

Board of Management People & Culture Committee

Date of Meeting	Wednesday 30 October 2024
Paper No.	PCC1-H
Agenda Item	5.5
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Drew McGowan Associate Director of Governance and Risk
Date of production	21 October 2024
Action	For Discussion and Decision

1. Recommendations

- 1.1. To discuss and approve the Strategic Risk Register for risks reported to the Committee, recommending any changes to the Board of Management for final approval.
- 1.2. To note the Risk Management Action Plans for risks reported to the Committee.

2. Purpose

- 2.1. To provide the People & Culture Committee with an update on the most recent quarterly review of the College's strategic risks for those reported to the Committee. The Strategic Risk Register and the Management Action Plans (MAPs) are enclosed.

3. Consultation

- 3.1. All strategic risk owners were consulted during the latest quarterly review.

4. Key Insights

- 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 Board of Management, the Executive Leadership Team (ELT) and the Senior Management Team (SMT). Final approval of the Strategic Risk register is reserved to the Board and the Audit & Assurance Committee has oversight over the College's risk management approach.
- 4.2. ELT and SMT members are invited to review the risks they own on a quarterly basis. This is to ensure that the College, our Board and its committees, remain aware of any changes in the risk environment and that our risk management plans remain up-to-date and effective. Committees review the risks that are within their remit and recommend any changes to the Board for final approval.
- 4.3. The Strategic Risk Register and the MAPs are enclosed for the Committee's consideration and approval of members. Three strategic risks are reported to the Committee. No changes to risk scores are proposed in this review.

5. Impact and Implications

- 5.1. The effective management, control and mitigation of risks are essential to the College's institutional and financial sustainability, compliance, reputation and future growth.

Appendices:

Appendix 1: Strategic Risk Register

Appendix 2: Risk Management Action Plans

Impact and Probability Criteria

Score	Impact	Probability
1	Insignificant: the risk has minimal to no effect on the College's operations, objectives, reputation, stakeholders or financial sustainability.	Highly Unlikely: the likelihood of the risk occurring is minimal. It would be estimated that the risk has a 1-5% chance of happening.
2	Minor: the risk may cause slight disruption or impact on the College's operations, objectives, reputation, stakeholders or financial sustainability.	Unlikely: the likelihood of the risk occurring is unlikely but still possible. It would be estimated that the risk has a 6-25% chance of happening.
3	Moderate: the risk has a noticeable impact or disruption, affecting the College's operations, objectives, reputation, stakeholders or financial sustainability.	Possible: the likelihood of the risk occurring is reasonable. It would be estimated that the risk has a 26-50% chance of happening.
4	Major: the risk has a substantial impact on the College's operations, objectives, reputation, stakeholders or financial sustainability.	Likely: the likelihood of the risk occurring is probable. It would be estimated that the risk has a 51-75% chance of happening.
5	Critical: the risk is a severe threat to the College's operations, objectives, reputation, stakeholders or financial sustainability.	Almost Certain: the likelihood of the risk occurring is highly likely. It would be estimated that the risk has more than a 75% chance of happening.

Key

Pr	Principal & CEO
DPr	Depute Principal & COO
CFO	Chief Financial Officer
VPSE	Vice Principal Student Experience
VPCDI	Vice Principal Corporate Development
VPPCS	Vice Principal People & Corporate Services
ADGR	Associate Director of Governance & Risk
DE	Director of Excellence
DCS	Director of Corporate Support
DSE	Director of Student Experience
DIT	Director of IT

- ↗ New risk or existing risk score has increased since the previous review.
- ↘ Risk score has decreased since the previous review.
- ↔ Risk score has not changed since the previous review.

