

Audit Committee Meeting

Date of Meeting	Tuesday 6 March 2018
Paper Title	Review of Assigned College Risk Registers
Agenda Item	10
Paper Number	AC3-F
Responsible Officer	Jim Godfrey, Finance & 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 and have been reviewed by the Finance & Resources Director; and
- There has been no change to the high risks identified by the colleges since the previous report.
- 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 Finance & Resources Director on a regular basis. The risk registers have been reviewed and the following observations made:

- The risk registers of Glasgow Clyde College and City of Glasgow College were reviewed by the Colleges in February 2018.
- The latest risk register provided by Glasgow Kelvin College was reviewed by the Audit Committee of the College in November 2017.
- There has been little change to the risks identified by the Colleges. However, there are a small number of instances where the College has changed the risk score but it still remains high overall.
- The risks to financial sustainability dominate the risk registers. It is expected that the financial risks will be re-evaluated following the publication of the indicative funding announcement by SFC on 27 February 2018 and the regional funding allocations thereafter. These matters will be considered by the Performance and Resources Committee on 7 March 2018.

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 Finance & 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.