Audit Committee Meeting

Date of Meeting	Tuesday 5 December 2017
Paper Title	Review of Assigned College Risk Registers
Agenda Item	14
Paper Number	AC2-J
Responsible Officer	Jim Godfrey, Interim Finance and Resources Director
Status	Disclosable
Action	For noting

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 in November 2017 and have been reviewed by the Interim Director of Finance; and

- The risks to financial sustainability dominate the risk registers of the colleges.

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.   As reported at the previous meeting, the three colleges send a copy of their most recent risk registers to the Interim Finance & Resources Director on a regular basis. The risk registers have been reviewed and the following observations made:

- The risk registers of all three colleges were reviewed by the Audit Committees in November 2017.

- The risk register for Glasgow Kelvin College has seen a number of changes and updates.

- The risks to financial sustainability dominate the risk registers.

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, is 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.

City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College
Failure of Business Continuity.		
Failure to agree a sustainable model and level of grant funding within the Glasgow Region.	Adverse Funding Changes.	Unfavourable change in the allocation of resources & student activity by the SFC or the Regional Board to the College.
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 or staff terms and conditions.
		Failure to have available cash to make payments as they fall due in the short and long term, including ability to pay staff wages.
		Failure to maintain Financial Sustainability.
	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. Lack of planning of staff cover within Curriculum.
		Failure to maintain and develop buildings to a sufficiently high standard for delivery of high quality learning and teaching Reduction in regional capital and maintenance allocation.
	Negative impact on employee relations (e.g. national bargaining, industrial action, local consultation).	Failure to develop and maintain good industrial relations.
	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.