

## Board of Management Audit Committee

<b>Date of Meeting</b>	<b>Monday 28 November 2016</b>
<b>Paper No.</b>	<b>AC2-D</b>
<b>Agenda Item</b>	<b>7</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>14<sup>th</sup> November 2016</b>
<b>Action</b>	<b>For Discussion and Approval</b>

### 1. Recommendations

1. To consider the review of highest-scoring (Red) risks, changes to risk scores, and to review risks under the Committee's remit.
2. To approve associated Risk Management Action Plans (MAPs).

## 2. Purpose of report

2.1 The purpose of this report is to provide the Board, through the Audit Committee, with an update on the Senior Management review of strategic organisational risks, via the Risk Management Actions Plans (MAPs) for high-scoring risks, and any risks with proposed risk score alterations or other changes. Also included is the Risk Register, each highlighting any proposed alterations to risk scores.

## 3. Context

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, Audit Committee, and the Board of Management. This responsibility is highlighted in the College Strategic Plan at Aim 6.7: "Maintain an Effective Risk Management Strategy".

3.2 The current strategic risks have been identified by SMT and the Audit Committee, as the primary strategic risks currently faced by the College. The risks are aligned within the same framework of strategic themes as the College Strategic Plan. The risks included in the Risk Register have potential impacts on one or more of the College's strategic priorities.

3.3 A full review of strategic risks was undertaken in September/October 2016, involving senior Risk "owners. This report is therefore a progress report.

3.4 The risks which SMT has identified as the highest scoring risks, i.e. high likelihood, high impact – RAG rated as "Red", are presented with updated mitigations, commentary and scores within the relevant Risk Management Action Plans (MAPs). Risks which are of a governance and/or compliance nature are also included:

- Risk 10 - Negative Impact of Statutory Compliance Failure (GREEN)
- Risk 11 - Failure of Corporate Governance (AMBER, previously GREEN)
- Risk 14 - Negative impact of Industrial Action (RED)
- Risk 18 - Failure to agree a sustainable level of grant-funded activity within the Region (RED)
- Risk 21 – Failure of the College's Duty of Care to Students (AMBER)

3.6 A revised Risk Register is included in the appendices.

### 3.7 Revised Risk Score Matrix

Due to the revised risk matrix (5x5 from 3x3) some risk ratings have changed. E.g. Risk 11, formerly scored  $1 \times 3 = 3$ , rated green, is now scored  $2 \times 5 = 10$  (amber). It should be noted that a relatively low risk score of 6 will produce an amber RAG rating.

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

## 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, 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**

**Appendix 2: Highlighted Risk MAPs**



## Risk Management Action Plan

**Risk Description: Negative impact of statutory compliance failure**

**Risk ID: 10**

**Owned by: SMT**

**Review Date: September 2016**

### Update

Full Description and Treatment::

Detailed risks:

1. Breach of Equalities legislation upheld by Tribunal (e.g. successful discrimination claim)
2. Equal pay challenge
3. Unfair dismissal claims
4. FOISA - appeal to Scottish Information Commissioner upheld
5. Serious breach of the Data Protection Act 1998
6. Employment Tribunal appeal upheld
7. Safeguarding /PVG challenge
8. Contravention of Bribery Act
9. Conviction of corporate homicide
10. Conviction for Breach of H & S legislation
11. Charge /breach of procurement litigation upheld
12. Failure of compliance with Equality Act 2010: Specific Duties
13. Whistleblowing conviction
14. Loss of UKVI Highly Trusted Status
15. Failure of compliance with Counter Terrorist and Security Act 2005 and "Prevent" legislative requirements

Treatments:

1. Train staff, including managers in operation of college policies & procedures, including legal requirements; Incorporate in all Balanced Scorecards re: responsibility for D&E
2. The harmonisation of teaching pay scales has not yet been fully addressed . In terms of support staff the implementation of a job evaluation scheme has been concluded. See Risk MAP 14.
3. Seek advice from College Secretary, Executive Director (People & Culture) or external legal specialist, where appropriate, on key policy/procedural matters, and where risk profile is assessed as high or increasing due to possible or likely non-compliance;
4. As above
5. Robust policies in place; Training of staff – e-learning module rolled out Feb 2013
6. Train managers in operation of college policies & procedures; Recruitment of suitably skilled HR staff to advise and guide managers in legal matters
7. Have appropriate policies in place for both students and staff; train managers in operation of college employee policies & procedures. Mandatory staff training; module on My City.
8. Robust policies; Training for staff
9. Train staff, including managers in operation of College Health & Safety policies & procedures, including legal requirements; ensure all facilities/equipment well maintained and regularly tested; Ensure robust regular internal audit.
10. Train managers in operation of college employee policies & procedures, including legal requirements;

