

## Board of Management

<b>Date of Meeting</b>	<b>Wednesday 24 August 2022</b>
<b>Paper No.</b>	<b>BoM1-D</b>
<b>Agenda Item</b>	<b>5.3</b>
<b>Subject of Paper</b>	<b>Strategic Risk Review</b>
<b>FOISA Status</b>	<b>Disclosable</b>
<b>Primary Contact</b>	<b>Dr Sheila Lodge, Depute Principal &amp; Chief Operating Officer</b>
<b>Date of production</b>	<b>10 August 2022</b>
<b>Action</b>	<b>For Approval</b>

### 1. Recommendations

- 1.1 To review and approve the College Risk Register.
- 1.2 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. In particular, the Board is asked to note the following Risk MAPs:

- As members of the Board are aware, 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.

The VP CDI is currently preparing the MAP for Risk 28 for the Development Committee meeting on 12 October 2022. The Risk MAP for Risk 29 is being drafted by the Director of Corporate Support for consideration by the new College Secretary when s/he takes up the role.

4.4 Since June 2021, there has been a reduction in the number of RED-rated risks from 4 to 3, reflecting the improved outlook as the worst of the COVID pandemic seemed to ease; but the average risk score has risen from 10.7 to 10.8, reflecting the significant deterioration in the financial outlook, in the context of increasing economic challenges more generally.

### 4.5 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) **RED**

- Risk 15 - Failure to achieve operating surplus via control of costs and achievement of income targets. (Score 20/25) (RED)
- Risk 16 - Failure to maximise income via diversification. (Score 20/25) (RED)

The following risk scores have been reduced:

- Risk 1: Failure to support successful student outcomes.  
At its meeting on 8 August 2022, PNC agreed that the Risk Score should be reduced from 10 (AMBER) to  $1 \times 5 + 5$  (GREEN).
- Risk 27: Failure to manage acute threats relating to coronavirus outbreak.  
At its meeting on 8 August 2022, PNC agreed that the Risk Score should be reduced from 12 (AMBER) to  $2 \times 4 = 8$  (AMBER).

