Finance Committee

Date of Meeting	**03 June 2026**
Paper No.	**FC4-J**
Agenda Item	**3.5**
Subject of Paper	**Strategic Risk Review**
FOISA Status	**Disclosable**
Primary Contact	**Marcus Walker** **Associate Director Governance & Risk**
Date of production	**26 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.

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

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

APPENDIX 1

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

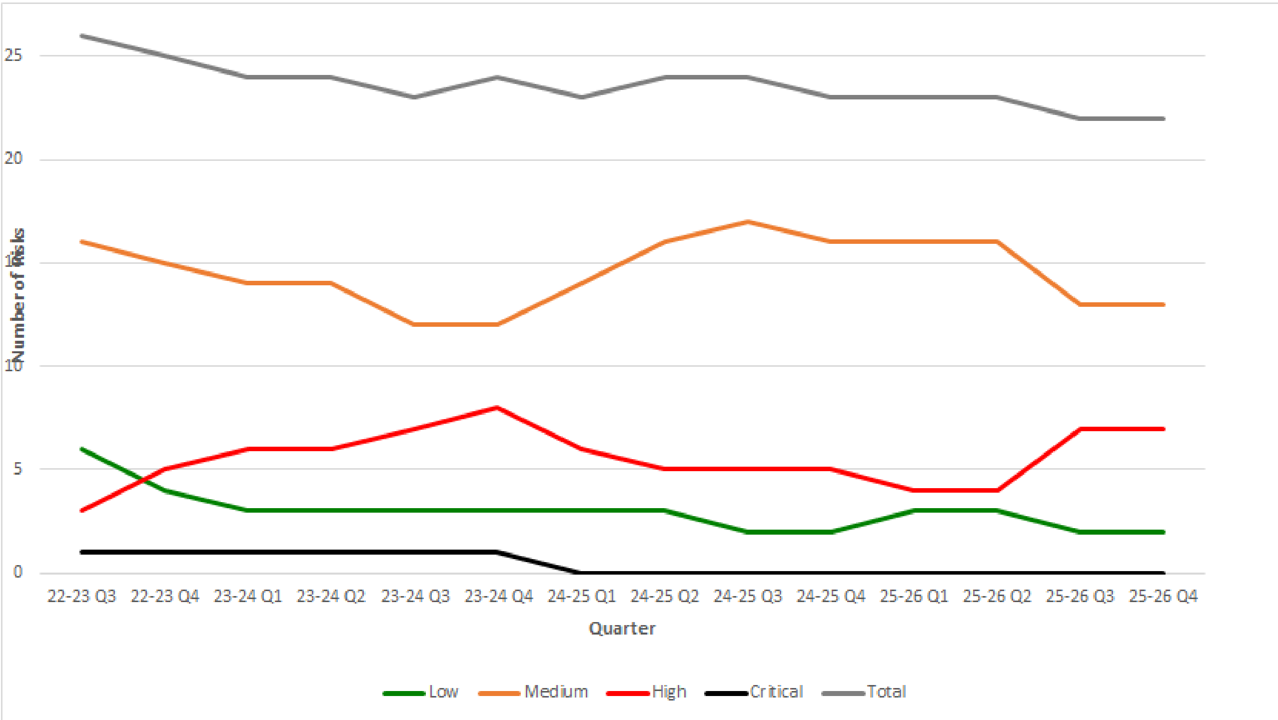
IMPACT

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
SR23	Failure to secure a sustainable model/level of funding	CFO	There is a risk that an agreed and sustainable model of grant funding for the College may not be achieved. Uncertainties in funding methodologies (e.g., capital, national bargaining, IT) and the impact Covid-19 contribute to the risk. As the proportion of SFC income grows against non-SFC income, the impact of this risk will become greater. To manage this risk, the College focuses on robust curriculum planning and maintains close collaboration with other Glasgow colleges. It actively engages in transparent discussions with the SFC to communicate funding needs effectively. Proactive planning and adaptability are emphasised, allowing the College to navigate changing funding scenarios.	Apr'26: Indicative funding announced in March was a 7.9% increase (£3.6m) in funding for 206/27, although welcome does not reinstate the 20% cut over last few years . SFC attended Finance Committee to give overview of current funding model. SFC have indicated that there will be a fundamental review of funding model with the aim of a new funding model being in place for 2028/29. Jan 26: Position remains the same as in October. Budget announced in January included a 9.3% increase in budgeted revenue, no detail is yet available on impact on CoGC in 2026/27. Oct'25 : Position remains the same as in August . Finance Committee have requested SFC attend a future meeting to explain the funding model.	Cautious	4	5	20	5	5	5	**25**	↔	Apr '26	Aug '25: Score increased from 16 to 20. Jan '24: Score increased from 12 to 16. Aug '23: Edited for transfer to new MAP.
SR24	Failure to secure sufficient capital investment	CFO	There is a risk of the College failing to secure sufficient capital investment to replace essential equipment as it reaches the end of its useful life, due to a substantial annual capital funding gap. To manage this risk, the College has developed a capital asset replacement plan, requiring around £3m - £4m annually. However, the current SFC Maintenance and Capital Grant is only approximately £1.3m, resulting in a significant funding gap. The College will actively engage with SFC to secure a substantial increase in annual capital funding. The College is now unable to seek assistance from the College Foundation for capital for asset replacement as funds have now been fully withdrawn.	Apr'26: Indicative funding announcement for 2026/27 was no increase in capital maintenance budget at £1.37m. Finance Committee have approved capital expenditure for 2026/27, however there is a significant shortfall in required funds. Jan 26 : Position remains the same as in October. Budget announced in January included a 24% increase for capital maintenance, no detail is yet available on impact on CoGC in 26/27. Oct'25 : Position remains the same as at Aug '25.	Cautious	4	5	20	3	5	4	20	↔	Apr '26	Dec '25: Score increased form 16 to 20. Oct '23: Score increased from 12 to 16. Aug '23: Edited for transfer to new MAP.
SR19	Failure to achieve operating surplus	CFO	There is a risk that the College may fail to achieve an operating surplus due to pressures on income and increased expenditure. To mitigate this, the College maintains robust financial management, including meeting credit targets to secure SFC funding, close monitoring of course fees and non-SFC income, and the control of staff and operating costs. Inflation and energy cost impacts are also proactively managed. There is also a related risk of cashflow pressure or reduced liquidity headroom arising from operating deficits, timing differences in income, or cost commitments. Reduced liquidity may limit the College's ability to meet short-term obligations or respond quickly to financial pressures. Cashflow will be monitored regularly, with mitigations applied as needed to maintain stability.	Apr'26 : Q2 Forecasted deficit has increased to £1.2m. As 6 months of the year still to go, there are a number of sensitives within 2025/26 which may bring additional income and reduce that deficit to nearer break even. Finance Committee continue to review scenario planning going forward Jan'26: 2024/25 achieved a final operating surplus of £59k, significant improvement on budgeted deficit of £500k. Q1 Forecast for 2025/26 was a £874k deficit against original budgeted deficit of £172k. Oct'25 : Q4 forecasted year end position was a surplus of £55k, there has been a £600k improvement from original budget. This is subject to audit.	Cautious	4	4	16	5	5	5	**25**	↔	Apr '26	Nov '24: Score increased from 12 to 16. Sept '24: Score decreased from 20 to 12. Aug '24: Score decreased from 25 to 20. Aug '23: Edited for transfer to new MAP.