Finance Committee

Date of Meeting	**16 September 2026**
Paper No.	**FC1-H**
Agenda Item	**3.5**
Subject of Paper	**Strategic Risk Review**
FOISA Status	**Disclosable**
Primary Contact	**Marcus Walker** **Associate Director Governance & Risk**
Date of production	**08 September 2026**
Action	**For Discussion**

1. Recommendations

1.1. To discuss the Strategic Risk Register for risks reported to the Finance 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

2026-27 Quarter 1 Update

3.1. Risk management forms an integral part of the College's governance, assurance and internal control framework. The Board of Management retains responsibility for approval of the Strategic Risk Register, with oversight of the College's risk management arrangements delegated to the Audit & Assurance Committee.

3.2. Strategic risks continue to be reviewed on a quarterly basis by risk owners to ensure that the register reflects the College's operating environment and that mitigating actions remain appropriate and effective. Committees review those risks within their remit and recommend any required changes to the Board for approval.

3.3. Three strategic risks are reported to the Finance Committee as outlined in Appendix 2. No changes to risk scoring are proposed.

Strategic Risk Register Refresh

3.4. During its consideration of the Quarter 4 Strategic Risk Review, the Committee highlighted the importance of ensuring that the Strategic Risk Register remains dynamic, reflects emerging risks and sector developments, and clearly articulates linkages between risks and mitigating actions. Members also noted the opportunity to refresh aspects of the register and strengthen the identification of emerging risks and future challenges.

3.5. A comprehensive review of the College's Strategic Risk Register and wider strategic risk management arrangements is included within the Associate Director of Governance & Risk Operational Plan for 2026/27. Progress against this objective has been limited to date due to competing priorities; however, an initial refresh of the register has been undertaken.

3.6. A draft refreshed version of the Strategic Risk Register is enclosed (Appendix 3) alongside the current approved version for comparison purposes. The proposed changes do not materially alter the College's strategic risk profile, risk ownership arrangements or risk scores. Rather, the refresh focuses on improving the clarity, consistency and strategic articulation of the risks currently reported within the register.

3.7. The refresh is intended to:

- improve the clarity and readability of the Strategic Risk Register;
- provide greater consistency in the way risks are described across the register;
- strengthen alignment between strategic risks and the College's Strategic Plan;
- better distinguish risks from controls and mitigating actions; and
- support Board and Committee oversight through clearer articulation of strategic risk exposure.

3.8. Members are invited to review the draft refreshed register and provide feedback on the proposed approach and changes. Subject to endorsement of the proposed approach, the revised risk titles and risk/treatment descriptions will be finalised as part of the Quarter 2 review and presented to the Board of Management in December 2026 for approval. Further updates on the wider review of strategic risk management arrangements will be reported to the Committee throughout 2026/27.

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 3: Draft ‘Refreshed’ Risk Management Action Plans

Strategic Risk Register

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

Impact and Probability Criteria

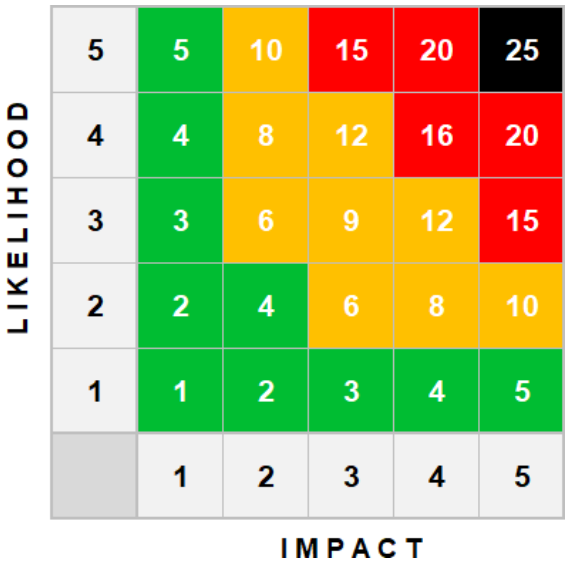
Score	Impact	Probability
1	**Insignificant:** the risk has minimal to no effect on the College's operations, objectives, reputation, stakeholders or financial sustainability.	**Highly Unlikely:** the likelihood of the risk occurring is minimal. It would be estimated that the risk has a 1-5% chance of 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

