

Board Meeting

Date of Meeting	Monday 28 January 2019
Paper Title	GCRB Risk Register
Agenda Item	8
Paper Number	BM2-D
Responsible Officer	Robin Ashton, GCRB Executive Director
Status	Disclosable
Action	For Discussion and Decision

1. Report Purpose

- 1.1. This paper provides an update of the process for managing risk and asks the Board to review a number of key risks.

2. Recommendations

- 2.1. The Board is invited to:

- **agree** to the recommendation of the GCRB Audit Committee that a risk workshop is held to provide an opportunity for GCRB Board members to consider risks and discuss how the current risk register could be developed to better identify risks.
- **consider** the attached risk register and summary of related activity from November 2018 to January 2019; and
- **consider** the suggested changes to the evaluation of these risks and **amend** as appropriate; and
- **agree** any mitigating actions.

3. Risk Register Development

- 3.1. GCRB's current Risk Register was developed on the basis of a review of GCRB's risk management arrangements undertaken by the Internal Auditor and a Board Risk Management Workshop held on 2 June 2017.
- 3.2. At its meeting on 29 October 2018, the Board requested that the GCRB Audit Committee consider steps which could be taken to ensure that the GCRB Risk Register effectively assesses risks to GCRB and the Glasgow College Region.
- 3.3. The Audit Committee considered the matter on December 18, 2018, and recommend that the GCRB Executive arrange a Risk Management Workshop of a similar format to the workshop held in 2017 and again facilitated by GCRB's internal auditor. The

workshop would provide an opportunity for Board members to consider risks and discuss how the current risk register could be developed to better identify risks.

- 3.4. It is proposed that the risk workshop is held on the afternoon of the 5th March, 2019 (the same date as the GCRB Audit Committee). All GCRB members will be invited to attend, taking into account the availability of Board members.

4. Review of Risk Register

- 4.1. The Risk Register has been regularly reviewed by GCRB management since the last meeting of the GCRB Board. An update column in the attached risk register details activity thought relevant to each of the identified risks.
- 4.2. The Board has agreed to review a number of key risks at each meeting. At the previous meeting the Board reviewed risks 003, 006 and 013. In terms of the risks to be reviewed at this meeting, it is suggested that the Board may wish to discuss the risks outlined below.
- 4.3. The Risk Register was reviewed by the Executive in January 2019. As a result, the risk scores have been evaluated by the Executive and the following amendments suggested:

Risk ID	Risk Description	Likelihood	Impact	Risk Score
007	Financial sustainability is jeopardised by a reduction in funding and/or an increase in costs.	from 2 to 3	Unchanged (2)	from 4 to 6
008	Failure to achieve the targets set out in the Regional Outcome Agreement lessens our ability to meet regional needs.	From 1 to 2	From 1 to 2	
013	Controls, and preventative measures, are inadequate which results in a breach of security/safety (e.g. Cyber Attack)	From 1 to 2	From 1 to 2	From 1 to 2

- 4.4. In summary, the suggested changes to the risk evaluation result from these events:

- **The financial sustainability is jeopardised by a reduction in funding and/or an increase in costs (Risk 007).** The Scottish Budget announced in December 2018 presents a challenging settlement for the sector in 2018/19. The indicative financial settlement for the Glasgow college region is expected in February 2019. On the expenditure side, the potential cost relating to the cost of living increase for lecturers is unknown and is the currently the subject of dispute. The outlook beyond 2018/19 is similarly challenging as evidenced by the consolidated financial forecast return considered by the Finance and Resources Committee in December. Finally, the report on the college risk registers, considered by the Audit Committee in December 2018, also highlighted the view that optimism regarding the future financial position has reduced.

- **Failure to achieve the targets set out in the Regional Outcome Agreement lessens our ability to meet regional needs (Risk 008).** A review of progress towards ROA targets at the December meeting of the GCRB Performance and Resources Committee suggested that the region was broadly on track to meet its 2018-19 commitments. However, following a ballot of its members, the EIS have announced 4 days of strike action over the period January to March. Given the potential disruption to learning this poses, it is suggested that the likelihood of not achieving the targets set out in the Regional Outcome Agreement (particularly attainment rates) is increased.
- **Controls, and preventative measures, are inadequate, which results in a breach of security/safety (e.g. Cyber Attack) (Risk 013).** At the previous meeting, the risk was reduced as a result of the work taking place in respect of GDPR. It is suggested that the likelihood should be temporarily increased as a result in a delay in the achievement of 'Cyber Essentials Plus' status by our host college (reference the recommendation within the Annual Report of the External Auditor 2017-18).

