Meeting of the Group Audit and Risk Committee

3.30 - 6.30 pm on Tuesday, 5 October 2021
in 1B16 - Technopark, SE1 6LN

Supplement

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	INTERNAL
Paper title:	Corporate Risk Report
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	05 October 2021
Author(s):	Karen McLernon, Head of Performance Analysis
Sponsor(s):	Richard Flatman, Group CFO
Purpose:	For Discussion
Recommendation:	For noting and discussion by the Committee

Executive summary

The Corporate Risk Register currently contains:

- Zero critical risks
- Ten high risks
- Eighteen medium risks
- One low risk

Risks are reviewed on a monthly basis by the Executive. The most recent review took place in September 2021. The Risk register was also reviewed by the Board in July.

The following updates have been made since the version most recently reviewed by GARC in June 2021:

- Risk 2 – Impact of not achieving Home UG recruitment targets has been reduced to medium in view of 21/22 recruitment and clearing progress. The overall rating is reduced to medium. In addition, Risk 457 on EU and international student recruitment has been conflated into Risk 2 which now represents one overall recruitment risk, regardless of student domicile.
- Risk 517 – 'EU Referendum Impact on regulation & market', which was rated low severity, has been removed following the ratification of the EU–UK Trade and Cooperation Agreement.
- Risk 584 – Further review of this risk will now take place in the autumn, once the current business continuity planning and review process has been implemented and re-testing of "gold command" arrangements completed. The overall risk rating is therefore maintained at medium (and not downgraded to low, as prematurely presented to the June Audit Committee).

- Risk 637 - Likelihood has been downgraded to low in view of in view of the progress made in restoring student and staff access to core systems, resulting in a medium overall rating.
- Risk 639 – A new risk has been added: 'Failure to achieve Cyber Security Essentials at Lambeth College and / or LSBU'. The impact and overall severity have been reduced from high to medium since the July Board meeting because achievement of this accreditation is no longer a mandatory condition for College funding, but is required instead on a best endeavours basis. LSBU and SBC are actively working towards achieving accreditation by December 2021.

Future Reporting to GARC

The June 2021 GARC Effectiveness Review recommended a review of how strategic risks, mitigations and controls are mapped and reported to the committee.

A detailed review of the Risk Register by the Executive team is currently in progress, with completion targeted for October. Building on this review, more detailed reporting on risks rated critical or high will be implemented from the November GARC meeting onwards. This will include more detailed risk descriptions, controls and mitigations and action plans. Risks will be mapped and reported against the revised Risk Appetite Framework if this is approved by the Board.

Corporate Risk Register as at 30 September 2021

Author: Karen McLernon, Head of Performance Analysis   Sponsor: Richard Flatman, Group CFO

Risk Exposure Matrix – Severity by risk type (from Risk Appetite)

Severity Rating/Risk Type - Appetite	Low	Medium	High	Critical
Financial (Open)		(631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group and fails to address changes resulting from government policy (DP) (638) Income, reputational and staff relation impact of Portfolio and Curriculum project (DJ) (630) HE Policy - B3 Registration Regulation and potential introduction of student number controls (DJ) (2) Revenue reduction if course portfolio, and related marketing activity, does not achieve recruitment targets (NL) (639) Failure to achieve Cyber Security Essentials at LC and / or LSBU (NL)	(402) Income growth from Research & Enterprise unrealised (PI) (3) Sustainability of current pension schemes (RF) (634) Financial Impact of Covid-19 (student refunds/accommodation (RF)	
Legal / Compliance (Cautious)		(519) Negative Curriculum Assessment (DJ) (584) External incident compromises campus operations or access (JDS)	(305) Data security and data protection (NL + JDS)	
Academic Activity (Seek)	(633) Unable to deliver recovery plan from Covid-19 (DP)	(628) Availability of NHS placements (WT) (495) Higher Apprenticeship degrees (FM) (398) Academic programmes not engaged with technological and pedagogic developments (DJ) (494) Inconsistent delivery of Placement activity (NL) (518) Core student system inflexibility / failure (DJ) (636) Blended Learning not implemented effectively, impacting student experience (DJ) (467) Progression rates don't increase (DJ) (627) Impact of new strategy upon organisational culture (MMJ)	(629) OfS Thresholds not met in relation to Condition of Registration B3 (DJ) (37) Affordability of Capital Expenditure investment plans (RF)	
Reputation (Open)		(6) Management Information perceived as unreliable, doesn't triangulate or absent (RF) (362) Low staff engagement impacts performance negatively (MMJ) (637) Failure to recover reputational damage from Dec 2020 ICT Outage (NL)	(626) Impact of assurance activity & new initiatives fails to address issues around student experience (DJ) (632) Alignment of estate with sector requirements across the Group (PI) (1) Capability to respond to change in policy or competitive landscape including funding changes (DP) (635) League table rank deterioration / reputational impact (DJ)	

Risk Exposure Matrix – Impact and Residual Likelihood

Impact	1 - Low	2 - Medium	3 - High	4 - Very High
4 Critical *Corporate plan failure / removal of funding, degree award status, penalty / closure*				
3 High *significant effect on the ability for the University to meet its objectives and may result in the failure to achieve one or more corporate objectives*	(495) Higher Apprenticeship degrees (FM) (519) Negative Curriculum Assessment (DJ) (6) Management Information perceived as unreliable, doesn't triangulate or absent (RF) (362) Low staff engagement impacts performance negatively (MMJ) (467) Progression rates don't increase (DJ) (637) Failure to recover reputational damage from Dec 2020 ICT Outage (NL)	(37) Affordability of Capital Expenditure investment plans (RF) (3) Sustainability of current pension schemes (RF) (626) Impact of assurance activity & new initiatives fails to address issues around student experience (DJ) (632) Alignment of estate with sector requirements across the Group (PI) (1) Capability to respond to change in policy or competitive landscape including funding changes (DP) (305) Data security and data protection (NL + JDS) (634) Financial Impact of Covid-19 (student refunds/accommodation (RF)	(629) OfS Thresholds not met in relation to Condition of Registration B3 (DJ) (402) Income growth from Research & Enterprise unrealised (PI)	(635) League table rank deterioration / reputational impact (DJ)
2 Medium *failure to meet operational objectives of the University*	(633) Unable to deliver recovery plan from Covid-19 (DP)	(398) Academic programmes not engaged with technological and pedagogic developments (DJ) (584) External incident compromises campus operations or access (JDS) (494) Inconsistent delivery of Placement activity (NL) (518) Core student system inflexibility / failure (DJ) (627) Impact of new strategy upon organisational culture (MMJ) (638) Income, reputational and staff relation impact of Portfolio and Curriculum project (DJ) (630) HE Policy - B3 Registration Regulation and potential introduction of student number controls (DJ) (639) Failure to achieve Cyber Security Essentials at LC and / or LSBU (NL) (2) Revenue reduction if course portfolio, and related marketing activity, does not achieve recruitment targets (NL)	(628) Availability of NHS placements (WT) (631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group and fails to address changes resulting from government policy (DP) (636) Blended Learning not implemented effectively, impacting student experience (DJ)	
1 Low *little effect on operational objectives*				
	1 - Low	2 - Medium	3 - High	4 - Very High
	This risk is only likely in the long term	*This risk may occur in the medium term.*	*The risk is likely to occur short term*	*The risk is likely to occur in the immediate term*

Residual Likelihood