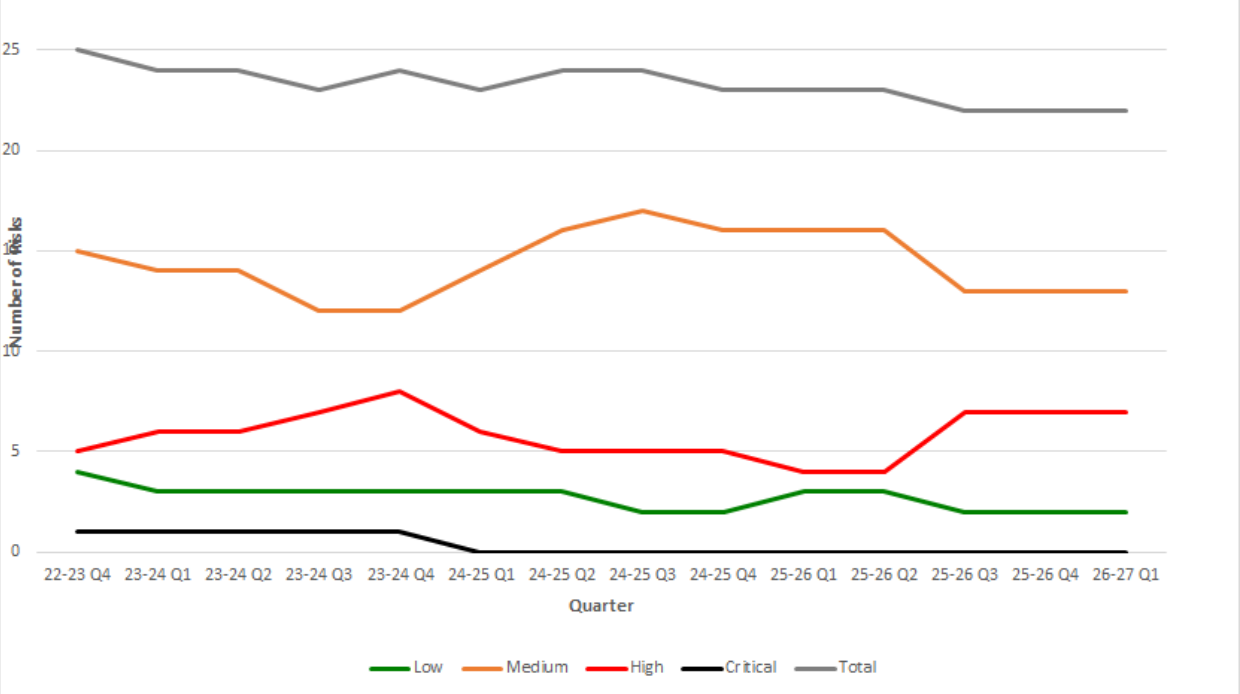


Low (1-5) Acceptable level of risk subject to periodic review
Medium (6-12) Moderate level of risk subject to regular monitoring and mitigating actions and plans being in place
High (15-20) Unacceptable level of risk requiring immediate actions and plans to prevent or mitigate
Critical (25) Critical 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.	Aug '26 The SFC funding settlement for 2026/27 confirmed an uplift in core teaching funding, providing a more positive position than recent years; however, funding remains insufficient to fully offset cumulative reductions experienced over previous years and increasing cost pressures. The College continued to engage closely with the SFC regarding the ongoing review of the funding methodology, with a revised sector funding model anticipated for 2028/29. While the additional allocation improves financial resilience, continued uncertainty regarding long-term funding arrangements and absence of funded activity growth mean the strategic risk remains unchanged.	Cautious	4	5	20	5	5	5	**25**	↔	Aug '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.	Aug '26: The approved 2026/27 capital programme continues to be constrained by the gap between annual capital investment requirements and available funding. The 2026/27 budget assumes capital and maintenance funding of approximately £1.4m, which remains significantly below the estimated annual requirements to maintain and replace critical assets and infrastructure. Although previously approved Foundation funding supports priority investment activity, capital funding constraints across the sector remain a significant challenge. The College will continue to prioritise expenditure, explore external funding opportunities and engage with the SFC regarding future capital requirements.	Cautious	4	5	20	3	5	4	20	↔	Aug '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.

