

Audit Committee Meeting

Date of Meeting	Tuesday 3 October 2017
Paper Title	Review of Assigned College Risk Registers
Agenda Item	15
Paper Number	AC1-K
Responsible Officer	Jim Godfrey, Interim Finance and Resources Director
Status	Disclosable
Action	For approval

1. Report Purpose

1.1. This paper provides a review of the risk registers of the assigned colleges.

2. Recommendations

2.1. The Committee is invited to **note** that:

- a) The risk registers of the assigned colleges have been reviewed by the Interim Director of Finance; and
- b) There is a high degree of correlation between the risks identified in the risk registers of the assigned colleges and GCRB.

2.2. The Committee is invited to **request** that:

- a) The risk registers of the assigned colleges are reviewed on a quarterly basis by the Interim Finance and Resources Director; and that
- b) Material changes to the risks facing an assigned college are reported to this Committee.

3. Background

3.1. The management of risk is clearly an important issue for GCRB in respect of its systems of internal control. Extensive work has taken place in 2017 to further develop, and enhance, GCRB's arrangements in respect of risk.

3.2. The Internal Auditors undertook a review of Risk Management, which was reported to this Committee at its last meeting on 15 May 2017. One of the recommendations of this report was to "Put in place a mechanism for reviewing assigned colleges' risk registers and escalating up any risks or issues to GCRB."

4. Report

- 4.1. The following paragraphs explain the actions taken to ensure that risks related to the assigned colleges can be identified, evaluated and mitigated against.
- 4.2. The first action that took place was the joint meeting of the Audit Committees in May 2017 and the subsequent risk management workshop in June. Both of these sessions facilitated the identification of risks by members of GCRB and the assigned colleges. This was an important process as it enabled GCRB to develop its updated risk register to reflect the emerging risks.
- 4.3. The Internal Audit report also identified that the remit of the Glasgow Colleges Sustainability Group includes the responsibility to “review college and regional risk management”. As this item had not been discussed by the Group for some time, the Interim Finance & Resources Director requested that the item be discussed at the meeting on 29 September 2017.
- 4.4. Separately, the three colleges were asked to send a copy of their most recent risk registers to the Interim Finance & Resources Director. The risk registers have been reviewed and the following observations made:
 - 4.4.1. Consistency – there is a degree of correlation between the risks identified by each college.
 - 4.4.2. Content – the type of information included (i.e. the fields) within the register are similar across all three colleges. As would be expected the registers include; risk name, identifier, risk owner, evaluation, an indication of risk movement, mitigating actions
 - 4.4.3. Presentation – the risk registers of the three colleges look quite different. From a visual perspective, the risk register of City of Glasgow College¹ is concise and clear to understand. It provides a summary on a single page with hyperlinks to action plans to mitigate risks.
 - 4.4.4. Risks Identified – the risk registers of the assigned colleges were reviewed² and it is evident that there is a high degree of consistency in terms of the risks identified by the colleges. The risks identified by the assigned colleges were also compared with GCRB’s risk register and again there is a high degree of correlation. The colleges will rightly make their own assessment of risks facing their organisation based upon their views and risk appetite. The colleges may therefore evaluate an identified risk in a different way to each other, and GCRB, but this is perfectly reasonable
- 4.5. It is proposed that the risk registers of the assigned colleges will be reviewed by the Interim Finance and Resources Director on a quarterly basis. Material changes emerging from the regular reviews will be reported to the GCRB Audit Committee.

¹ A copy of the City of Glasgow College Risk Register is provided at Annex A by way of an example of good practice. It is intended that the Annex provides a visual image of this Risk Register.

² A comparison of the key risks identified by each college is provided at Annex B.

5. Legal Implications

5.1. There are no legal implications arising from this report.

6. Resource Implications

6.1. There are no direct financial implications as a result of this report. The quarterly review of college risk registers, and reporting to the Audit Committee, will be undertaken by the Interim Finance and Resources Director.

7. Strategic Plan Implications

7.1. Through the conditions of grant associated with the Regional Outcome Agreement, GCRB is required to conduct its affairs in accordance with the expected standards of good governance, which include establishing appropriate arrangements in relation to risk.