4.5. The Board is invited to:

- Discuss the three risks identified.
- Consider the suggested changes to the evaluation of these risks and amend as appropriate.
- Consider the mitigating actions and amend as appropriate.

5. Risk Analysis

5.1. The aim of this report is to support, and enable, the Board's management of risk.

6. Legal Implications

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

7. Equalities Implications

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

8. Resource Implications

8.1. There are no direct financial implications as a result of this report.

9. Strategic Plan Implications

9.1. 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.

AMBITION	RISKS			EVALUATION OF RISK					MANAGEMENT OF RISK				
	Glasgow Region Strategic Plan	Risk ID	Risk Owner	Risk Description	Likelihood	Impact	Net Risk Score	Risk Appetite	Recent Trend	Mitigating Actions	Responsibility for Mitigating Action	Target Risk Score	November to January Update
Strategic	Ambitious for Glasgow	001	Board	Poor environment scanning, and scenario planning, results in a failure to respond proactively to macro-level changes.	1	2	2	Low (1/2)	→	Ensure Board are informed of environmental developments, economic trends, policy developments etc. by proactively managing board/committee agendas, providing policy briefing notes, developing board member communications and online access to information. Constrain activity to those external factors GCRB can influence	Exec Director	2	Exec Director attended Colleges Scotland Principals Group & National Policy Group. Ongoing GCRB participation in review of Glasgow City Region Skills Investment Plan. Board reviewed programme for Government 2018-19
		002	Board	Effective working relationships are not developed/maintained with key partners due to a focus on short-term internal priorities.	1	2	2	Medium (3/4)	→	Develop engagement strategy with key partners and maximise their participation in regional structures. Through board development promote opportunities for board member engagement with stakeholders and fully utilise range of board members skills.	Exec Director, Chair & Board Members	3	Chair attended Colleges Scotland Board. Finance and Resource Director attended Colleges Scotland, Funding and Finance Committee and Funding Group. GCRB strategic liaison meeting with SFC. Combined Curriculum Review pilot initiated with SFC and SDS. Evening reception for stakeholders (December) Exec Director met with Trade Unions (December)
		003	Board	The reputation of the College Sector in Glasgow is damaged as a result of adverse publicity (reviewed Oct 2018)	1	2	2	Low (1/2)	→	Strengthen partnership approaches to information sharing and coherence of management actions and responses (no surprises). Develop communications strategy to promote benefits of regional approach. Seek to address issue of board information being leaked to the detriment of GCRB.	Exec Director	2	Further e-briefings published (Ministerial Visit, Early Years) All staff briefing issued. Regional childcare initiative shortlisted for national award. Positive press reporting on signing of academic MoU.
		004	Board	Opportunities are missed/not resourced appropriately and the potential to add value via the strategic plan is overlooked.	3	1	3	Medium (3/4)	→	Identify development opportunities within collaborative planning activity, specifying resources and choices.	Exec Director	3	P&R Committee considered report on regional approaches to student data management. ROA 19-20 commitments drafted and being considered by GCRB Board on 28 Jan.
Ambitious for Learners	005	Board	A failure to effectively plan/monitor our educational delivery results in the curriculum not meeting regional economic and social needs.	1	3	3	Medium (3/4)	→	Continuously improve the quality of our evidence base and undertake systematic reviews of curriculum demand and supply and ensure effective monitoring arrangements.	Exec Director	3	P&R Committee considered ROA progress report 2018-19 and draft ROA 2019-20 (December). Leaver destinations report reviewed by P&R Committee (December). Skills alignment events held for childcare and business services	
	006	Executive Director	Fewer learners achieving positive outcomes (reviewed Oct 2018).	1	2	2	Low (1/2)	→	Work with colleges and Education Scotland to review and shape college evaluative reports and quality enhancement plans. Strengthen ROA target setting and monitor progress towards 2017-18 targets.	Exec Director	2	College evaluative reports and enhancement plans produced. SFC/Education Scotland endorsement process due to complete end of Jan 2019.	
