

Board of Management

Date of Meeting	09 October 2019
Paper No.	BoM2-C
Agenda Item	2.3
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning
Date of production	03 October 2019
Action	For Approval

1. Recommendations

1. To review highest scoring risks, and the reduction of previously high scoring RED risk to Amber.
2. To note and approve the revised Risk Register dated 02 October 2019.

2. Purpose of report

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 the most recent review of strategic organisational risks, to September/October 2019. In particular, attention is drawn to highest scoring risks (High Likelihood, High Impact) and other significant changes to the 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, 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.

3.2 A full review of strategic risks was conducted in the quarter to May 2019, involving senior Risk "owners", senior managers as appropriate, and Board Committees. All Risk MAPs were updated accordingly and reported to the respective Board Committees.

3.3 The Risk Register is attached, together with the Risk MAPs for the highest scoring risks, RAG-rated RED; and Risks with significant change to score. These are:

- Risk 6 - ■ Negative impact upon College reputation. Reason –Potential outcomes from internal investigations (Audit Committee, May 2019).
- Risk 12 - ■ Failure of Business Continuity. Reason – requirement for Business Continuity Impact Analyses, and Recovery Plan development (now complete, awaiting Internal Audit Report to Audit Committee)
- Risk 25 – ■ Failure of IT system security. Changed from RED to AMBER. Context: significant risk treatment (compliance with UK Government Cyber Essentials Plus) was not achieved to schedule (Oct '18). Now complete. FPRC agreed change of risk status at 2 October 2019.

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: Risk Management Action Plans (MAPs) for high-scoring Risks and significant changes.

Risk Register: 03 October 2019

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RISK DETAIL					CURRENT EVALUATION			AIM and PROGRESS			RISK TREATMENT	
Strategic Theme	Risk Items	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	Sept'19
Students	Failure to establish optimal pedagogical model	2	1	VPSE	1	5	5	20	5		Risk 2 MAP.docx	Sept'19
Students	Failure to achieve good student outcomes/progression levels	3	1	VPSE	2	5	10	15	5		Risk 3 MAP.docx	Sept'19
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	1	5	5	20	4		Risk 21 MAP.docx	Sept'19
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	PNDCP	3	3	9	20	3		Risk 4 MAP.docx	Sept'19
Growth and Development	Negative impact upon College reputation	6	1	VPCDI	3	5	15	25	5	Amber to RED AC 05/19	Risk 6 MAP.docx	Sept'19
Growth and Development	Failure to achieve improved business development performance with stakeholders	7	1	VPCDI	2	5	10	25	5		Risk 7 MAP.docx	Apr'19
Growth and Development	Failure to achieve improved performance	8	1	VPSE/Dir p	2	5	10	20	5		Risk 8 MAP.docx	Sept'19
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	VPCS	2	2	4	20	3		Risk 9 MAP.docx	May'19
Processes and Performance	Negative impact of statutory compliance failure	10	1	CSRD/CS	2	5	10	20	5	Monitor IA actions AC 5/19	Risk 10 MAP.docx	Sept'19
Processes and Performance	Failure of Compliance with the General Data Protection Regulations (GDPR)	24	1	DCS/CS	3	4	12	25	5	Score incr. 12 from 8 AC 05/19	Risk 24 MAP.docx	Sept'19
Processes and Performance	Failure of Corporate Governance	11	1	PNDCP	1	5	5	20	5	Monitor IA actions AC 5/19	Risk 11 MAP.docx	Sept'19
Processes and Performance	Failure of Business Continuity	12	1	VPCS/CS	3	5	15	25	4	Monitor IA Report 15/19	Risk 12 MAP.docx	Sept'19
Processes and Performance	Failure of IT system security	25	1	VPCS	2	5	10	25	5	Score decr. 15 to 10: 8/2019	Risk 25 MAP.docx	Oct'19
Processes and Performance	Failure to manage performance	13	1	VPSE/Dir p	1	4	4	20	4		Risk 13 MAP.docx	Sept'19
Processes and Performance	Negative impact of Industrial Action	14	1	VPCS	3	4	12	25	4		Risk 14 MAP.docx	May'19
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	VPCS	3	3	9	25	4		Risk 15 MAP.docx	Sept'19
Finance	Failure to maximise income via diversification	16	1	VPCS/VPCEI	4	3	12	20	4		Risk 16 MAP.docx	Sept'19
Finance	Failure to obtain funds from College Foundation	20	1	VPCS	1	4	4	20	4		Risk 20 MAP.docx	Sept'19
Finance	Negative impact of Brexit	22	1	VPCS/DCS	5	2	10	30	5		Risk 22 MAP.docx	Sept'19
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	Sept'19

Key:
 P - Principal
 DP - Deputy Principal
 VPSE - Vice Principal Student Experience
 VPCS - Vice Principal Corporate Services
 VPCDI - Vice Principal Corporate Development/Innovation
 CS - College Secretary/Planning
 DHR - Director of Human Resources
 DHP - Director of Performance
 DCS - Director of Corporate Support
 DHP - Director of Performance
 AC - Audit Committee

Impact	Likelihood				
	5	10	15	20	25
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

Note comment

Date	Jan-17	Dec-17	Jan-18	Dec-18	May-19	Jan-19	Dec-19	Jan-20
Average Risk Score	18	8.56	9	9	8.69	8.48		

N.B. Closure of low-scoring risks will upwardly impact upon average risk score.

Tolerance vs Risk Score	Acceptable Risk Score		Acceptable Risk Score		Acceptable Risk Score	
	1-3	4-5	6-8	9-12	13-15	16-25
Risk Management Level of Tolerance (Risk to Accept)	1	2	3	4	5	6
	Low		Medium		High	