Risk Register: 09 June 2017

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RISK DETAIL					CURRENT EVALUATION OF RISK*			AIM and PROGRESS			RISK TREATMENT ACTIONS AND UPDATE	
Strategic Theme	Risk Name	Risk ID	Level	Risk Owner	Likelihood	Impact	Net Risk Score	Gross Risk Score	Target Risk Score	Risk Movement	Hyperlink to Risk Management Action Plan (MAP)	Date of last review
Students	Failure to support student success	1	1	VPSE	2	5	10	25	5	5 Green to 10 Amber (Audit 5/17)	Risk 1 MAP.docx	May '17
Students	Failure to establish optimal pedagogical model	2	1	VPSE	2	5	10	20	5		Risk 2 MAP.docx	May '17
Students	Failure to achieve good student outcomes/progression levels	3	1	VPSE	2	5	10	15	5	5 Green to 10 Amber (Audit 5/17)	Risk 3 MAP.docx	May '17
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	3	4	12	20	4		Risk 21 MAP.docx	May '17
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	PiDR	3	3	9	20	3		Risk 4 MAP.docx	May '17
Growth and Development	Failure to complete project programmes to schedule	5	1	DP	1	5	5	25	5	Risk Reverted: PPRC 4/17	Risk 5 MAP.docx	May '17
Growth and Development	Negative impact upon College reputation	6	1	EDCD	2	5	10	25	5		Risk 6 MAP.docx	May '17
Growth and Development	Failure to achieve improved business development performance with stakeholders	7	1	EDCD	2	5	10	25	5		Risk 7 MAP.docx	May '17
Growth and Development	Failure to achieve improved performance	8	1	VPSE/D&P	2	5	10	20	5	5 Green to 10 Amber (Audit 5/17)	Risk 8 MAP.docx	May '17
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	VPPHR	2	2	4	20	3		Risk 9 MAP.docx	May '17
Processes and Performance	Negative impact of statutory compliance failure	10	1	EMDCSP	2	5	10	20	5	5 Green to 10 Amber (Audit 5/17)	Risk 10 MAP.docx	May '17
Processes and Performance	Failure of Corporate Governance	11	1	PiDCSP	2	5	10	20	5		Risk 11 MAP.docx	May '17
Processes and Performance	Failure of Business Continuity	12	1	VPCSP	4	5	20	25	4	12 Amber to 20 Red (Audit 5/17)	Risk 12 MAP.docx	May '17
Processes and Performance	Failure to manage performance	13	1	VPSE/D&P	1	4	4	20	4	8 Amber to 4 Green (Audit 5/17)	Risk 13 MAP.docx	May '17
Processes and Performance	Negative impact of Industrial Action	14	1	VPPHR/DR	3	4	12	25	4		Risk 14 MAP.docx	May '17
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	VPPHR	5	3	15	25	2	8 Amber to 15 Red (Audit 5/17)	Risk 15 MAP.docx	May '17
Finance	Failure to maximise income via diversification	16	1	VPPHR/EDCD	3	4	12	20	4		Risk 16 MAP.docx	May '17
Finance	Negative impact of funding methodology within Glasgow Region	17	1	VPPHR	3	4	12	25	2	8 Amber to 12 Amber (Audit 5/17)	Risk 17 MAP.docx	May '17
Finance	Failure to agree a sustainable level of grant-funded activity within the Region	18	1	VPPHR/VPSE	3	5	15	25	3	Combine with Risk 17 (Audit 5/17)	Risk 18 MAP.docx	May '17
Finance	Impact of OHS reallocation of the status of colleges (To be re-audited - Audit 5/17)	19	1	VPPHR	2	4	8	18	3	8 Amber to 8 Amber (Audit 5/17)	Risk 19 MAP.docx	May '17
Finance	Failure to obtain funds from College Foundation	20	1	VPPHR	1	4	4	20	3		Risk 20 MAP.docx	May '17
Finance	Negative impact of Brexit	22	1	VPPHR	2	5	10	18		Potential RED - (Audit 5/17)	Risk 22 MAP.docx	May '17

Recent movement or change

- Key:**
 Pi - Principal
 DP - Deputy Principal
 VPSE - Vice Principal Student Experience
 VPPHR - Vice Principal Finance & HR
 VPI - Vice Principal Infrastructure
 ED - Executive Director Corporate Development
 FD - Faculty Director
 CSP - College Secretary/Planning
 SHR - Director of Human Resources
 D&P - Director of Performance

Impact	X	5	10	15	20	25
	4	5	10	15	20	25
	3	5	9	12	15	18
	2	4	6	8	10	12
	1	2	3	4	5	6
	0	1	2	3	4	5

Tolerance or Risk Score	Acceptable Risk Score		Acceptable Risk Score		Acceptable Risk Score	
	1-3	4-6	7-9	10-12	13-15	16-20
Risk Management Level of Tolerance (Risk to Accept)	1	2	3	4	5	6
	Low		Medium		High	

City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College
Failure of Business Continuity		
		Potential negative impact of UK exit from European Union
Failure to agree a sustainable level of grant funded activity within the Region	Adverse Funding Changes	
Failure to achieve operating surplus via control of costs and achievement of income targets.	Failure to achieve surplus targets for non-SFC/commercial income	Unfavourable change in the cost of pensions, salaries and NI costs for staff
	Failure to achieve contracted overall teaching delivery targets for any key partner.	
		High absence rates make it impossible to provide appropriate quality of planned service
	Negative impact on employee relations (e.g. national bargaining, industrial action, local consultation)	Failure to develop and maintain good industrial relations. Changes to National Bargaining Framework
	Failure of College operational processes/ systems /ICT infrastructure (including risk of fraud)	College ICT Systems suffer total failure
		Inappropriate access is made to ICT systems