

**Imperial College Union
Finance, Audit & Risk / 1 Sept 2021**

Strategic Risk Register Review [standing item]

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Purpose: To consider the Strategic Risk Register approved by Board in June 2021 and make suggestions for any changes.

1. Background Information

In December 2020 the Union agreed a new Risk Management framework based on the 'three lines of defence' model that is most common within the charity sector.

Line of Defence	Outputs	Monitoring & Reporting
First Line of Defence	Annual Operational Plans / Departmental Risk Registers Other policies such as: risk assessment policy, financial procedures manual.	These should be developed on an annual basis and reviewed termly by the senior manager and at Leadership Group. These should be reviewed on a triannual basis as part of a formal process.
Second Line of Defence	Strategic Risk Register Scheme of Delegation Reserves Policy	These should be formally reviewed annual each September by the full Board of Trustees. The Strategic Risk Register should be a standing item on the Finance & Risk Subcommittee. The Strategic Risk Register should integrate with the College's risk framework.
Third Line of Defence	Annual External Audit Annual Imperial College Internal Audit External Accreditation Schemes	These should take place annually and be reported to the full Board of Trustees.

In June 2021, after significant consultation, the Board approved a new Strategic Risk Register based on the following principles:

- i. The register is based on the themes identified within the strategic plan, with a particular focus on the challenges, aims and enablers within it.
- ii. The register is developed and presented on the basis of both *inherent* and *residual* risk after the mitigating actions are taken into consideration. This ensures that the Board remains focussed on the major issues and makes the document a more effective and live piece of work.
- iii. The overall approach aligns with how the College is developing its own work in this area (where major changes are taking place), to enable our strategic risks to be incorporated within their own reporting and management software.

- iv. The register is predominantly based on 'threats', but where appropriate these are also articulated as 'opportunities'.

2. Reporting and Monitoring

The strategic risk register will be considered by the Board twice in each academic year (usually September and January). This should also include noting any changes to the register in terms of ordering of risks.

It will be a standing item on the Finance, Audit & Risk subcommittee agenda, to note any changes or updates.

It will be uploaded on to the College-wide risk monitoring system (Empirical).

3. Questions to Consider

The subcommittee is asked to consider the two following questions as a standing item:

- i. Have any of the principal risks changed since the register was approved in June?
- ii. Are any further mitigating actions required?

Strategic Risk Register

The Union has identified 11 risks (all classed as threats) that it would categorise as strategic and that Board should ensure are actively managed.

	Risk Theme (College code)	Risk Description (threat / opportunity)	Inherent Risk			Key Controls & Mitigating Actions	Residual Risk		
			Impact (1-5)	Likely (1-5)	Score		Impact (1-5)	Likely (1-5)	Score
1	Uncertainty (Business Continuity)	There is a major incident (for example a pandemic) that affects either the College and / or wider society in a manner that significantly hampers the organisation's ability to function.	5	2	10	<p>A strong relationship with the College, articulated clearly in a partnership agreement that includes service level agreements for areas of key infrastructure.</p> <p>Membership of the College's Operations Committee by the Managing Director (replacing the previous 'Silver Group').</p> <p><u>Work in progress</u> A business continuity plan based on <i>organisational resilience</i> which maps against our key service areas.</p> <p>A crisis communication plan / framework for the organisation, aligning with the College.</p>	3	2	6
2	Strategic (Strategic Vision)	<p>There is a lack of strategic direction within the Union, causing a loss of impact for members.</p> <p>There is a significant opportunity for the Union to reshape its services and activities in line with a new strategy.</p>	5	4	20	<p>A clear strategy for the Union with a cycle for revision and renewal every two years.</p> <p>A range of longitudinal KPIs to monitor the Union's progress over a period of time.</p> <p>An annual planning round that links directly back to the strategy and associated KPIs.</p> <p>An annual reporting cycle that demonstrates to members and other stakeholders how the Union is progressing against the plan, and what challenges lie ahead.</p>	2	1	2
3	Financial (Financial – Change in Funding Model)	<p>There is insufficient funding within the Union to deliver the strategic plan and associated activities and services.</p> <p>There is a significant opportunity for the Union to develop a new agreement with the College to better fund its core services and activities.</p>	5	3	15	<p>A financial model for the Union agreed with the College, distinguishing between 'core' and 'enterprise' activities, and how these are funded.</p> <p>A budgeting round that links directly back to the strategy and associated KPIs.</p> <p><u>Work in progress</u> A clearly defined process for the Union to 'bid for' capital funding alongside other College departments for long-term developmental estates or ICT related projects.</p>	3	2	6
4	Financial (Financial – Reducing Income)	There is a significant reduction in the income generated by our social enterprise, or a significant increase in the costs associated with operating them.	4	4	16	<p>A robust financial reporting system, including management accounts, that enables the Union to monitor sales and adjust costs accordingly.</p> <p><u>Work in progress</u> A two-year development plan for the Union's social enterprise activities, mapping out risks and mitigation / income growth strategies.</p> <p>A financial model for the Union's social enterprise activities that includes a designated reserve to 'smooth out' income and cost fluctuations within year and invest in cyclical improvements.</p> <p>A more flexible cost base (including staffing) that can be scaled easily depending on levels of trade.</p>	2	4	8

