

## Board of Management

<b>Date of Meeting</b>	<b>Wednesday 16 June 2021</b>
<b>Paper No.</b>	<b>BoM6-G</b>
<b>Agenda Item</b>	<b>4.6</b>
<b>Subject of Paper</b>	<b>Strategic Risk Review</b>
<b>FOISA Status</b>	<b>Disclosable</b>
<b>Primary Contact</b>	<b>Paul Clark, College Secretary/Planning</b>
<b>Date of production</b>	<b>03 June 2020</b>
<b>Action</b>	<b>For Approval</b>

### 1. Recommendations

1. To review and approve the College Risk Register.
2. To note the ongoing review of strategic risks and the summary trend analysis of risk scores.

## 2. Purpose

2.1 The purpose of this report is to enable a review of the College Risk Register, and provide the Board with an update on significant changes and trends.

## 3. Key Insights





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 and Matrix have potential impacts on one or more of the College's strategic priorities.

3.2 A full review of strategic risks has been undertaken throughout the session, most recently to end May 2021, involving senior Risk "owners", senior managers as appropriate, and respective Board Committees. All Risk Management Action Plans (MAPs) have been continuously revised.

3.4 The Risk Register is attached. SMT/ELT is continuing to analyse the known continuing and potential impacts of the Covid-19 pandemic. Risk 27, specifically concerned with threats from Covid 19 has a significantly reduced risk score.

3.5 The most recent round of risk reviews yielded a slight reduction in the number of RED-rated risks, and in the average risk score, reflecting an improved financial and wider operational outlook. For the first time since the pandemic outbreak there are currently no risks with a maximum risk score.

The following highest-scoring risks are rated RED:

- Risk 1 -  - Failure to support successful student outcomes (Score 15/25)
- Risk 7 -  - Failure to achieve improved business development performance with stakeholders (Score 20/25)
- Risk 15 -  - Failure to achieve operating surplus via control of costs and achievement of income targets. (Score 20/25)
- Risk 16 -  - Failure to achieve operating surplus via control of costs and achievement of income targets. (Score 20/25)

## **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, including their well-being, 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 in nature, and potentially constitute a threat to the College's stated strategic priority to "Maintain our long-term financial stability".

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.

### **Appendices:**

**Appendix 1: Risk Register dated 03 June 2021**

**Risk Register: 3 June 2021**

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 decr. 20 to 15 RED L&TC 5/20	<a href="#">Risk 1 MAP.docx</a>	May'21
Students	Failure to establish optimal pedagogical model	2	1	VPSE	1	5	5	20	5		<a href="#">Risk 2 MAP.docx</a>	Apr'21
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE	2	5	10	15	5		<a href="#">Risk 3 MAP.docx</a>	Apr'21
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	2	5	10	20	4	Score incr. to 10 AMBER SSEC 10/20	<a href="#">Risk 21 MAP.docx</a>	May'21
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	Pr/DPr	3	3	9	20	3		<a href="#">Risk 4 MAP.docx</a>	May'21
Growth and Development	Negative impact upon College reputation	6	1	VPCDI	3	4	12	25	5	RED to Amber PNC 08/20	<a href="#">Risk 6 MAP.docx</a>	May'21
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	<a href="#">Risk 7 MAP.docx</a>	May'21
Growth and Development	Failure to achieve improved performance	8	1	VPSE/DirE	2	5	10	20	5		<a href="#">Risk 8 MAP.docx</a>	May'21
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	EDHR	2	2	4	20	3		<a href="#">Risk 9 MAP.docx</a>	May'21
Growth and Development	Failure to achieve taught degree awarding powers	26	1	DPr	3	4	12	20	3	Score decr. 16 to 12 AAC 9/20	<a href="#">Risk 9 MAP.docx</a>	May'21
Processes and Performance	Negative impact of statutory compliance failure	10	1	CSP	2	5	10	20	5		<a href="#">Risk 10 MAP.docx</a>	May'21
Processes and Performance	Failure of Compliance with the General Data Protection Regulations (GDPR)	24	1	DPr	2	4	8	25	5	Score decr. 12 to 8 AAC 05/21	<a href="#">Risk 24 MAP.docx</a>	May'21
Processes and Performance	Failure of Corporate Governance	11	1	Pr/CSP	1	5	5	20	5		<a href="#">Risk 11 MAP.docx</a>	May'21
Processes and Performance	Failure of Business Continuity	12	1	VPCS/CSP	3	4	12	25	4	Score decr. 20 to 12: AAC 05/20	<a href="#">Risk 12 MAP.docx</a>	May'21
Processes and Performance	Failure to manage performance	13	1	VPSE/DirE	1	4	4	20	4		<a href="#">Risk 13 MAP.docx</a>	May'21
Processes and Performance	Negative impact of Industrial Action	14	1	EDHR	3	4	12	25	4		<a href="#">Risk 14 MAP.docx</a>	May'21
Processes and Performance	Failure of IT system security	25	1	VPCS	2	5	10	25	5		<a href="#">Risk 25 MAP.docx</a>	Apr'21
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 AAC 05/21	<a href="#">Risk 15 MAP.docx</a>	May'21
Finance	Failure to maximise income via diversification	16	1	VPCS/VPCDI	4	5	20	25	5	Amber to RED DC 4/20	<a href="#">Risk 16 MAP.docx</a>	May'21
Finance	Failure to obtain funds from College Foundation	20	1	VPCS	1	4	4	20	4		<a href="#">Risk 20 MAP.docx</a>	May'21
Finance	Negative impact of Brexit	22	1	VPCS/DCS	3	4	12	15	5		<a href="#">Risk 22 MAP.docx</a>	May'21
Finance	Failure to agree a sustainable model and level of grant funding within Glasgow Region	23	1	VPCS	3	4	12	25	5		<a href="#">Risk 23 MAP.docx</a>	May'21
ALL	Failure to manage acute threats relating to coronavirus outbreak	27	1	Pr/DPr	2	4	8	25	4	Score dec. 12 to 8: AAC 5/21		May'21

**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

Recent change

Trend	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19	Dec-19	Jun-20	Dec-20	Jun-21
Average Risk Score	10	9.56	9	9	9.43	8.95	11.2	11.3	10.7
Number of RED Risks	3	3	2	2	3	1	4	5	4

N.B. Closure of low-scoring risks will have an upward 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	