Audit & Assurance Committee

Date of Meeting	**3 June 2025**
Paper No.	**AAC4-P**
Agenda Item	**5.13**
Subject of Paper	**Strategic Risk Review**
FOISA Status	**Disclosable**
Primary Contact	**Drew McGowan** **Associate Director of Governance and Risk**
Date of production	**6 May 2025**
Action	**For Discussion**

1.   Recommendations

1.1. To discuss the Strategic Risk Register for risks reported to the Committee, agreeing to recommend 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.   Consultation

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

3.   Key Insights

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 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.

3.2. 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.

3.3. The Strategic Risk Register and the MAPs are enclosed for the Committee's consideration and approval of members. Six strategic risks are reported to the Committee. No changes to risk scores are proposed in this review.

4.   Impact and Implications

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

Appendix 1: Strategic Risk Register

Appendix 2: Risk Management Action Plans

Strategic Risk Register

The Risk			Assessment			Changes		Board
ID	Risk Title	Owner	Impact	Prob.	Net Score	Trend	Updated	Committee
SR1	Failure to support successful student outcomes and progression	VPSE	5	2	10	↔	May '25	Learning
SR2	Failure to establish an optimal pedagogical model	VPSE	5	1	5	↔	May '25	Learning
SR4	Failure of the College's duty of care to students	VPSE	5	2	10	↔	May '25	Learning
SR5	Failure to realise planned benefits of Regionalisation	Pr DPr	3	3	9	↔	May '25	Conveners'
SR6	Negative impact upon the College's reputation	VPCDI	3	3	9	↔	May '25	Development
SR7	Failure to achieve improved business development with stakeholders	VPCDI	3	3	9	↔	May '25	Development
SR8	Failure to manage strategic risks associated with CGI Ltd	VPCDI	5	2	10	↔	May '25	Development
SR9	Failure to manage performance and achieve improved performance	DE	5	3	15	↔	April '25	Audit
SR10	Failure to attract, engage, and retain suitable staff	VPPCS	4	4	16	↔	May '25	People
SR12	Negative impact of statutory compliance failure	DPr ADGR	5	2	10	↔	May '25	Audit
SR13	Failure of compliance with Environmental Social and Governance (ESG) duties	DPr ADGR	5	2	10	↔	May '25	Audit
SR14	Failure of compliance with the General Data Protection Regulations (GDPR)	DPr	4	2	8	↔	April '25	Audit
SR15	Failure of corporate governance	Pr ADGR	5	1	5	↔	May '25	Audit
SR16	Failure of business continuity	ADGR	4	2	8	↔	May '25	Audit
SR17	Negative impact of industrial action	VPPCS	5	2	10	↔	May '25	People
SR18	Failure of IT system security	DIT	5	2	10	↔	April '25	People
SR19	Failure to achieve operating surplus	CFO	4	4	16	↔	May '25	Finance
SR20	Failure to maximise income via diversification	CFO VPCDI	4	3	12	↔	Jan '25	Development
SR21	Failure to obtain funds from the Foundation for the College's priorities	CFO	4	3	12	↔	Mar '25	Finance
SR23	Failure to secure a sustainable model/level of funding	CFO	4	4	16	↔	May '25	Finance
SR24	Failure to secure sufficient capital investment	CFO	4	4	16	↔	May '25	Finance
SR26	Failure to prepare and respond to emerging public health incidents and crises	DPr	5	2	10	↘	May '25	Conveners'
SR27	Failure to prepare for the impact and harness the capabilities of AI	VPSE	3	3	9	↔	May '25	Learning
SR28	Failure to manage strategic, physical and digital assets and infrastructure effectively	VPCDI CFO	4	3	12	↔	Jan '25	Development

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

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↗	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