Risk Matrix

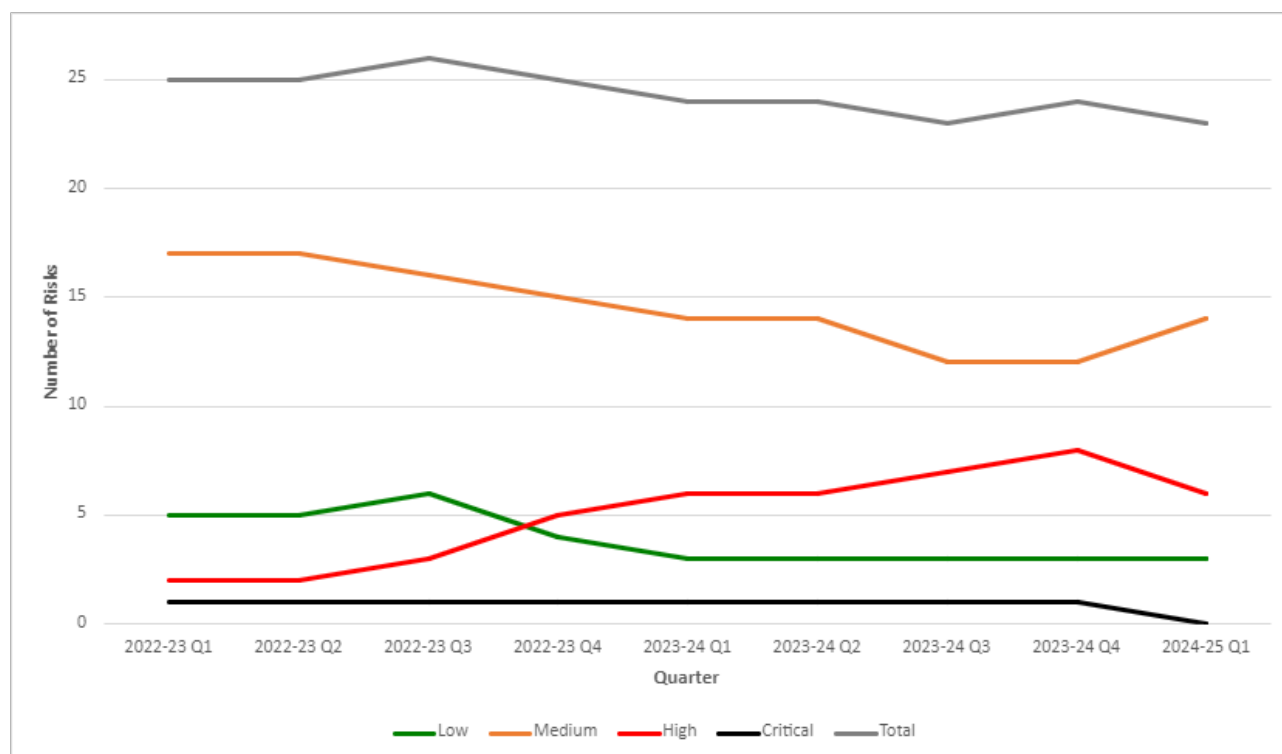
	5	5	10	15	20	25
LIKELIHOOD	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		IMPACT				

- Low (1-5)** Acceptable level of risk subject to periodic review
- Medium (6-12)** Moderate level of risk subject to regular monitoring and mitigating actions and plans being in place
- High (15-20)** Unacceptable level of risk requiring immediate actions and plans to prevent or mitigate
- Critical (25)** Critical level of risk requiring urgent attention and actions to prevent or mitigate

Risk Appetite

Risk Appetite ¹	Risk Categories
Avoid: The College avoids any form of risk, striving to maintain an entirely risk-free approach.	Preparedness
Averse: The College prefers to accept minimal risk, prioritising safe decision-making while recognising potential limitations on innovation and opportunities.	Compliance and Governance
Cautious: The College is willing to accept some low risks while primarily favouring safe decision-making, acknowledging the potential for restricted innovation and limited outcomes.	Financial
Moderate: The College tends to expose itself to moderate levels of risk, aiming for acceptable, though not overly ambitious, outcomes.	Reputation
Open: The College is open to innovative decisions and strategic implementations, prioritising productive outcomes even when accompanied by elevated risk levels.	Change and Development People and Culture
Hungry: The College actively seeks pioneering decisions and strategic implementations, embracing substantial risk to secure highly successful outcomes and benefits.	Education and Student Experience

Score Trend Chart



¹ Full risk appetite statements for each risk category are outlined in the Risk Management Policy.

