Board of Management
Audit & Assurance Committee

Date of Meeting	Tuesday 26 May 2026
Paper No.	AAC4-N
Agenda Item	3.7
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Marcus Walker Associate Director Governance & Risk
Date of production	15 May 2026
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.

3.4. Six strategic risks are reported to the Committee. No changes to risk scoring are proposed for Quarter 4 2025/26.

3.5. 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
SR17	Negative impact of industrial action	VPPCS	4	5	20	↔	Apr '26	People
SR23	Failure to secure a sustainable model/level of funding	CFO	4	5	20	↔	Apr '26	Finance
SR24	Failure to secure sufficient capital investment	CFO	4	5	20	↔	Apr '26	Finance
SR10	Failure to attract, engage, and retain suitable staff	VPPCS	4	4	16	↔	Apr '26	People
SR19	Failure to achieve operating surplus	CFO	4	4	16	↔	Apr '26	Finance
SR20	Failure to maximise income via diversification	CFO VPCDI	4	4	16	↔	Apr '26	Development
SR18	Failure of IT system security	DIT	5	3	15	↔	Apr '26	People
SR28	Failure to manage strategic, physical and digital assets and infrastructure effectively	DPr CFO	4	3	12	↔	Apr '26	Development
SR1	Failure to support successful student outcomes and progression	VPSE	5	2	10	↔	Apr '26	Learning
SR12	Negative impact of statutory compliance failure	DPr ADGR	5	2	10	↔	Apr '26	Audit
SR13	Failure of compliance with Environmental Social and Governance (ESG) duties	DPr ADGR	5	2	10	↔	Apr '26	Audit
SR4	Failure of the College's duty of care to students	VPSE	5	2	10	↔	Apr '26	Learning
SR7	Failure to achieve improved business development with stakeholders	VPCDI	3	3	9	↔	Apr' 26	Development
SR9	Failure to manage performance and achieve improved performance	DE	5	2	10	↔	Apr '26	Audit
SR27	Failure to prepare for the impact and harness the capabilities of AI	VPSE	3	3	9	↔	Apr '26	Learning
SR8	Failure to manage strategic risks associated with CGI Ltd	VPCDI	5	2	10	↔	Apr '26	Development
SR6	Negative impact upon the College's reputation	VPCDI	3	3	9	↔	Apr '26	Development
SR14	Failure of compliance with the General Data Protection Regulations (GDPR)	DPr	4	2	8	↔	Apr '26	Audit
SR16	Failure of business continuity	ADGR	4	2	8	↔	Apr '26	Audit
SR5	Failure to realise planned benefits of Regionalisation	Pr DPr	3	2	6	↔	Apr '26	Conveners'
SR15	Failure of corporate governance	Pr ADGR	5	1	5	↔	Apr '26	Audit
SR2	Failure to establish an optimal pedagogical model	VPSE	5	1	5	↔	Apr '26	Learning

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

LIKELIHOOD					
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
	1	2	3	4	5

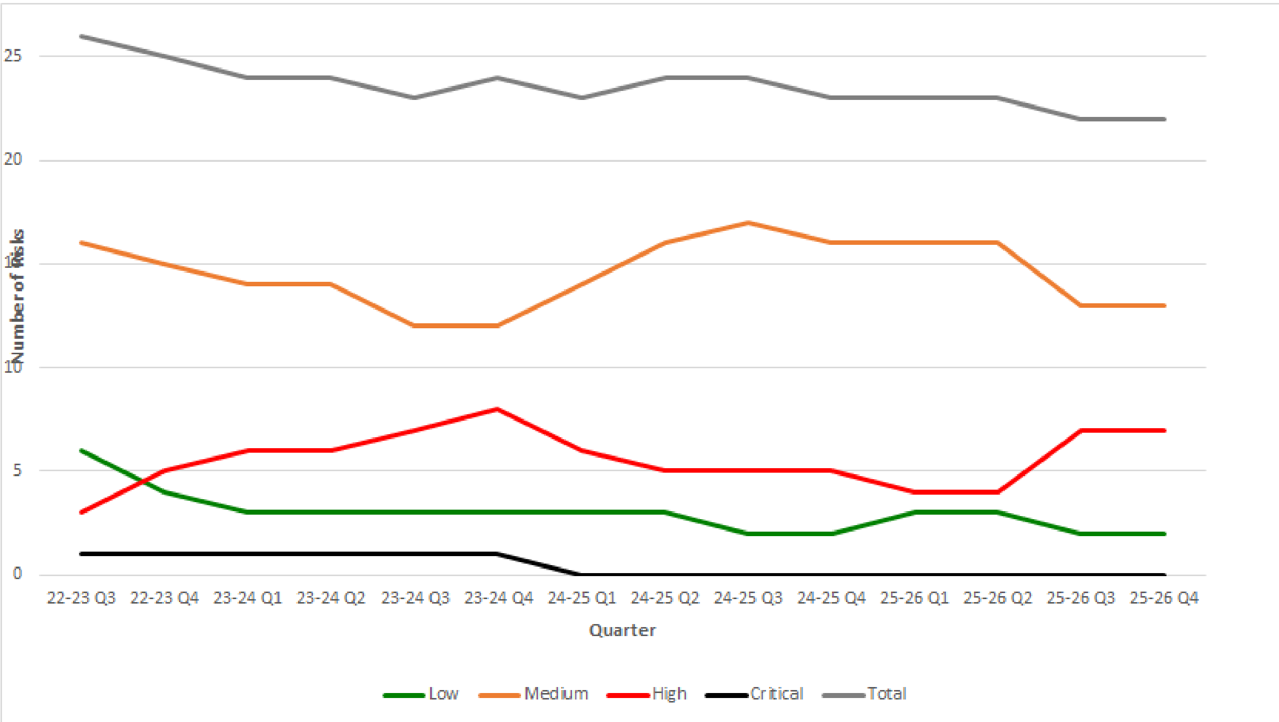
IMPACT

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.