11. Seek procurement advice from Executive Director (Finance & Procurement) and further external legal advice via Executive Director (People & Culture) , where appropriate, on key policy/procedural legal matters and where risk profile is assessed as high or increasing due to possible or likely non-compliance
12. All College Policies and Procedures require an Equality Impact Assessment (EQIA); Policy and Procedure EQIAs currently being collated by D&E team (ongoing, May 2015)
13. Whistleblowing policy currently under development (May 2016) together with training for managers (ED: P&C)
14. Close working relationship with UKVI maintained to reduce risk of loss of Highly Trusted Status.
15. Rollout of "Prevent" compliance training

**Commentary:**

Re 1. Following the merger there was a risk of an equal pay challenge if males and females were doing work of equal value and being paid differently. This matter was addressed with the implementation of job evaluation.

Re. 7 (Safeguarding/PVG challenge) above: Criminal convictions declaration required at application and enrolment. For staff a risk assessment is conducted if a member of staff has an unspent conviction.

Re. 12. All policies in place as appropriate, with training provided as necessary. SMT and the Audit Committee had noted in 2013-14 that many Policies and Procedures required an Equalities Impact Assessment (EQIA). As the first deadline for completion (Feb 2014) was not met, the risk score for this risk had been elevated to 6 Amber. SMT confirmed that by June 2014, all Policies and Procedures had recorded completed EQIAs. As at October 2015, all Policies and Procedures have recorded completed EQIAs.

Re. 14: Ongoing high priority given to maintaining compliance with UKVI regulations, following cessation of collaboration with Bangladeshi partner (WMA), following UKVI advice. See highlight below.

Re 15: Prevent training delivered to SMT - September 2016

Current Risk Score:	Gross Risk Score (assuming no intervention)	Risk Appetite (Willing to accept):
Likelihood 1/5	Likelihood 5/5	
Impact 5/5	Impact 5/5	
Risk Score 5/25	Risk Score 25/25	<b>Low</b> Medium High
<b>Target Score: 5</b>		

## Risk Management Action Plan

**Risk Description: Failure of Corporate Governance**

**Risk ID: 11**

**Owned by: Pr/College Secretary**

**Review Date: September 2016**

### Update

**Description of Risk:**

Breach of Code of Conduct; breach of Code of Good Governance; failure of formal procedures; lack of robust/ failure of monitoring/management processes etc; breakdown of effective Board/ELT relationships.

Impact of failure would be high, but likelihood without mitigation is medium and reduces to low with mitigation. Because of the seriousness of failure, the risk appetite is low.

**Treatment:**

Maintenance and monitoring of sound governance procedures and processes; regular meetings of Board Audit Committee; Regular Internal and External Audit review and reportage to Board of Management; Board development activities and self-evaluation process.

**Commentary (Update):**

Internal Audit review of governance and risk (March-May 2014) found "Substantial" levels of assurance in both the design and operational effectiveness of Governance and Risk Management. Internal Audit recommendations for improvement accepted and implementation timetable agreed.

Review of governance processes in respect of communication and Board papers undertaken by College Secretary, and reported to full Board in June 2014. New Code of Conduct approved (June 2014) and reported to Scottish Government. New Sector Code of Governance adopted by the Board of Management in December 2014.

New Recruitment and Appointments procedure for the Board of Management with accompanying documents developed in February 2015, with emphasis upon Good Governance. Revised procedures adopted for 2016 recruitment, in consultation with GCRB. Process shared with other Glasgow Colleges/GCRB.

Board Committees self-evaluation developed in August 2014 and rolled out October/November. All 6 Board Committees receiving reports in Feb-March 2015. Summary review of Board Committees presented to Board in February 2015, and reported in Annual Report 2014-15.

Board of Management Self-evaluation process based on the International Framework for Good Governance, developed and rolled out (March-May 2015). Board development planned from June 2015 in the light of evaluation findings.

Board evaluation questionnaire revised to align more closely with the Code of Good

Governance (March 2016) and implemented with Board Evaluation Report to Board of Management in June 2016.

Ongoing Internal Audit reports reviewed by the Audit Committee.

Board development day (30 June 2015) included:

- Introduction to the Guide for Board Members in the College Sector (2015)
- Board member development framework
- Code of Good Governance
- College Governance Structure
- The Legal Framework for College Boards

The Board Planning Day (October 2015) included an update on Voluntary Severance Policy and matters relating to the College's Financial position and context.