Level	Description
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

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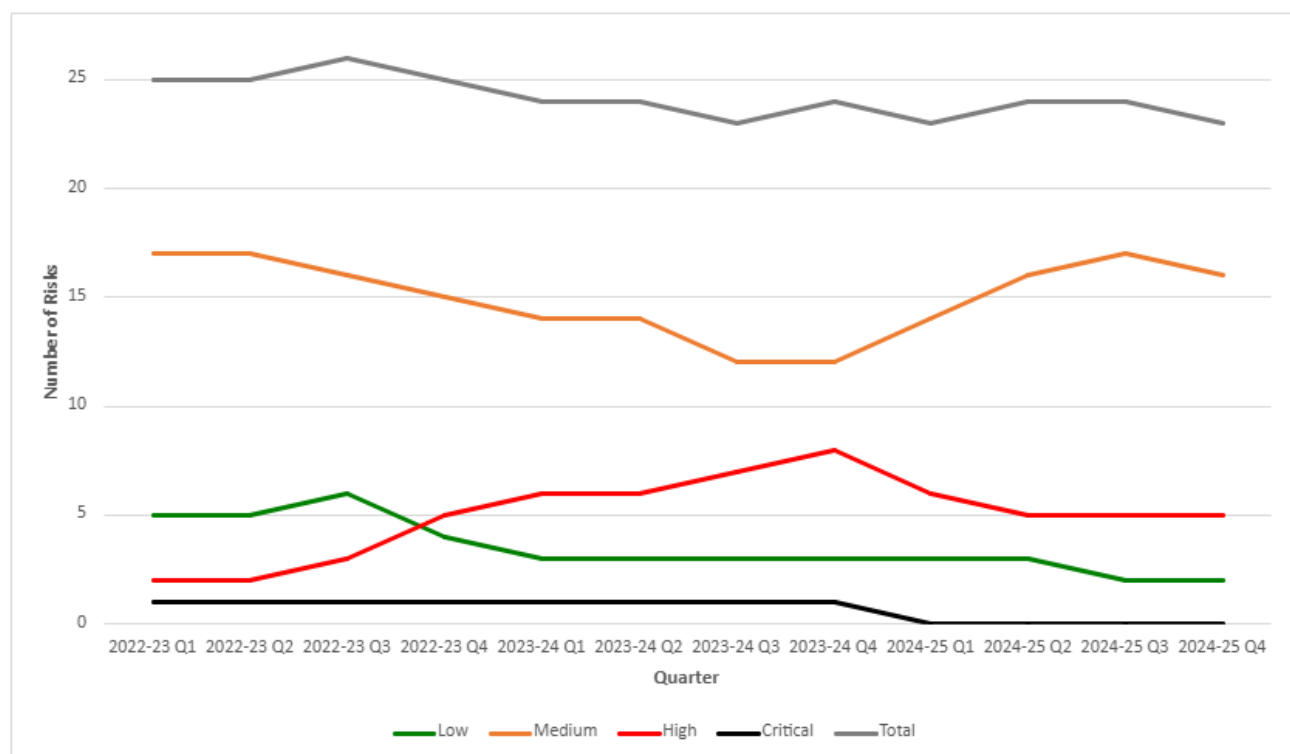
[1] Full risk appetite statements for each risk category are outlined in the Risk Management Policy.