						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
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.	Apr '26: As highlighted in a recent Outreach Internal Audit, uncertainty over UKVI student sponsor compliance responsibilities on ESOL learners may result in inconsistencies in the assessment of learner eligibility for course enrolment and increased administrative burden on teaching staff for learners who do not require these checks to be performed, such as New Scots, asylum seekers or refugees. Jan '26: The new Contract Management Manual is now in active use, improving consistency and strengthening first line controls. All actions from the March 2025 internal audits are now complete with no high-risk findings, and non-compliant spend remains at 0%. Procurement staff continue to monitor relevant legislation, and no breaches of procurement law, SPPNs or internal policy were identified.	Averse	5	2	10	5	5	5	**25**	↔	Apr '26	Aug '23: Edited for transfer to new MAP.
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.	Apr' 26: Final draft of the Sustainability Action Plan (SAP) scheduled for review by the People & Culture Committee in May 2026. Staff capability is increasing through climate-awareness and advanced sustainability training, and work continues on the Green Travel Plan, supported by the re-established ESWG. However, delivery risks remain due to limited specialist sustainability resources, funding pressures, and new requirements for enhanced end-of-year sustainability reporting and alignment of budgets with net-zero priorities. Jan '26: A first draft SAP was endorsed by the People & Culture Committee in Oct 2025. To support organisational capability and awareness in relation to sustainability, a Procurement Climate Change Awareness module has been included, and completed by 235 employees.	Averse	5	2	10	5	5	5	**25**	↔	Apr '26	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.

ID	Risk Title	Owner	Risk/Treatment Description	Developments/Commentary	Appetite	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 centres to ensure overall performance improvement and sustainability.	Apr '26: The risk of ineffective performance management remains low, supported by improved retention and a sector-leading 65% student satisfaction survey response rate. These indicators strengthen assurance around learner engagement and service delivery. External performance and compliance risks remain low following Qualification Scotland's Highly Effective audit outcome, with internal quality cycle activity and QAA preparations progressing to plan. This is reinforced by strong survey engagement and national recognition, including shortlisting for three Herald Higher Education Awards. Jan '26: Risk remains low. Positive end of year academic performance has been supported by a continued decline in FT early withdrawals.	Open	5	2	10	5	5	4	20	↔	Apr '26	Aug '25: Score decreased from 15 to 10. Jan '25: Score decreased from 20 to 15. Aug '24: Score increased from 15 to 20. Apr '24: Score increased from 10 to 15.
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 expects robust policies, procedures and notices to be in place. Annual mandatory e-learning to be undertaken, and Regular GDPR compliance reports to be provided to ELT/Audit & Assurance Committee (AAC) allowing senior level oversight. The DPO (from Thorntons) manages the day-to-day data protection function and progresses work on the College's compliance against the ICO framework and data protection legislation.	Apr '26: Good level of assurance provided to the Audit & Assurance Committee in Feb 2026 through the Data Protection Internal Audit. IA Report acknowledged that the College has a robust data protection compliance framework in place. Jan '26: Data Protection Internal Audit currently in progress. Oct '25:A new workflow is under development to build a process for managing the recording of data subject access requests (DSAR) and an accessible online form for data subjects to make requests. This is designed to streamline the DSAR process and create a more efficient, centralised method of recording requests received. This work shall progress into 2026.	Averse	4	2	8	5	5	5	**25**	↔	Apr '26	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
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.	Apr '26: An unannounced business continuity exercise was delivered in April. The College responded well to the test scenario and we are awaiting a report from Ashton Resilience. The report will be presented to the Audit & Assurance Committee and any lessons learnt will be incorporated into the next iteration of the Incident Management Plan before the end of the academic year. Jan '26: Incident Management Plan reviewed, updated, and disseminated in Dec 2025. Aug '25: All recommendations from the exercise in May have been completed.	Averse	4	2	8	**4**	5	5	**25**	↔	Apr '26	Jan '25: Score decreased from 12 to 8. Aug '23: Edited for transfer to new MAP.
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.	Apr' 26: A successful non-executive recruitment round concluded in April 2026, leading to two new appointments with relevant skills and experience. The non-executive membership of the Board is now at full capacity. Jan '26: New ADGR and Corporate Governance Officer both in post and meeting regularly with the Regional Chair. Oct '25: New ADGR appointed. Assumes roles from Oct 2025. Aug '25: As reported by correspondence, a delay in the Scottish Government appointing a new Chair meant the Board was not properly constituted from 30 July to 14 August. All corrective actions within the College's control were taken, and the matter was resolved within the review window and before it had a material impact, so the risk score remains unchanged.	Averse	5	1	5	**5**	5	5	**25**	↔	Apr '26	Sept '23: Score decreased from 10 to 5. Aug '23: Edited for transfer to new MAP. April '23: Score increased from 5 to 10.