

Audit Committee Meeting

Date of Meeting	Tuesday 18 December 2018
Paper Title	Review of Assigned College Risk Registers
Agenda Item	16
Paper Number	AC2-J
Responsible Officer	Jim Godfrey, Finance & Resources Director
Status	Disclosable
Action	For information

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:

- The risk registers of the assigned colleges were considered by the Audit Committees of the colleges and have been reviewed by the Finance & Resources Director; and
- There has been an increase in the number of high risks identified by the colleges and in particular those relating to financial risks.
- There has been a significant increase in the number of high risks identified by Glasgow Kelvin College.

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 to further develop, and enhance, GCRB's arrangements in respect of risk.

4. Report

4.1. The three colleges send a copy of their most recent risk registers to the Finance & Resources Director on a regular basis. The risk registers of Glasgow Kelvin College and City of Glasgow College were reviewed by the Colleges in November 2018. The latest risk register provided by Glasgow Clyde College was reviewed by the Audit Committee of the College in October 2018.

4.2. The format of this report has been amended to include the medium level risks identified by the colleges. These are shown in the Annex to this report alongside the high risks. Within the Annex the high risks are shown in bold text against a darker background.

Additionally, a small arrow is shown against each risk to indicate whether the college believes this risk is increasing, decreasing or remaining the same.

4.3. The risk registers have been reviewed and the following observations made:

- Within City of Glasgow College and Glasgow Clyde College the risks identified are generally consistent with the previous report.
- The one change made by City of Glasgow College (at the last Audit Committee) was to increase the risk associated with a failure of IT systems.
- Glasgow Kelvin College has increased the number of risks and also considers that more of them are high risks.
- It was reported last time that the number of high risks facing the colleges in Glasgow had followed a downward trend. In October 2018, 8 high risks were reported but this has now increased to 13 in this report (with 9 of these in Glasgow Kelvin College).
- Many of the key risks identified by the colleges are factors that might affect the college. None of the colleges have identified risks relating to performance e.g. the failure to deliver successful performance/outcomes.

5. Equalities Implications

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

6. Legal Implications

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

7. Resource Implications

7.1. 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, is undertaken by the Finance & Resources Director.

8. Strategic Plan Implications

8.1. 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.

City of Glasgow College November 2018	Glasgow Clyde College October 2018	Glasgow Kelvin College November 2018
Failure of business continuity. 		
Failure to agree a sustainable model and level of grant funding within Glasgow Region. 	Adverse funding changes. 	Unfavourable change in the allocation of resources/student activity or the Regional Board to the College. 
		Unfavourable change in the overall quantum of sector funding. 
		Failure to maintain financial sustainability. 
		Unfavourable change in the cost of pensions, salaries and NI costs for staff terms and conditions. 
Failure to maximise income through diversification. 	Failure to achieve surplus targets for non-SFC/commercial activity. 	College fails to secure budgeted income. 
		Failure to have available cash to make payments as they fall due in the short and long term including ability to pay staff wages. 
Negative Impact of industrial action. 	Negative impact on employee relations (e.g. national bargaining, industrial action, local consultation). 	Failure to develop and maintain good industrial relations. 
		Loss of key staff. 
		High absence rates make it impossible to provide appropriate quality of planned service. 

City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College
November 2018	October 2018	November 2018
	Failure to meet all legislative and regulatory requirements and/or recommended guidance. 	The College may face litigation due to breaches of employment law and other legislation. 
Failure of IT system security. 	Failure of College operational processes/systems /ICT infrastructure (including risk of fraud). 	College ICT systems suffer total or partial failure. 
		Inappropriate access is made to ICT systems or inappropriate use by authorised users. 
		Failure to maintain and develop buildings to a sufficiently high standard for delivery of high quality learning and teaching. 
		Learners are not appropriately supported during their enrolment, the College fails to retain sufficient numbers or they fail to make sufficient progress. 
		Children, young people and vulnerable adults may be subject to abusive behaviour. 
		The College faces liabilities as a consequence of an indemnity, contract or claim it, or one of the legacy colleges, has granted. 
		Poor public relations image and perception of College. 