

Board of Management Development Committee

Date of Meeting	Wednesday 24 January 2018
Paper No.	DC2-B
Agenda Item	4
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning
Date of production	17 January 2018
Action	For Discussion and Decision

1. Recommendations

1. To note the review of strategic risks as relevant to the Committee's remit
2. To review the Risk Scores and Risk Management Action Plans associated with these risks, and recommend for approval by the Board of Management.

2. Purpose of report

2.1 The purpose of this report is to provide the Committee with an update on the Senior Management review of strategic organisational risks relating to Growth and Development, via the Risk Management Actions Plans (MAPs) for these risks. Also included is the revised Risk Register.

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, and the Board of Management. 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.

3.2 In line with recommended good practice as identified by the Internal Audit of Risk Management in 2013/14, each Board Committee has since undertaken a regular review of the strategic risks within its remit.

3.3 The strategic risks which most closely relate to the committee's remit (with current risk scores and RAG rating) are:

- Risk 6 - Negative impact upon College reputation (3/Green)
- Risk 7 - Failure to achieve improved business development performance with stakeholders (6/Amber)
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The undernoted risk is also usually reviewed by this Committee, however this will be reviewed by the Board of Management at its Planning Day on 14th February, as part of its review of key strategic risks, and by the Finance and PR Committee as part of the current risk review cycle.

- Risk 16 - Failure to maximise income via diversification

3.4 The Risk Management Action Plans for Risks 6 and 7 are attached at Appendix 1, and provide more detailed descriptions of the risks, treatments, and commentaries.

3.5 A full review of strategic risks is currently being undertaken, involving senior Risk "owners", and all updated Risk MAPs will be reported to the respective Committees and full Board of Management within the current meeting cycle.

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 and legal compliance status.

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 Regional and sectoral considerations are included in the process of risk management, and are reflected in the risk documentation.

Appendices:

Appendix 1: Risk Management Action Plans

Risk Management Action Plan

Risk Description: Negative impact upon College reputation

Risk ID: 6

Owned by: EDCD

Review Date: January 2018

Update

Full Description:

1. Failure to protect and maintain the brand.
2. Complaint to Scottish Public Services Ombudsman upheld

Treatment:

1. Now that the City Campus is operational the Communications team is reviewing the mechanisms and best practice for internal and external communication. The CDD is also reviewing the structure of the team to ensure that is more relevant and fit for purpose to maintain the brand.
2. College Complaints Procedure to be available and communicated to all employees; train staff, including managers in operation of college policies & procedures, including legal requirements

Commentary (Update):

1. New Complaints procedure agreed and implemented in line with developments in SPSO framework for FE.
2. The College Complaints Report is now published via the College Website, in line with SPSO requirements.
3. Further staff training now in place to support implementation of SPSO model complaints handling procedure.
4. Through the Meltwater News platform the College continues to monitor its coverage, reputation and positioning within the marketplace on a daily basis
5. Ongoing press enquiries relating to a wide range of areas are commonplace, including some relating to College operations at the City Campus. The College is also experiencing a high volume of FOISA requests at present, covering a wide range of areas from staff salaries and performance related payments, campus events, overseas expenditure, student support, budgets, industrial action information, communications with politicians, etc.
6. Positive press coverage relating to a number of awards, events, and the official royal opening have featured in the press and other media in recent months.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 5/5 Risk Score 10/25 RAG Rating: AMBER Target Score: 5	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
Low Medium High	Category: Reputation Low Medium High 1 2 3 4 5 6

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
x	Likelihood				

Risk Management Action Plan

Risk Description:

Failure to achieve improved business development performance with stakeholders

Risk ID: 7

Owned by: EDCD

Review Date: January 2018

Update

Full Description:

Loss of/Failure to build effective partnerships/Reputational Risks/Staff Health and Well Being (see Level 2 Risks below).

Treatment:

Relationships are managed as detailed in the Corporate Development Plan and in line with the agreed Business Development Process Map to ensure good communications, and that any issues are dealt with timeously. The Plan has been reviewed with reference to Blue Ocean and the 8 strategic priorities. In line with Strategic Priority 8 the additional strategic planning documents are now required for:

- International/Global reach
- Commercial & Business Development
- Sponsorship
- Employer Engagement
- Corporate Communications

N.B. Associated Level 1 Risks:

- Growth and Development/College Reputation (Risk 6)
- Statutory Compliance Failure (Risk 10)
- Finance/Income Targets (Risk 15)
- Income diversification (Risk 16)

Commentary (Update):

The documents indicated above will come to the Board as part of the new Corporate Development Strategy, relating to delivery of the new College Strategic Plan 2017-25. This strategy is under further development to feature associated initiatives.

The Corporate Development team continue to work with the Faculties in procuring new business as well as sourcing sustainable and reputable opportunities for additional non-government income.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 5/5 Risk Score 10/25 RAG Rating: AMBER Target Score: 5	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
<u>Low</u> Medium High	Category: Change and Development Activities Low <u>Medium</u> High 1 2 3 <u>4</u> 5 6

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
x	Likelihood				