Item 18
For Noting

GLASGOW KELVIN COLLEGE

BOARD OF MANAGEMENT OF 31 AUGUST 2020

RISK APPETITE AND RISK REGISTER REVIEW FEEDBACK (REFERRED FROM THE AUDIT AND RISK COMMITTEE)

REPORT BY INTERIM ASSISTANT PRINCIPAL

1. Introduction

Taking cognisance of the negative impact of the current Coronavirus pandemic, 17 items on the Glasgow Kelvin College Risk Register are now in the Red category; this number was previously 8 in November 2019.

The Risk Register was discussed in detail at the Board of Management meeting on 8 June 2020 and, at this meeting, it was agreed that the Risk Register be approved with a caveat that it be referred to the Audit and Risk Committee for a further detailed review by members of this committee. Any revisions and feedback flowing from this were requested to be reported to the Board of Management meeting in August 2020.

The purpose of this report is to provide the feedback requested.

2. Risk Register Review – Feedback from Audit and Risk Committee

In relation to the Risk Register, G Devlin, Scott Moncrieff stated that the content was similar to other colleges and that the College was currently in crisis/emergency mode now, and for the foreseeable future, due to COVID-19. As such, emergency type risks should only be considered, with longer term requirements put to one side. He further advised that best practice would be to look at the here and now risks.

D Archibald, Henderson Loggie agreed with the views expressed by G Devlin. He agreed that as long as the critical risks and mitigating actions are taken at present, this should be the focus.

Members also suggested that a view of a GCRB document which reviewed all colleges' analysis may be useful, for comparison purposes; (this has been provided for members' interest in Appendix 1 and will be discussed further at the Audit and Risk Committee.)

Members further agreed that there were many controls via communications to staff and students which were very evident and that the register should include dates of such communications. (At the time of writing this paper, a list of the key communications is being prepared.)

The Chair commended the Risk Register report and recognised the efforts made by the College on the excellent progress made.

3. Risk Management Committee

The College's Risk Management Committee is scheduled for 31 August 2020. At this meeting, several key College managers will go through the Risk Register in detail and it will be updated accordingly along with the points as noted above in respect of College communications. The updated and amended version of the Risk Register will be placed on the agenda for the next Audit and Risk Committee meeting scheduled for 8 September 2020.

4. Resource Implications

There are no additional resource implications arising directly from the contents of this report. The resource implications facing the College as a consequence of the current operating environment are substantial, however, the whole sector is in the same situation. Financial sustainability remains the primary strategic risk facing the College at present.

5. Risk & Assurance

There are no risks or perceived implications arising from this report that are not already recorded in the Risk Register.

6. Equality

During this crisis management period, Equalities Legislation continues to be prominent in all considerations to ensure that lone parents, key workers and ethnic groups are not disadvantaged as the College moves to more digital delivery during this pandemic period.

7. Data Protection

There are no new data protection risks arising from the contents of this report. Data protection continues to be explicitly identified as a risk within the Risk Register.

8. Recommendations

Members of the Board of Management are recommended to:

i) note the contents of this report and its appendix.

9. Further Information

Members can obtain further information on the contents of this report from Lisa Clark, Interim Assistant Principal at lisaclark@glasgowkelvin.ac.uk or the Principal, Derek Smeall at dsmeall@glasgowkelvin.ac.uk

LC
Glasgow Kelvin College
August 2020

GCRB Glasgow Colleges' Regional Board

Audit and Assurance Committee Meeting

Date of Meeting	Tuesday 26 May 2020
Paper Title	Review of Assigned College Risk Registers
Agenda Item	16
Paper Number	AAC4-L
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.
- The latest risk registers of the three colleges have been provided to, and reviewed by, the GCRB Finance & Resources Director.
- The timing of Audit Committees means that the (assigned college) risk registers are currently being considered by Boards and therefore subject to change.

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 colleges send a copy of their most recent risk registers to the Finance & Resources Director on a regular basis. The risk registers of all three colleges were reviewed in May 2020.

