

**Imperial College Union
Board of Trustees / November 2023**

Strategic Risk Register

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 Purpose: To note the updated Strategic Risk Register.

1. Introduction

As part of the Union’s risk management framework the Board of Trustees should consider the strategic risks and raise any questions related to the management of controls. The Finance, Audit and Risk Committee have reviewed the Strategic Risk Register at the August meeting. The Board approved the Strategic Risk Register at the September meeting. The Board are asked to note the Risk Register and suggest any feedback.

2. Risk Management Framework

The Union Risk Management framework is based on the ‘three lines of defence’ model that is most common within the charity sector and was adopted in the academic year 2020/21.

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 the Management Committee. 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.

The strategic risk register is a standing item for all meetings of Finance, Audit & Risk Committee, and at least annually for the Board of Trustees.

The diagrams in Figure 1 illustrate the ‘top down’ and ‘bottom up’ approaches to managing strategic and operational risks.

The Union categorises mitigating actions on the same basis as the College’s risk management approach using the following definitions:

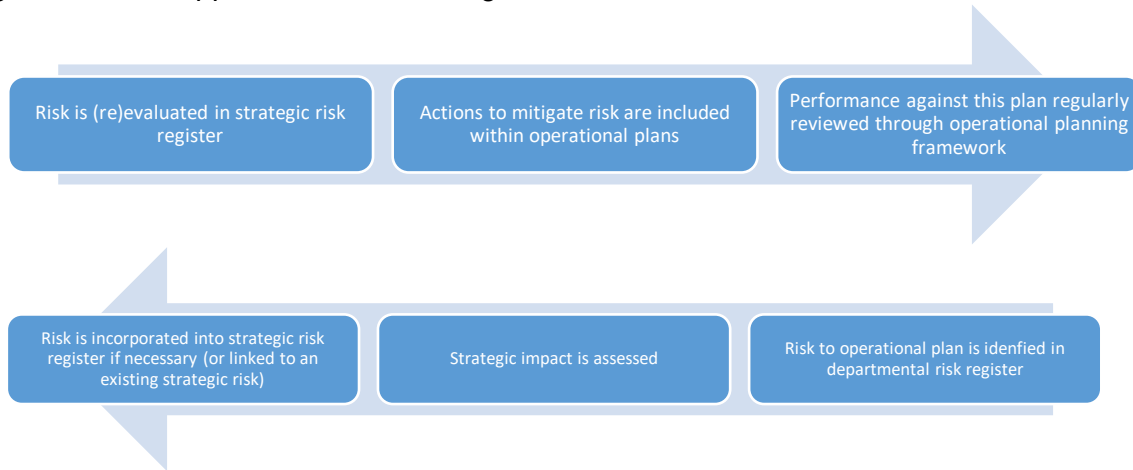
- i. Current Control. A control that has been fully implemented and is currently operational and active.

- ii. Pending Control. A planned action to mitigate risk, either partially or yet to be implemented.

As per guidance from the College's Risk Manager, the Union Senior Management Team are reviewing strategic and operational risks on the following basis:

- i. Red Risk, reviewing the current and pending controls monthly.
- ii. Amber Risk, reviewing the current and pending controls once per term.
- iii. Green Risk, reviewing the current and pending controls twice per year.

Figure 1. Union Approach to Risk Management.



3. Risk Register Summary of Changes

An updated risk register is included in section five. The Board meeting approved the previous risk register iteration in September 2023 resulting in the only major change below:

- i. Risk 14: New risk identified and deemed substantially strategic to be included in the strategic risk register. This relates to the impact of continued and persistent negative student satisfaction with Union services particularly core services such as student activities and the venue. The risk to the Union is low participation and engagement with core Union activity, and ultimately threatens the achievement of our strategy significantly. The main mitigating control will be a renegotiated block grant funding agreement and refurbishment of Union spaces.

