	2	3	4	5	6
	Low		Medium		High	