## 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 10 August 2022

**Risk Register: 10 August 2022**

RISK DETAIL						CURRENT EVALUATION			AIM and PROGRESS			RISK TREATMENT	
Strategic Theme	Risk Name	Board Committee	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	AAC, LTC, PNC, SSEC	1	1	VPSE	1	5	5	25	5	Score decr. 10 to 5: PNC 8/22	Risk 1 MAP	Aug'22
Students	Failure to establish optimal pedagogical model	LTC	2	1	VPSE	1	5	5	20	5		Risk 2 MAP	Jan'22
Students	Failure to achieve good student outcome/progression levels	LTC	3	1	VPSE	2	5	10	15	5		Risk 3 MAP	Feb'22
Students	Failure of the College's Duty of Care to Students	LTC, SSEC	21	1	VPSE	2	5	10	20	4		Risk 21 MAP	Jan'22
Growth and Development	Failure to realise planned benefits of Regionalisation	PNC	4	1	Pr/DP	3	3	9	20	3		Risk 4 MAP	Feb'22
Growth and Development	Negative impact upon College reputation	DC, PNC	6	1	VPCDI	3	4	12	25	5		Risk 6 MAP	May'22
Growth and Development	Failure to achieve improved business development performance with stakeholders	AAC, DC, PNC	7	1	VPCDI	4	5	20	25	5		Risk 7 MAP	May'22
Growth and Development	Failure to manage strategic risks associated with City of Glasgow International Ltd	DC	28	1	VPCDI			tbc			New Risk added AAC 3/22		Mar'22
Growth and Development	Failure to achieve improved performance	PNC	8	1	VPSE/DirE	2	5	10	20			Risk 8 MAP	Feb'21
Growth and Development	Failure to attract, engage, and retain suitable staff	SSEC	9	1	EDHR	2	2	4	20	3		Risk 9 MAP	Aug'22
Growth and Development	Failure to achieve taught degree awarding powers	LTC	26	1	DP	3	4	12	20	3		Risk 26 MAP	May'22
Processes and Performance	Negative impact of statutory compliance failure	AAC, PNC	10	1	CS	2	5	10	20	5		Risk 10 MAP	Feb'22
Processes and Performance	Failure of Compliance with Environmental Social and Governance (ESG) Duties	PNC	29	1	DP/CS			tbc			New Risk added AAC 3/22		Jun'22
Processes and Performance	Failure of Compliance with the General Data Protection Regulations (GDPR)	AAC	24	1	DP	2	4	8	25	5		Risk 24 MAP	May'22
Processes and Performance	Failure of Corporate Governance	AAC, PNC	11	1	Pr/CS	1	5	5	20	5		Risk 11 MAP	Jun'22
Processes and Performance	Failure of Business Continuity	AAC, FPRC, PNC	12	1	VPCS/CS	3	4	12	25	4		Risk 12 MAP	May'22
Processes and Performance	Failure to manage performance	PNC	13	1	VPSE/DirE	3	4	12	20	4		Risk 13 MAP	Dec'21
Processes and Performance	Negative impact of Industrial Action	SSEC	14	1	EDHR	3	4	12	25	4		Risk 14 MAP	Aug'22
Processes and Performance	Failure of IT system security	FPRC, PNC	25	1	VPCS	2	5	10	25	5		Risk 25 MAP	Aug'22
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	AAC, FPRC, PNC	15	1	VPCS	5	4	20	25	4	Score incr. 12 to 20 AAC 02/22	Risk 15 MAP	Jun'22
Finance	Failure to maximise income via diversification	AAC, DC, FPRC, PNC	16	1	VPCS/VPCDI	4	5	20	25	5		Risk 16 MAP	May'22
Finance	Failure to obtain funds from College Foundation	FPRC	20	1	VPCS	1	4	4	20	4		Risk 20 MAP	Aug'22
Finance	Negative impact of Brexit	FPRC	22	1	VPCS/DCS	3	3	9	15	5	Score decr. from 12 to 9 AAC 3/22	Risk 22 MAP	Aug'22
Finance	Failure to agree a sustainable model and level of grant funding within Glasgow Region	FPRC	23	1	VPCS	3	4	12	25	5		Risk 23 MAP	Aug'22
Finance	Failure to secure sufficient capital investment	FPRC	30	1	VPCS	4	3	12	20	3		Risk 30 MAP	Aug'22
ALL	Failure to manage acute threats relating to coronavirus outbreak	AAC, FPRC, PNC	27	1	Pr/DP	2	4	8	25	4	Score decr. 12 to 8: PNC 8/22	Risk 27 MAP	Aug'22

- Key:**
- Pr - Principal
  - DP - Depute Principal
  - VPSE - Vice Principal Student Experience
  - VPCS - Vice Principal Corporate Services
  - VPCDI - Vice Principal Corporate Development/Innovation
  - CS - College Secretary
  - EDHR - Executive Director of Human Resources
  - DirE - Director of Excellence
  - DCS - Director of Corporate Support
  - AAC - Audit & Assurance Committee
  - FPRC - Finance & Physical Resources Committee
  - LTC - Learning & Teaching Committee
  - SSEC - Students, Staff & Equalities Committee
  - PNC - Performance & Nominations Committee
  - DC - Development Committee

**Risk Score Matrix**

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

**Trend**

Date	Jun-18	Dec-18	Jun-19	Dec-19	Jun-20	Dec-20	Jun-21	Dec-21	Jun-22	Aug-22
Average Risk Score	9	9	9.43	8.95	11.2	11.3	10.7	10.4	10.8	10.4
Number of RED Risks	2	2	3	1	4	5	4	2	3	3

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	