ID	Risk Title	Owner	Risk/Treatment Description	Developments/Commentary	Appetite	Impact	Prob.	Score	Target	Impact	Prob.	Score	Trend	Updated	History
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.	Aug '26: Final year-end monitoring for 2025/26 indicates a forecast operating deficit of £0.8m, although a number of income and expenditure sensitives remain under review. The approved 2026/27 budget projects a prudent deficit position of £1.48m, excluding several identified income opportunities and potential savings measures. Management continues to focus on expenditure control, vacancy management, commercial income generation, international recruitment and the delivery of identified efficiencies. Financial performance and cashflow will remain subject to close monitoring throughout the year given ongoing sector-wide cost and funding pressures.	Cautious	4	5	20	5	5	5	**25**	↔	Aug '26	Apr '26: Score increased from 16 to 20 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.

						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 Funding Model	CFO	There is a risk that national funding arrangements do not provide a sustainable level of resource for the College, affecting long-term financial sustainability and delivery of strategic priorities. The College actively engages with the SFC, supports sector-wide discussions on funding reform, undertakes robust financial planning and seeks to maximise value from available resources.	Aug '26: The 2026/27 SFC funding settlement provided an uplift in core teaching funding and offers improved short-term stability. However, funding continues to lag sector-wide cost pressures and does not address long-term sustainability challenges. Engagement continues with SFC and sector partners regarding future funding reform, with a revised funding methodology anticipated from 2028/29. Uncertainty around future funding levels and the absence of funded growth opportunities mean the strategic risk remains unchanged.	Cautious	4	5	20	5	5	5	**25**	↔	Aug '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 Sustainable Investment in Strategic Assets and Infrastructure	CFO	There is a risk that the College is unable to secure sufficient and sustainable capital investment to maintain, renew and enhance its strategic assets and infrastructure. Insufficient investment may lead to ageing equipment, deteriorating estate condition, increased cyber vulnerabilities, reduced operational effectiveness and an inability to deliver strategic priorities. The College maintains a Capital Asset Replacement Plan, prioritised investment programme and active engagement with funding bodies. **Linked Risk: SR28**.	Aug '26: Capital investment requirements continue to exceed available funding, creating ongoing pressure on estate renewal, equipment replacement and digital infrastructure investment. The approved 2026/27 capital programme prioritises critical assets and infrastructure, supported by legacy Foundation funding where available. However, sector-wide capital constraints remain a material challenge and may affect the College's ability to modernise assets, enhance resilience and support strategic priorities.	Cautious	4	5	20	3	5	4	20	↔	Aug '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 Long-Term Financial Sustainability	CFO	There is a risk that the College is unable to generate sustainable operating surpluses, maintain sufficient liquidity and respond to financial pressures. Financial instability may reduce organisational resilience, restrict investment and impact delivery of strategic objectives. The College maintains robust financial planning, performance monitoring and cost control arrangements.	Aug '26: Forecast year-end performance for 2025/26 indicates an operating deficit, while the approved 2026/27 budget also projects a planned deficit position. Management continues to implement expenditure controls, vacancy management, efficiency measures and income generation initiatives to strengthen financial resilience. Ongoing inflationary pressures, pay costs and sector funding constraints continue to present a significant challenge to long-term financial sustainability.	Cautious	4	5	20	5	5	5	**25**	↗	Aug '26	Apr '26: Score increased from 16 to 20 Nov '24: Score increased from 12 to 16. Sept '24: Score decreased from 20 to 12.