Risk Management Action Plans

ID	Risk Title	Owner	Risk/Treatment Description	Developments/Commentary	Appetite	Net Score				Gross Score			Changes		
			The Risk			Impact	Prob.	Score	Target	Impact	Prob.	Score	Trend	Updated	History
SR9	Failure to manage performance and achieve improved performance	DE	There is a risk that the College may fail to manage performance effectively, resulting in subpar achievements and the inability to sustain high performance levels across all areas of service delivery. To address this risk, the College will implement a revised performance and enhancement process, incorporating Curriculum Planning. Operational Plans, aligned with Balanced Scorecards, will be developed and agreed upon as part of an annual planning framework. Faculty improvement plans will be supported to prioritize addressing underperformance with specific actions. Additionally, robust quality arrangements will be established for both credit-rated activities and overseas centers to ensure overall performance improvement and sustainability.	April '25: Risk is stable with no major concerns. SEAP arrangements continue to be embedded with a Steering Group established and proposal for Institutional Led Quality Reviews being discussed for approval at Committees. Dates in the diary for meetings with SFC on our Outcome Agreement and with QAA about academic quality. Six staff successfully completed the EFQM Assessor training and over the next twelve months will lead work to assess and support teams on alignment with the framework. Quality assurance arrangements continue to be strengthened. Risks in relation to overseas provision will be considered in the coming quarter.	Open	5	3	15	5	5	4	20	↔	April '25	Jan '25: Score decreased from 20 to 15. Aug '24: Score increased from 15 to 20. Apr '24: Score increased from 10 to 15. Aug '23: Edited for transfer to new MAP. Jan '23: Risks merged and score set to 10.
SR12	Negative impact of statutory compliance failure	DPr ADGR	There is a risk of negative consequences resulting from failures to comply with statutory legislation and regulations, potentially leading to a negative impact on staff/students, legal action, reputational damage, and financial implications. To treat this risk, the College expects robust policies, procedures and training to be in place to support staff meet the College's statutory obligations, with key staff (e.g. health and safety, HR, finance, procurement, DPO and senior managers) able to advise as appropriate. The College's risk management approach, Assurance Framework, three lines of defence, Compliance Auditor role and regular internal audits are also measures that are in place to treat this risk.	May '25: A recent audit from our insurers, UMAL, showed marked improvements with 6 out of 10 areas now rated as fully compliant - up from 1 in 2022. An internal audit on contract management was recently undertaken and, once finalised, the report will be tabled at the Audit & Assurance Committee. Jan '25: Fire evacuation drills completed across all campuses in December. Fire risk assessments presented by external consultant in October, with an agreed action plan in place. Health & Safety audits finalised in October, with action plans now standing items for H&S Committee. Benchmarking with colleges across the UK shows the College's incident rate was 10 per 1,000 students in 2023-24, compared to the national average of 41 per 1,000.	Averse	5	2	10	5	5	5	25	↔	May '25	Aug '23: Edited for transfer to new MAP.

ID	Risk Title	Owner	Risk/Treatment Description	Developments/Commentary	Appetite	Impact	Prob.	Score	Target	Impact	Prob.	Score	Trend	Updated	History
SR13	Failure of compliance with Environmental Social and Governance (ESG) duties	DPr ADGR	There is a risk that the College may not comply with ESG principles, encompassing carbon reduction, inclusivity and ethical governance. This could result in financial penalties, legal action, reputational damage, and loss of stakeholder trust, impacting staff, students, and the environment. To treat this risk, ESG principles are reflected in the College's Strategic Plan and are also linked to the existing compliance (SR12) and corporate governance (SR15) entries on the Strategic Risk Register. The College's commitment to environmental sustainability is also outlined in the Sustainability Strategy, which includes aims to reduce emissions of all greenhouse gasses by 75% by 2030 and cut carbon emissions by 60% against 1990 baseline data by AY 2023/24.	May '25: Following the EAUC report, the College is now working in partnership with EAUC to address key recommendations. A draft Sustainable Travel Plan has been completed and a staff and student travel survey is underway. Emissions data is being integrated into Power BI with IT support. Work continues to develop and deliver sustainability and climate action training. Jan '25: The College engaged EAUC to review sustainability progress. The report, to be discussed at People & Culture Committee, highlighted strengths in statutory reporting, procurement, and emissions reductions (36.8% Scope 1; 54% Scope 2). Areas for development include travel planning, climate risk assessment, clearer communications, and strategic capacity, with limited staffing flagged as a potential barrier to progress.	Averse	5	2	10	5	5	5	25	↔	May '25	Jan '25: Score increased from 5 to 10. Aug '23: Edited for transfer to new MAP. Jan '23: New risk added and score set to 5.
SR14	Failure of compliance with the General Data Protection Regulations (GDPR)	DPr	There is a risk that the College may fail to comply with GDPR, which was introduced in May 2018. Non-compliance could result in substantial fines, increased potential for private claims from individuals, and reputational damage among external stakeholders, staff, and students. To treat this risk, the College initiated a comprehensive implementation project and a tailored training programme for staff to raise awareness of responsibilities and ensure compliance. Thorntons have also been appointed to provide the College's Data Protection Officer (DPO). The DPO manages the day-to-day data protection function and progresses work on the College's compliance against the ICO framework and data protection legislation.	April '25: As reported to the Audit & Assurance Committee in March, all data protection health checks with faculties and directorates has now been completed. Jan '25: The College was advised of a third party data breach that may have included CoGC staff accounts and passwords with the third party. Staff have been advised to change their password and be alert to suspicious activity. The DPO investigated and no further action was required from the College. Sept '24: Data breach identified and reported to ICO, who deemed that no further action was necessary. IT has put mitigation measures in place, as per SR18. An investigation was undertaken and a report was produced. The AAC received an update in September and will be kept apprised if there are further developments.	Averse	4	2	8	5	5	5	25	↔	April '25	Aug '23: Edited for transfer to new MAP. May '21: Score decreased from 12 to 8.