The Board of Management were provided (30 September 2015) with a report on the Auditor General's report to the Public Audit Committee (9 September 2015) regarding severance payments to selected staff at Coatbridge College, with key governance points highlighted, and "lessons learned". This was updated in December 2015, following the report of the Public Audit Committee, and presented to the Performance Review and Nominations Committee in February 2016.

The College Secretary completed the CIPFA Certificate in Corporate Governance in June 2016.

Board papers now published on the College Website (in line with the Code of Good Governance 2016).

Board effectiveness review planned to commence November 2016, facilitated by governance consultant Jan Polley.

<p><b>Current Risk Score:</b></p> <p>Likelihood 2/5 Impact 5/5 Risk Score 10/25</p> <p><b>Change to Risk Score from 1x3=3 (Green)</b></p> <p><b>Target Score: 5</b></p>	<p>Gross Risk Score (assuming no intervention)</p> <p>Likelihood 5/5 Impact 5/5 Risk Score 25/25</p>	<p>Risk Appetite (Willing to accept):</p> <p><b>Low</b>    Medium    High</p>
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## Risk Management Action Plan

**Risk Description: Negative impact of Industrial Action**

**Risk ID: 14**

**Owned by: Head HR (interim)**

**Review Date: October 2016**

### Update

Full Description and Treatment:

Two local negotiating forums established, LNC and SSNC, with established frequency as per the relevant Recognition & Procedure Agreement.

A new National Bargaining Committee was established in August 2014, where all pay negotiations must now take place.

Commentary (Update):

National Bargaining Committee has reached a settlement for the 2015/16 pay claim with the support staff trade unions, and a 2 year settlement 2015/16 & 2016/17 for the teaching staff union EIS.

The support staff trade unions expect the same settlement as achieved by the teaching staff trade unions for 2016/17 and as this is not been achieved, industrial action and action short of industrial action has taken place, with more indicated in the future. However, the support staff pay claim for 2016/17 was only received in February 2016 and negotiations are still on-going at a national level.

The National Bargaining Committee have also been tasked with agreeing new EIS pay grades and rates by the end of October 2016. If agreement is not reached, further industrial action is likely.

The Executive Director for People & Culture left the College at the end of August 2016. A replacement HRD with strong employee relations / union experience has been engaged, but will not commence until January 2017.

**Current Risk Score:**

**Risk moved to RED (Audit Mar 2016, PRNC May 2016)**

Likelihood 3/5  
(from 4, Audit Committee 14/9/16)  
Impact 4/5  
Risk Score 12/25

**Target Score: 4**

Gross Risk Score  
(assuming no intervention)

Likelihood 5/5  
Impact 4/5  
Risk Score 20/25

Risk Appetite  
(Willing to accept):

Low Medium **High**



## Risk Management Action Plan

### Risk Description:

Failure to agree a sustainable level of grant-funded activity within the Region

Risk ID: 18

Owned by: Pr/DPr

Review Date: September 2016

## Update

### Full Description and Treatment:

#### Context:

In 2012, SFC had confirmed their commitment to 210,000 wSUMs in a DP3a approval letter from the Chief Executive M.Batho (15th November 2012).

Constructive discussions took place with increased urgency in to February 2015 with the Scottish Government, SFC, GCRB, and the three College Boards to agree a Curriculum and Estates Strategy for Glasgow, and in doing so, ensure that the City of Glasgow College receives the equivalent of 210,000 wSUMs within an agreed timeframe. (Now referred to as 180,000+ Credits).

### Commentary (Update):

The Funding Council has consistently maintained its commitment to the question of ensuring that CoGC will deliver 180,000+ Credits. Growth of CoGC delivery and transfer of SUMs from both Glasgow Kelvin and Glasgow Clyde colleges, and efficiency savings by CoGC, has been agreed (Feb 2015). This involves the closure of Glasgow Kelvin City Campus, efficiency gains by CoGC, and interim financial support from SFC to address the funding shortfall for CoGC to 2018/19.

Within the Regional Outcome Agreement and agreed Curriculum and Estates Plan for the Glasgow Region, a transitional move of WSUMs from Kelvin and Clyde Colleges was agreed, as well as additional growth at CoGC, to ensure that the 180,000+ Credits target for CoGC is achieved.

Following the transfer of Trade Union Studies in 2015-16 to GoGC, discussion around further staff transfers is ongoing. Although the annual total volume of funded activity has been agreed, the value of the funding is still subject to annual negotiation.

