

Board of Management

Date of Meeting	Wednesday 30 March 2022
Paper No.	BoM3-F
Agenda Item	3.6
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning
Date of production	18 March 2022
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. Consultations

3.1 All Risk Owners were consulted in the course of this review.

4. Context

4.1 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.

4.2 The College's strategic risks are reviewed in detail by the Board Committees, with each Committee focusing upon those risks most closely aligned with their Terms of Reference, most recently to March 2022. This involves senior Risk "owners" updating the Risk Management Action Plans (MAPs) for each Risk.

4.3 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 (8).

4.4 From June to December 2021, there was been a reduction in the number of RED-rated risks, and in the average risk score, reflecting an improved financial and wider operational outlook. However, since then the financial outlook has deteriorated significantly, in the context of increasing economic challenges more generally.

4.5. **Two new risks have been added** (AAC March 2022) as Level 1 Risks in the College's Risk Register. Risk 28 is linked to the new College Company development (CGI) Risk Register/College Group, and Risk 29 relates to emerging duties under Environmental Social and Governance duties. Owners for these risks will be agreed at SMT, and Risk MAPs developed and kept under review.

4.6 Highest Risk Scores/ Score Changes

The following highest-scoring risks are rated RED:

- 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. The AAC/FPRC agreed an **increase** to this risk from 12 AMBER to 20 RED (March 2022).
- Risk 16 - ■ - Failure to maximise income via diversification. (Score 20/25)

The following risk score has been reduced:

- Risk 22 - ■ - Negative Impact of Brexit. This score has been **reduced** from 12 to 9 (AAC March 22).

5. Impact and implications

5.1 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.

5.2 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".

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

5.4 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 16 March 2022

Risk Register: 16 March 2022

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	2	5	10	25	5		Risk 1 MAP.docx	Jan'22
Students	Failure to establish optimal pedagogical model	2	1	VPSE	1	5	5	20	5		Risk 2 MAP.docx	Jan'22
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE	2	5	10	15	5		Risk 3 MAP.docx	Feb'22
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	2	5	10	20	4		Risk 21 MAP.docx	Jan'22
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	Pr/DPr	3	3	9	20	3		Risk 4 MAP.docx	Feb'22
Growth and Development	Negative impact upon College reputation	6	1	VPCDI	3	4	12	25	5		Risk 6 MAP.docx	Jan'22
Growth and Development	Failure to achieve improved business development performance with stakeholders	7	1	VPCDI	4	5	20	25	5		Risk 7 MAP.docx	Jan'22
Growth and Development	Failure to manage strategic risks associated with City of Glasgow International Ltd/College Group	28	1	VPCDI			tbc			New Risk added AAC 3/22		Mar'221
Growth and Development	Failure to achieve improved performance	8	1	VPSE/DirE	2	5	10	20			Risk 8 MAP.docx	Feb'21
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	EDHR	3	2	6	20	3	Risk Score incr from 4 to 6 SSEC 2/22	Risk 9 MAP.docx	Feb'22
Growth and Development	Failure to achieve taught degree awarding powers	26	1	DPr	3	4	12	20	3		Risk 9 MAP.docx	Feb'22
Processes and Performance	Negative impact of statutory compliance failure	10	1	CSP	2	5	10	20	5		Risk 10 MAP.docx	Feb'22
Processes and Performance	Failure of Compliance with Environmental Social and Governance (ESG) Duties	29	1	tbc			tbc			New Risk added AAC 3/22		Mar'22
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	Feb'22
Processes and Performance	Failure of Corporate Governance	11	1	Pr/CSP	1	5	5	20	5		Risk 11 MAP.docx	Feb'22
Processes and Performance	Failure of Business Continuity	12	1	VPCS/ CSP	3	4	12	25	4		Risk 12 MAP.docx	Feb'22
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	Feb'22
Processes and Performance	Negative impact of Industrial Action	14	1	EDHR	3	4	12	25	4		Risk 14 MAP.docx	Feb'22
Processes and Performance	Failure of IT system security	25	1	VPCS	2	5	10	25	5		Risk 25 MAP.docx	Feb'22
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	VPCS	5	4	20	25	4	Score incr. 12 to 20 AAC 02/22	Risk 15 MAP.docx	Mar'22
Finance	Failure to maximise income via diversification	16	1	VPCS/ VPCDI	4	5	20	25	5	Score decr. 25 to 20 DC 5/21	Risk 16 MAP.docx	Feb'22
Finance	Failure to obtain funds from College Foundation	20	1	VPCS	1	4	4	20	4		Risk 20 MAP.docx	Feb'22
Finance	Negative impact of Brexit	22	1	VPCS/ DCS	3	3	9	15	5	Score decr. from 12 to 9 AAC 3/22	Risk 22 MAP.docx	Mar'22
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	Feb'22
ALL	Failure to manage acute threats relating to coronavirus outbreak	27	1	Pr/DPr	3	4	12	25	4	Score incr. 8 to 12: PNC 1/22		Jan'22

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 (12mth) change

Date	Jun-18	Dec-18	Jun-19	Dec-19	Jun-20	Dec-20	Jun-21	Dec-21
Average Risk Score	9	9	9.43	8.95	11.2	11.3	10.7	10.4
Number of RED Risks	2	2	3	1	4	5	4	2

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	