ID	Risk Title	Owner	Risk/Treatment Description	Developments/Commentary	Appetite	Impact	Prob.	Score	Target	Impact	Prob.	Score	Trend	Updated	History
SR15	Failure of corporate governance	Pr ADGR	There is a risk of a corporate governance failure due to potential breaches of the Standing Orders, Scheme of Delegation, Code of Conduct, Code of Good Governance, Financial Memorandum and other relevant legislation, regulations and duties. This can result from lapses policy and procedure compliance and breakdowns in relationships within the Board and with the ELT/SMT. To treat this risk, the College will maintain and monitor sound governance procedures. ADGR in place to support and advise the Board, overseeing regular meetings of the Board and its committees, annual Board self-evaluation, triennial external review and Board Development Plan. Other measures include the Audit & Assurance Committee, the role of Senior Independent Member and internal/external auditors.	May '25: Recruitment for new non-executive Board members is progressing as planned and the appointment process, via the GCRB, will conclude by mid-June. Work will also be undertaken to ensure the College complies with the requirements of the Charities (Regulation & Administration) (Scotland) Act concerning the trustee register and automatic disqualification coming into force this summer. All committees will review their Terms of Reference and Schedules of Business at final meetings of the academic year. Self-evaluations will be completed by the Audit & Assurance Committee in May and by the Board in June, with a new Board Development Plan being tabled for approval in October. The Vice Chair role is now vacant. The Board will be asked to appoint a new VC at its meeting in June.	Averse	5	1	5	5	5	5	25	↔	May '25	Sept '23: Score decreased from 10 to 5. Aug '23: Edited for transfer to new MAP. April '23: Score increased from 5 to 10.
SR16	Failure of business continuity	ADGR	There is a risk of a failure of business continuity at the College as a result of potential disruption or breakdown in the essential operations and functions due to unexpected events or crises. This includes, but is not limited to, natural disasters, technological failures, cyberattacks, supply chain disruptions, or public health emergencies. To mitigate this risk, the College has an Incident Management Plan and 16 Business Recovery Plans in place to ensure the College's readiness to effectively respond to unforeseen events and maintain its operations with minimal disruption. The College also undertakes regular testing with third party support.	May '25: An unnannounced business continuity exercise was delivered in May. The College responded well to the test scenario and we are awaiting a report from from Ashton Resillience, which will be included in the paper tabled at the Audit & Assurance Committee in June. Feb '25: The College responded well to Storm Eowyn, aided by the new Incident Management Plan. Campuses closed on 24 January, with staff/students working from home, and re-opened on 27 January. Minor damage to campsuses. Post-incident review carried out, with action implementation tracked by the Compliance Auditor and reported to AAC. Progress report on incident management and business continuity to be tabled at the AAC in June.	Averse	4	2	8	4	5	5	25	↔	May '25	Jan '25: Score decreased from 12 to 8. Aug '23: Edited for transfer to new MAP.