Operational	Ambitious for Colleges	007	Board	Financial sustainability is jeopardised by a reduction in funding and/or an increase in costs.	3	2	6	Medium (3/4)	↗	Develop and enhance long term financial planning. Collate information and identify funding priorities for lobbying. Strengthen key external relationships (SFC, SG, SDS, local authorities, education partners).	Director of Finance, Exec Director & Chair	3	Exec Director met with SFC Interim CEO to discuss regional proposals for proceeds from sale of North Hanover Street. Briefing re Arms Length Foundations considered by Audit Committee. P&R Committee reviewed consolidated financial forecast return in December 2018. Admn resources secured for student funding 2018-19 Risk identified of HMRC audit of GCRB contractor arrangements - advice received that the potential impact of this is assessed as low. Scottish budget settlement for 2019-20 challenging.
		008	Executive Director	Failure to achieve the targets set out in the Regional Outcome Agreement lessens our ability to meet regional needs.	2	2	4	Low (1/2)	↗	Enhance quality and value of performance data and regularly evaluate outcome performance. Address areas for improvement through Enhancement Plans within new national quality arrangements.	Exec Director	2	Regional quality improvement group established (November). New ROA performance monitoring report developed and reported to P&R Committee (December) - suggests region broadly on track to meet 18-19 ROA targets. Following ballot, EIS announced 5 days industrial action, first day took place on 16 Jan.
		009	Executive Director	Working relationships within the Glasgow College Region (e.g. students, staff, board members) are ineffective and reduces our collective impact.	2	2	4	Medium (3/4)	→	Continue to develop opportunities for regional collaboration and sharing of information, networking opportunities and relationship building. Board to consider actions to address unauthorised disclosure of information.	All Staff and Board Members	3	Joint meeting of Audit Committee Chairs in November 2018. Cross college meetings held by childcare and business services curriculum hubs. Curriculum Hub events held for childcare and business services
		010	Executive Director	The approach to people issues (e.g. equality/diversity, skills mix, resourcing of GCRB etc.) is unsatisfactory and we're unable deliver our objectives.	1	2	2	Low (1/2)	→	Ensure GCRB staffing is commensurate with Board responsibilities, and that collaborative management structure has capacity to achieve regional ambitions. Ensure Fair Work Framework values fully embed within GCRB's employer duties. Take forward looking approach to board development and succession planning across the region.	Exec Director, Board Members, Board Secretary	2	Recruitment process underway for part-time Board Secretary and Communications Lead.
		011	Board	The capacity and capability of the Board is inadequate and standards of governance fall below the level required.	1	2	2	Low (1/2)	→	Promote values of good governance, and complete annual review of governance, evaluation of skills and development of board members.	Board Members	2	Review of skills assessment and development action plan undertaken by N&R Committee in December 2018. Reviews of committee effectiveness undertaken by committees and Annual Reports agreed. Committee terms of reference reviewed.
		012	Executive Director	There is a breach of legislation/guidance/code of practice and this results in a failure of governance.	1	2	2	Low (1/2)	→	Remain up to date with changes and new developments, ensure knowledge and training are relevant, adopt conservative approach, and take external advice as appropriate.	Executive Team	2	Internal Audit Plan for 2018-19 agreed by Audit Committee. Positive Annual Report of Internal Auditor for 2017-18. Consolidated Annual Report and Financial Statements produced for 2017-18. Positive Annual Report of External Auditor for 2017-18.
		013	Executive Director	Controls, and preventative measures, are inadequate, which results in a breach of security/safety (e.g. Cyber Attack) (Reviewed Oct 2018)	2	2	4	Low (1/2)	↗	Seek regular assurance to ongoing risks and responsive college plans to emerging issues.	Executive Team	2	GDPR training planned for GCRB team. Cyber Essentials Accreditation to be achieved by City of Glasgow College.