						A strong purchasing arrangement that provides value for money and protects against significant price fluctuations within year.			
5	Health and safety (H&S)	There is a major health and safety incident within a Union-run activity, event, service or space, that causes harm to either a member or member of the public.	4	3	12	<p>A range of comprehensive health and safety policies and procedures that cover all areas of the Union's operation.</p> <p>A strong relationship with the College's Safety Department, including attendance at various committees and working groups.</p> <p><u>Work in progress</u> A training plan for health and safety that ensures all staff and student volunteers leading activities do so safely and within the relevant policies and procedures.</p> <p>An effective Health & Safety Committee within the Union that (a) provides regular updates to the Board, (b) monitors compliance with our policies and procedures and (c) considers major incidents and improvements needed.</p>	4	2	8
6	Health and safety & Reputational (H&S) (Ranking / Reputation)	There is a major incident during the activities or events of a student club, society or project that causes harm to either a member or member of the public or attracts negative media attention due to poor conduct.	5	4	20	<p>See above.</p> <p>Training and induction for all student leaders, with a focus on promoting a positive culture and behaviours within CSP activities.</p> <p>A strong working relationship with the College's Communications department that is articulated clearly in the partnership agreement.</p> <p><u>Work in progress</u> A structured programme of health and safety training provided to CSP committee members on a 'risk-based approach' that considers their specific activities.</p> <p>A centrally managed risk assessment monitoring and compliance process.</p> <p>A comprehensive code of conduct and disciplinary policy for the Union that is easy to understand and clearly articulates how incidents will be investigated and managed.</p>	4	3	12
7	Staffing (Staff – Succession Planning)	There is a failure to recruit staff of sufficient capability or deal with poor performance where it occurs, causing the organisation to lose focus and become ineffective.	4	4	16	<p>The inclusion of 'great people and culture' as a distinct theme in the new strategy, with a vision statement of what 'great' looks like and a development plan underpinning this with SMART actions.</p> <p>A formal personal review development process (PRDP) that cascades from the MD / SMT right through the entire organisation and is aligned with the annual planning round.</p> <p>A clear understanding of where certain Union staff roles should be advertised (particularly those sector specific) and an ability to access those channels (particularly NUS Connect).</p> <p><u>Work in progress</u> A service level agreement with the College's HR department that clearly establishes the support levels and services that the Union can access.</p> <p>A revised recruitment and selection process that more clearly articulates the Union's employment proposition (rather than the College),</p>	2	2	4