4. Strategic Risk Register [November 2023]

The Union has identified 14 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	Inherent Risk			Key Controls & Mitigating Actions	Residual Risk			Narrative & Update
			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><u>Current Control</u> 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.</p> <p><u>Pending Control</u> A business continuity and crisis communication plan based on <i>organisational resilience</i> which maps against our key service areas.</p>	3	2	6	<p>No Change.</p> <p>The business continuity plan was approved at the June 2023 Finance Audit and Risk. There was broad agreement with the plan but further work to implement required. The implementation of the business continuity plan is included in the Facilities, Health and Safety operational plan for the year. The residual risk remains the same as previous until the business continuity plan is fully implemented. Finance, Audit and Risk updated on progress in October 2023 meeting with intended completion date in 2023/24.</p>
2	Strategic (Strategic Vision)	There is a lack of strategic direction within the Union, causing a loss of impact for all members from all backgrounds.	5	4	20	<p><u>Current Control</u> A clear strategy for the Union with a cycle for revision and renewal every two years.</p> <p>A working group is in place to guide the development of the next strategy.</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>Development of Team level Balanced Scorecards and individual objectives linked to these.</p> <p><u>Pending Control</u> An annual reporting cycle including impact reporting that demonstrates to members and other stakeholders how the Union is progressing against the plan, and what challenges lie ahead.</p>	2	2	4	<p>No change.</p> <p>The Trustee Board approved the new Union 2023-2028 strategy in July 2023. This includes a clear vision for the organisation and broad support from the College's senior management.</p> <p>No change to the residual risk as whilst the strategy exists there is work to implement it and gain further traction. Further work required to present the strategy to stakeholders through launch activity in term one to be undertaken.</p> <p>Annual reporting and planning round to be further refined by Director of Support Services and SMT. Early indicators suggest better alignment across teams and officers with regards to operating plans. Planning round to include further training for budget holders which will be provided to the Board for assurance.</p> <p>Team level Balanced Scorecards complete and now being implemented.</p> <p>Focus will now move towards developing impact report and measuring of strategy KPIs.</p>
3	Financial	There is insufficient funding within the Union to deliver the strategic plan and	5	3	15	<p><u>Current Control</u></p>	3	3	9	<p>No change.</p>

	(Financial – Change in Funding Model)	associated activities and services.				<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>Pending Control</u> Establishment of multi-year budgeting to support planning.</p> <p>New business planning cycle led by Director of Support Services.</p> <p>New Block Grant Business Case</p> <p>Capital Funding Long term plan</p>				<p>Confirmation from College regarding 2023-24 pay awards and affirmation of the financial model has occurred in July 2023. This supports budget assumptions presented to the Board in July 2023.</p> <p>Timeframe for block grant renegotiation to be confirmed with the intention for Union business case to be submitted February 2024. New block grant business case contained within Managing Director annual objectives.</p> <p>In conjunction with block grant funding case negotiations with College regarding capital funding also occurring.</p> <p>Longer term planning for budgeting, 3 year forecasting also to be incorporated into financial planning and business planning cycle.</p> <p>Shortfall in block grant funding to cover core activity, this is not a material figure (negligible amount and less than 1% of total block grant figure) and action taken to address in year budget shortfall related to this.</p>
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><u>Current Control</u> A robust financial reporting system, including management accounts, that enables the Union to monitor sales and adjust costs accordingly.</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>Recruit a senior manager with responsibility for income generation.</p> <p>The outsourcing of catering to reduce the Union’s loss making activity.</p> <p><u>Pending Control</u> A strong purchasing arrangement that provides value for money and protects against significant price fluctuations within year.</p> <p>A commercial strategy for the Union’s social enterprise activities, mapping out risks and mitigation / income growth strategies.</p>	3	4	12	<p>No change</p> <p>The outsourced catering licencing agreement finalised. This limits the Union’s exposure to £20k on catering 2023-24. The Union lost approximately £89k in commercial catering in 2022-23. A regular review is occurring of this arrangement by the Director of Commercial Services.</p> <p>Stock management in both Venue and Retail identified as increasing risk. Due to the amount of stock and its financial impact in one hit being potentially within the moderate impact level, this has increased the impact rating in the residual risk. Director of Commercial has specific short term objectives related to stock management and is undertaking a commercial review which also will further address stock management in the long term. New pending controls defined related to purchasing, stock management and commercial review/strategy to be led by Director of Commercial.</p>

						<p>Better use of EPOS data and stock management processes to enhance timeliness and reliability of information presented.</p> <p>External stock takers to be appointed for the full year 2023-24. Retail stock take quarterly, venues monthly.</p> <p>2023-24 plan for managing CSP debt.</p>				<p>Development of Union Commercial Strategy is in research phase with intended completion in term 3 2023/24.</p> <p>Further work identified by the Finance, Audit and Risk committee related to proactive support and actions required to managing individual CSP debts with an update paper provided at the October FAR meeting. Actions related to this have yet to be implemented.</p> <p>Ticket sales income lower than expected for Welcome, and October a significant month for income for all commercial services with the Union fairing well given the context of staff shortages are limiting ability to maximise income. Staff being hired and starting in retail</p> <p>Intention in budget 2024/25 to build a commercial contingency in the commercial budget.</p>
5	Health and safety & Reputational (H&S)	The access, security and building management arrangements of Beit building are ineffective and lead to dangerous or inappropriate use of the space.	4	4	16	<p><u>Pending Control</u> A security risk assessment of the building to be undertaken with the College.</p> <p>A capital expenditure bid to the College is produced to secure funding for a major investment in the access, security and building control resources.</p> <p>A building operations policy and procedure is developed and formally adopted by the Union.</p>	3	4	12	<p>No Change.</p> <p>SMT through Director of Commercial Services and Director of Support Services have begun a building management project to ensure Union has appropriate building management controls.</p> <p>The College has appointed a new Building Manager to support the Union Building at Beit which may support changes to be expediated.</p> <p>Building management plan is being developed now. This has identified the solutions and the costs associated. Likely that there may be a requirement on the Board to designate funds to address building operation issues.</p>
6	Health and safety & Reputational (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><u>Current Control</u> 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>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	<p>No change.</p> <p>H&S audit completed. Plan for implementation defined and contained within operational plans 2023-24.</p> <p>Welcome Week H&S management plan completed and approved by College. This was positively received and overall resulted in a successfully managed Welcome period. The Union has now a H&S management framework for its core events, future events</p>