4.2. The format of this report includes the high and medium level risks identified by the colleges. These are shown in the Annex to this report. 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:

- The timing of Audit Committees means that the (assigned college) risk registers are currently being considered by Boards and therefore subject to change.
- In City of Glasgow College the number of risks, and several risk scores, have increased. Issues relating to the loss of income (as a result of Covid-19) and the related cost burden are dominant.
- Other emerging risks in City of Glasgow College include those relating to business development, continuity planning and degree awarding powers.
- GKC register is draft and to be considered by management and risk committee. Within Glasgow Kelvin College, the college has reviewed the risks and updated the register with a revised assessment of high and medium risks.
- The risks assessed by Glasgow Clyde College are similar to the previous report but with a number of new emerging risks and increased scores.
- Many of the key risks identified by the colleges are factors that might affect the college i.e. there are some risks that a college consider to be outside of its control.
- There are a number of risks that are common to all colleges e.g. financial sustainability, funding, industrial relations and cyber security. Such risks also feature on the regional risk register.
- The risk registers have all been updated to reflect the impact of Covid-19. In particular, the risks around achieving activity targets, the impact on the financial position and people matters have all been impacted.

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 and Assurance 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	Glasgow Clyde College	Glasgow Kelvin College
15 May 2020	**11 May 2020**	**12 May 2020**
Failure to maintain acute threats relating to the coronavirus outbreak. ↗	High impact disaster for the college. →	
Failure to agree a sustainable model and level of grant funding within Glasgow Region. →		**Unfavourable change in the allocation of resources/student activity by the SFC or the Regional Board to the College.** ↗
	Adverse funding changes in 2019-20. →	**Unfavourable change in the overall quantum of sector funding.** ↘
Failure to achieve operating surplus via control of costs and achievement of income targets. ↗	**Failure to reduce College cost base on managed basis to meet requirements of the five year financial forecast.** →	**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 commercial activity.** →	**College fails to secure budgeted income.** ↗
	Potential for refusal of SFC to fund VS. →	
		SFC clawback funding provided in prior years or make in-year adverse adjustment to grant. →
		Failure to have available cash to make payments as they fall due in the short and long term including ability to pay staff wages. ↗

City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College
15 May 2020	**11 May 2020**	**12 May 2020**
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.**
	Failure to recruit and retain an appropriately skilled and effective workforce.	**Loss of key staff.**
		High Absence rates make it impossible to provide appropriate quality of planned service.
		Failure to efficiently utilise teaching staff.
Failure of compliance with the General Data Protection Regulations (GDPR).	**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 College operational processes/systems/ICT infrastructure (including risk of fraud and cyber attack).	**College ICT systems suffer total or partial failure.**
		Inappropriate access is made to ICT systems or inappropriate use by authorised users.
		ICT Contingency Plan is ineffective resulting in the college being unable to restore its systems in a timeous manner.
		Failure to resource replacement and maintenance of ICT hardware and infrastructure.
		Failure to maintain and develop buildings to a sufficiently high standard for delivery of high quality learning and teaching.

City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College
15 May 2020	11 May 2020	12 May 2020
	Failure to achieve contracted overall teaching delivery targets for any key partner. ↗	Failure to recruit learners and ensure curriculum offer meets needs. ↗
	Failure to achieve acceptably high standard of quality of teaching delivery and support for students. ↗	**Learners are not appropriately supported during their enrolment, the College fails to retain sufficient numbers or they fail to make sufficient progress.** ↗
		The College is unable to deliver some, or all of its services, or meet its statutory obligations as a consequence of an unforeseen event. ↗
Failure to achieve taught degree awarding powers. ↗		
	Failure to comply with health and safety and safeguarding requirements. ↗	Children, young people and vulnerable adults may be subject to abusive behaviour. →
Failure of business continuity. ↗		
Failure to achieve improved business development performance with stakeholders. ↗		Relationships with external partners deteriorates. ↗
Negative impact upon college reputation. →		**Poor public relations image and perception of College.** ↗
		Loss or failure to prevent fraud resulting in reputational damage. →