8	IT and systems (ICT - Programmes and Systems)	There is a failure of critical IT system(s) that the Union relies on for the delivery of its services and activities.	5	3	15	<p>A service level agreement with the College's ICT department that clearly establishes the support levels and services that the Union can access.</p> <p><u>Work in progress</u> Operating manuals for all our major IT systems, with associated risk assessments and contingency solutions where appropriate.</p> <p>A specific stabilisation and development plan for eActivities, that consolidates its current operating span and builds a rolling two-year development timeline.</p>	3	2	6
9	Relationships (Partnerships / Stakeholders)	<p>The relationship with the College becomes adversarial or apathetic, which causes a loss of confidence in the Union to deliver impact for students and a lack of influence to shape decision-making with respect to the student experience.</p> <p>There is a significant opportunity for the Union to develop a new relationship with the College.</p>	5	3	15	<p>A strong relationship with the College, articulated clearly in a Partnership Agreement that includes service level agreements for areas of key infrastructure.</p> <p>A revised Code of Practice that clearly establishes the regulatory role of the College.</p> <p>A robust elections process that ensures democratic legitimacy of student representatives.</p> <p><u>Work in progress</u> A 'student representation map' agreed with the College that clearly establishes how the Union fits into the various committees and working groups that govern College operations.</p>	2	2	4
10	Relationships (Partnerships / Stakeholders)	There is a lack of connectivity between the Union and the wider students' union sector which prevents shared learning and collaboration on key projects.	3	5	15	<p>An agreed prioritisation amongst the Senior Management Team to ensure Union staff attend sector events / conferences.</p> <p>An agreed prioritisation amongst the Officer Trustees to ensure they engage with wider sector events / conferences.</p> <p>Engagement with WonkHE and its associated activities and briefing services.</p> <p><u>Work in progress</u> Consideration of NUS charity membership to enable student / staff participation in training and development events.</p>	2	3	6
11	External (Regulation / Legal / Legislative Compliance)	There is a change in sector regulation which negatively impacts our ability to operate effectively.	3	3	9	<p>A proactive relationship with the College to ensure a collaborative approach to sector regulation, including responses to proposed changes.</p>	3	3	9

Criteria for Assessing Impact

The following tables set out the criteria for assessing an appropriate score for an opportunity or threat used by the College (currently under consideration and awaiting approval). There may be one or more impacts and the table suggests possible criteria; it is only necessary for any one of the criteria at a particular level to be met.

Impact	Strategy	Safety	People	Financial	Operational	Reputational	Regulatory
Critical 5	Significant impact on strategic objectives	Significant injury to students / staff due to a safety incident	Significant staff and student wellbeing / low morale impacts Loss of key staff	Loss 35% income in one hit or >20% income recurring over 3 years	Significant service disruption	Long-term reputational damage to the Union, and by extension the College	Significant prosecution, fines and potential litigation
Major 4	High impact on specific organisational strategic objectives	Injury to students / staff due to a safety incident - isolated incident	Moderate staff and student wellbeing issues Low morale	Loss >26%-35% income in one hit or >10%-20% income recurring over 3 years	Moderate level of service disruption	Medium to long-term impact on reputation and expensive to recover	Report of breach to a regulator requiring major project for corrective action
Moderate 3	Challenging operating context increases risk to objectives	Incident at College requires staff / student / 3 rd party outpatient treatment	Low staff morale and elevated staff turnover	Loss >16%-25% income in one hit or >5%-10% income recurring over 3 years	Waste of resources or poor operational efficiency	Short-term negative media coverage	Report of breach to a regulator with specific remediation identified
Minor 2	Low impact to achievement of strategic objectives	Minor injury to staff / students / 3 rd parties from low level H&S incidents	Good staff and student morale Positive staff and student survey results	Loss >6%-15% income in one hit or >3%-5% income recurring over 3 years	Medium and temporary impacts to operations and services	Local reputational damage	Incidents not reportable to regulators
Negligible 1	No or minor impact to strategic objectives	Low level injuries to report	Isolated staff and student dissatisfaction	Loss <5% income in one hit or <3% income recurring over 3 years	Minimal interruption of services which are easy to recover	Minor impacts to the Union's reputation which are temporary and easy to recover	Not reportable to a regulator - low level incidents

Criteria for Assessing Likelihood

- 5 Almost Certain (80% +)
- 4 Likely (60-79%)
- 3 Possible (40-59%)
- 2 Unlikely (20-39%)
- 1 Rare (0-19%)

Score

Calculated by = Likelihood x Impact

Heat Map

Impact / Likelihood	1 (Rare)	2 (Unlikely)	3 (Possible)	4 (Likely)	5 (Almost Certain)
1 (Negligible)	1	2	3	4	5
2 (Minor)	2	4	6	8	10
3 (Moderate)	3	6	9	12	15
4 (Major)	4	8	12	16	20
5 (Critical)	5	10	15	20	25