Consideration was given to reducing the risk score to 6 (AMBER) in the light of the above progress at the Audit Committee meeting in March 2015. However it was decided to retain the current score at 9 (RED). Subsequent consideration of this risk score has resulted in a continuing risk score of 9, until this issue is completely resolved. Note the change to risk matrix and subsequently the Risk Score, which is now rated AMBER.

At September 2016, GCRB is requesting that a new Strategic Plan for Glasgow be developed. This raises the possibility of a further review of curriculum & estates planning for Glasgow. The transfer of credits agreed in the current Regional Plan will have been

reached by end 16-17. It should be noted therefore that there is a dependency on an agreement of redistribution of credits.

This risk may be mitigated by robust curriculum planning at CoGC, feeding into regional discussions. Note also the dependency on SG funding of the sector and the region generally.

In summary, the agreed activity level of 180,000+ Credits will be achieved, however there remain uncertainties associated with this risk. It is suggested that the risk be re-phrased. (Risk re-phrased September 2016).

<p><b>Current Risk Score:</b></p> <p>Likelihood 3/5 Impact 5/5 Risk Score 15/25</p> <p><b>Risk Score changed from 3x3=9</b></p> <p><b>RAG Rating: RED</b></p> <p><b>Target Score: 5</b></p>	<p>Gross Risk Score (assuming no intervention)</p> <p>Likelihood 5/5 Impact 5/5 Risk Score 25/25</p>	<p>Risk Appetite (Willing to accept):</p> <p><b>Low</b>    Medium    High</p>
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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

## Risk Management Action Plan

**Risk Description:** Failure of the College's Duty of Care to Students

**Risk ID:** 21

**Owned by:** VPSE

**Review Date:** 24 October 2016

### Update

#### Full Description and Treatment:

The College has specific statutory duties related to the care of students. These are outlined below.

**College Prevent Duty** - The counter-terrorism act imposes a duty on FE colleges to 'have due regard to the need to prevent people from being drawn into terrorism'.  
(College Lead Fares Samara)

- Develop appropriate Policy and Procedures.
- Create an action plan.
- Raise staff and student awareness of the Duty.
- Provide appropriate training and regular updating of training for all staff in the College.
- Active engagement from college principals and the senior management of the institution with the range of Prevent partners including police.
- Appointment at a senior level of a single Prevent point of contact for each college.
- Engagement with the Scottish FE Prevent network at a senior level through Regional Chairs and Principals. A national strategic Prevent lead from both will represent the sector at the Prevent subgroup.
- Participate in local CONTEST or Prevent multi-agency groups. As well as any action plans agreed by each institution, these multi-agency groups will monitor delivery against the wider Prevent implementation plan.
- IT Acceptable Use Policy, appropriate filtering and reporting on internet access.
- Appropriate risk assessment related to events, speakers, clubs and societies.

**College Safeguarding Duty** - Every adult in Scotland has a role in ensuring all our children, young people and adults at risk live safely and can reach their potential. The College is committed to collaboratively safeguarding the safety and wellbeing of children, young people and adults at risk who undertake study or employment with the College and takes all reasonable steps to safeguard students and staff. (College Lead Gillian Plunkett)

- Develop appropriate Policy and Procedures.
- Create an action plan.
- Ensure College membership of the Prevention of Vulnerable Groups (PVG) Scheme and that all staff have PVG disclosure.
- Raise staff and student awareness of the Duty.
- Provide appropriate training and regular updating of training for all staff in the College.
- Appoint Safeguarding Coordinators and provide appropriate training through OD.

**College Corporate Parenting Duty** - The Children and Young People Act 2014 has passed new legislation relating to Care Leavers in Scotland. Under the Act, Post-16 Education Bodies are considered to be 'corporate parents' from 1 April 2015. (College Lead Gillian Plunkett)

- Develop appropriate Policy and Procedures.
- Create an action plan.
- Impact assess services.
- Raise staff and student awareness of the Duty.
- Provide appropriate training and regular updating of training for all staff in the College.
- Report on performance
- Collaborate with other Corporate Parents.

**Commentary**

The College Prevent Duty and Corporate Parenting Duty are relatively new coming in to force in 2015. As a result the College is developing an overarching Corporate Caring Responsibilities Policy and has appointed an overseeing group to develop this further.