Risk Management Action Plans

			The Risk			Net Score				Gross Score			Changes		
ID	Risk Title	Owner	Risk/Treatment Description	Developments/Commentary	Appetite	Impact	Prob.	Score	Target	Impact	Prob.	Score	Trend	Updated	History
SR10	Failure to attract, engage, and retain suitable staff	VPPCS	<p>There is a risk that the College might fail to attract, engage, and retain suitable staff due to issues like recruitment challenges, staff development gaps, and insufficient training strategies.</p> <p>To treat this risk, the College will implement a People & Culture Strategy. This strategy, spanning 2021-2030, is built on four key aims: develop a comprehensive workforce plan; offer collaborative support to our people; establish a new world of work; and enhance employment relations through culture.</p>	<p>Oct '24: Of the small number of supernumerary employees, more than two-thirds have accepted voluntary severance. For those staff whose roles have ceased or diminished, we are actively exploring alternative employment opportunities to keep them engaged in meaningful work. While the College's budget outlook is positive, some staff remain in roles that have ceased or diminished. We are continuing to work with our trade unions on Fair Work and with our wider staff to develop an action plan around our recent staff survey.</p> <p>Aug 24: The current phase of organisational change has concluded with a guarantee of no compulsory redundancies in AY 2024-25.</p>	Open	4	4	16	3	5	4	20	↔	Oct '24	<p>Aug '23: Edited for transfer to new MAP.</p> <p>June '23: Score increased from 4 to 16.</p>
SR17	Negative impact of industrial action	VPPCS	<p>There is a risk of service disruption and a negative impact on the College's reputation resulting from industrial action.</p> <p>To respond to this risk, the College has two established negotiating forums for lecturing and support staff, with the frequency of meetings based on the Recognition & Procedure Agreement and current requirements. The College has also signed the National Recognition & Procedure Agreement and is a member of College Employers Scotland. All "in scope" pay and terms and conditions negotiations now take place at the National Joint Negotiating Committee.</p>	<p>Oct '24: There is no immediate risk of industrial action; however, local employment relations remain fragile, with ongoing disputes, grievances, and complaints that could escalate. Additionally, nationally, we are aware that support staff trade unions are dissatisfied with the settlement agreed with EIS-FELA, and it's important to note that the Scottish Government provided extra funding only for lecturing staff, with no guarantee of similar support for a deal with support staff.</p> <p>Sept '24: CES and EIS-FELA formally ratified a four-year pay award for lecturers, ending the long-running national dispute and industrial action. Recent agreements address lecturer pay until August 2026 and support staff pay until August 2025.</p>	Averse	5	2	10	4	5	5	25	↔	Oct '24	<p>Sept '24: Score decreased from 20 to 10.</p> <p>Oct '23: Score increased from 16 to 20.</p> <p>Aug '23: Edited for transfer to new MAP.</p> <p>June '23: Score increased from 12 to 16.</p>

ID	Risk Title	Owner	Risk/Treatment Description	Developments/Commentary	Appetite	Impact	Prob.	Score	Target	Impact	Prob.	Score	Trend	Updated	History
SR18	Failure of IT system security	DIT	<p>There is a risk of a failure of the College's IT system security resulting from potential breaches occurring through cybercrime and other emergency circumstances.</p> <p>To manage this risk effectively, operational controls will be maintained and the Business Recovery Plan will be regularly reviewed. Robust IT Disaster Recovery plans will be developed and consistently evaluated. Rigorous testing and reviews will be conducted both locally and at the College level to ensure preparedness. The College is committed to maintaining compliance with GDPR regulations and adhering to the UK Government's Cyber Essentials Plus recommendations. Furthermore, a continual process of enhancing cyber defense and response capabilities within the College will be upheld to proactively address emerging threats.</p>	<p>Oct '24 We have undertaken an extensive Network Penetration Test and currently implementing any remediation actions. The College has also just purchased the Mimecast security suite, with installation due to be completed in November. This will further increase our cyber defence measures particularly around email.</p> <p>Aug '24: The College has recently transitioned from the Microsoft A3 license plan to the more secure A5 plan. Following a security breach impacting an individual staff member, we have tightened access controls for staff and students connecting from outside the UK. Now, staff must inform IT before international travel, providing the destination and trip length to enable access.</p>	Averse	5	2	10	5	5	5	25	↔	Oct '24	Aug '23: Edited for transfer to new MAP.