Board of Management

Date of Meeting	**Wednesday 01 September 2021**
Paper No.	**BoM1-C**
Agenda Item	**5.2**
Subject of Paper	**Strategic Risk Review**
FOISA Status	**Disclosable**
Primary Contact	**Paul Clark, College Secretary/Planning**
Date of production	**25 August 2021**
Action	**For Approval**

1. Recommendations

1. To review and approve the College Risk Register.
2. To note the ongoing review of strategic risks.

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 was undertaken to June 2021, and reported to the Board at its June meeting. The risk review cycle for 2021/22 is now under way, involving senior Risk "owners", senior managers as appropriate, and respective Board Committees. Further to a decision at PNC (August 2021) the Board will receive only a summary of the risk position, highlighting key changes, with full discussion being undertaken at Committee level. Risk Management Action Plans will only be provided to the full Board where there are significant changes to note, such as to risk score.

3.4 The Risk Register is attached. SMT/ELT is continuing to analyse the known continuing and potential impacts of the Covid-19 pandemic.

3.5 The most recent round of risk reviews yielded a reduction in the number of RED-rated risks, and in the average risk score, reflecting an improved financial and wider operational outlook. In June 2021, for the first time since the pandemic outbreak, there were no risks with a maximum risk score, and this is still the position at 25 August.

Since June 2021, there has been a further reduction in average risk score to 10.5.

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 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 25 August 2021

CITY OF GLASGOW COLLEGE

Risk Register: 25 August 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	Risk 1 MAP.docx	May'21	
Students	Failure to establish optimal pedagogical model	2	1	VPSE	1	5	5	20	5		Risk 2 MAP.docx	Apr'21	
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE	2	5	10	15	5		Risk 3 MAP.docx	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	Risk 21 MAP.docx	May'21	
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	Pr/DPr	3	3	9	20	3		Risk 4 MAP.docx	May'21	
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	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	Risk 7 MAP.docx	May'21	
Growth and Development	Failure to achieve improved performance	8	1	VPSE/ DirE	2	5	10	20	5		Risk 8 MAP.docx	May'21	
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	EDHR	2	2	4	20	3		Risk 9 MAP.docx	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	Risk 9 MAP.docx	May'21	
Processes and Performance	Negative impact of statutory compliance failure	10	1	CSP	2	5	10	20	5		Risk 10 MAP.docx	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	Risk 24 MAP.docx	May'21	
Processes and Performance	Failure of Corporate Governance	11	1	Pr/CSP	1	5	5	20	5		Risk 11 MAP.docx	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	Risk 12 MAP.docx	May'21	
Processes and Performance	Failure to manage performance	13	1	VPSE/ DirE	3	4	12	20	4	Score incr 4 to 12 PNC 8/21	Risk 13 MAP.docx	Aug'21	
Processes and Performance	Negative impact of Industrial Action	14	1	EDHR	3	4	12	25	4		Risk 14 MAP.docx	May'21	
Processes and Performance	Failure of IT system security	25	1	VPCS	2	5	10	25	5		Risk 25 MAP.docx	Jun'21	
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	VPCS	3	3	9	25	4	Score decr. 20 to 9 FPRC 06/21	Risk 15 MAP.docx	June'21	
Finance	Failure to maximise income via diversification	16	1	VPCS/ VPCDI	4	5	20	25	5	25 to 20 DC 5/21	Risk 16 MAP.docx	May'21	
Finance	Failure to obtain funds from College Foundation	20	1	VPCS	1	4	4	20	4		Risk 20 MAP.docx	May'21	
Finance	Negative impact of Brexit	22	1	VPCS/ DCS	3	4	12	15	5		Risk 22 MAP.docx	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		Risk 23 MAP.docx	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

Recent change

Risk Score Matrix

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

Trend									
Date	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	