Risk Owners: VP Student Experience/Director Student Experience/Executive Director Infrastructure

<b>Current Risk Score:</b>  Likelihood      3/5 Impact            4/5 Risk Score      12/25  <b>Target Score: 4</b>	<b>Gross Risk Score</b> (assuming no intervention)  Likelihood      5/5 Impact            4/5 Risk Score      20/25	<b>Risk Appetite</b> (Willing to accept):  <b>Low</b> Medium    High
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### Risk Register: 14 November 2016

RISK DETAIL					CURRENT EVALUATION OF RISK*			AIM and PROGRESS			RISK TREATMENT ACTIONS AND UPDATE	
Strategic Theme	Risk Name	Risk ID	Level	Risk Owner	Likelihood	Impact	Risk Score	Gross Risk Score	Target Risk Score	Risk Movement	Hyperlink to Risk Management Action Plan (MAP)	Date of last review
Students	Failure to support student success	1	1	VPSE	1	5	5	25	5		<a href="#">Risk 1 MAP.docx</a>	Oct '16
Students	Failure to establish optimal pedagogical model	2	1	VPSE	2	5	10	20	5		<a href="#">Risk 2 MAP.docx</a>	Sept '16
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE	1	5	5	15	5		<a href="#">Risk 3 MAP.docx</a>	Sept '16
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	3	4	12	20	4	5x5 Green to Amber	<a href="#">Risk 21 MAP.docx</a>	Oct '16
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>	Sept '16
Growth and Development	Failure to achieve New Campus objectives	5	1	VP-NC	1	5	5	25	5		<a href="#">Risk 5 MAP.docx</a>	Sept '16
Growth and Development	Negative impact upon College reputation	6	1	DCD	2	5	10	25	5		<a href="#">Risk 6 MAP.docx</a>	Sept '16
Growth and Development	Failure to achieve improved business development performance with stakeholders	7	1	DCD	2	5	10	25	5		<a href="#">Risk 7 MAP.docx</a>	Sept '16
Growth and Development	Failure to achieve improved performance	8	1	DPr	1	5	5	20	5		<a href="#">Risk 8 MAP.docx</a>	Sept '16
Growth and Development	Failure to recruit, retain, and develop suitable staff	9	1	DHR	2	3	6	20	3	5x5 Green to Amber	<a href="#">Risk 9 MAP.docx</a>	Sept '16
Processes and Performance	Negative impact of statutory compliance failure	10	1	SMT/CSP	1	5	5	20	5		<a href="#">Risk 10 MAP.docx</a>	Sept '16
Processes and Performance	Failure of Corporate Governance	11	1	CSP	2	5	10	20	5		<a href="#">Risk 11 MAP.docx</a>	Sept '16
Processes and Performance	Failure of Business Continuity	12	1	Pr/CSP	3	4	12	25	4		<a href="#">Risk 12 MAP.docx</a>	Sept '16
Processes and Performance	Failure to manage performance	13	1	DPr	2	4	8	20	4	5x5 Green to Amber	<a href="#">Risk 13 MAP.docx</a>	Sept '16
Processes and Performance	Negative impact of Industrial Action	14	1	DPr/EDPC	4	4	16	25	4		<a href="#">Risk 14 MAP.docx</a>	Sept '16
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	EDF	3	2	6	tbc	2		<a href="#">Risk 15 MAP.docx</a>	Sept '16
Finance	Failure to maximise income via diversification	16	1	DPr	3	4	12	tbc	4		<a href="#">Risk 16 MAP.docx</a>	Sept '16
Finance	Negative impact of funding methodology within Glasgow Region	17	1	EDF	2	3	6	tbc	2		<a href="#">Risk 17 MAP.docx</a>	Sept '16
Finance	Failure to agree a sustainable level of grant-funded activity within the Region	18	1	Pr/VPSE	3	5	15	25	3		<a href="#">Risk 18 MAP.docx</a>	Sept '16
Finance	Impact of ONS reclassification of the status of colleges	19	1	EDF	2	3	6	tbc	3		<a href="#">Risk 19 MAP.docx</a>	Sept '16
Finance	Failure to obtain funds from College Foundation	20	1	EDF	1	4	4	tbc	3		<a href="#">Risk 20 MAP.docx</a>	Sept '16

Recent movement or change

**Key:**  
 Pr - Principal  
 DPr - Depute Principal  
 VP-NCSD - Vice Principal New Campus  
 VPSE - Vice Principal Student Experience  
 EDPC - Executive Director People and Culture  
 EDF - Executive Director Finance  
 FD - Faculty Director  
 DCP - Director Corporate Development  
 CSP - College Secretary/Planning  
 DHR - Director of Human Resources

x		Likelihood				
Impact	5	10	15	20	25	
	4	8	12	16	20	
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