						<p>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>A health and safety 'roadmap' that sets out key projects and developmental work over the next 18 months. A College led audit of the Union's health and safety management is to take place in June 2023.</p> <p>H&S approach for core events including the Summer Ball and Welcome Week. Welcome Week H&S management plan.</p> <p><u>Pending Control</u></p> <p>A Health and Safety Audit action plan to be implemented.</p> <p>100% compliance with H&S skills matrix for all staff.</p>				<p>will follow this approved structure with any appropriate additions.</p> <p>Skills audit for H&S complete, all staff should now have completed compliance training. Monitoring of training completion actively happening via H&S Manager.</p>
7	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><u>Current Control</u> 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>Pending Control</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> <p>A review of high risk CSP activity.</p> <p>Review all process related to external speakers and CSP events.</p>	4	3	12	<p>No change.</p> <p>Work is continuing to improve practices in this area, however there are still some higher risk activities which need a thorough review. This risk will be closely monitored with the potential to increase. The audit carried out by the College on Health and Safety management included a focus on CSP practices and will be covered in the future action plan.</p> <p>The Union code of conduct, disciplinary and complaints policy was approved by the Board. This has yet to be operationalised and so remains a pending control.</p> <p>CSP training undertaken and this included H&S aspects.</p> <p>In light of recent escalation in Israel and Palestine, the Union should undertake an updated review of processes related to CSP activity with regards to events and external speakers in conjunction with the College. We are already liaising with the College on this work including updating guidance on freedom of speech and protocol on protesting.</p>
8	Permanent Staffing	There is a failure to recruit staff of sufficient capability or deal with poor performance where it occurs, causing the	4	4	16	<p><u>Current Control</u> 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>	3	3	9	<p>No change.</p> <p>Staff vacancy rate remains higher than anticipated. The Union is currently carrying vacancies in key areas including retail and</p>

	(Staff – Succession Planning)	organisation to lose focus and become ineffective.				<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>Exit interviews to be conducted with all permanent staff leavers.</p> <p><u>Pending Control</u> 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 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> <p>EDI review and strategy development</p> <p>People BSC with appropriate measures and KPIs</p> <p>Delegated authority for recruitment.</p> <p>New people and culture plan focusing on recruitment, induction and retention.</p>				<p>venues, commercial development and marketing, as well as management posts for Advice and Representation. The Union also has a vacant Governance Support role.</p> <p>People team BSC to include specific measures related to retention and induction. Exit interviews to be undertaken with all staff leavers and SMT to discuss monthly, People team to summarise trends and respond accordingly.</p> <p>New People and Culture and EDI plans presented at November Board.</p> <p>New exit interview process implemented.</p>
9	Casual Staffing (Staff – Succession Planning)	There is a failure in the performance or challenge with the culture and engagement of our casual staff team. Or there becomes a conflict between members who are also staff.	3	4	12	<p><u>Current Control</u> The staff engagement survey is completed by all staff – permanent and casual – tracking our work in this area.</p> <p>Use of Rota Cloud and Monthly casual worker report from College to ensure Union remains compliant with Tier 4 Visa regulations.</p> <p><u>Pending Control</u> 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 review with the College's HR team relating to the employment relationship of casual staff, and associated College-wide policies.</p> <p>People BSC with appropriate measures and KPIs</p>	2	3	6	<p>No change.</p> <p>Recruitment training for hiring managers and Officer Trustees delivered in September and November, this covered recruitment and management practices related to casual staff.</p>
10	IT and systems	There is a failure of critical IT system(s) that the Union	5	3	15	<p><u>Current Control</u></p>	2	3	6	<p>No change.</p>

	(ICT - Programmes and Systems)	relies on for the delivery of its services and activities.				<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>Venue WIFI improved as part of College IT support.</p> <p><u>Pending Control</u> Operating manuals for all our major IT systems, with associated risk assessments and contingency solutions where appropriate.</p> <p>Digital strategy development including roadmap up until 2028.</p> <p>Improvements to Union Building WIFI.</p> <p>SUMS implementation.</p> <p>Commercial strategy to include contingency plan if EPOS system goes offline.</p>				<p>Building WIFI has been identified as suboptimal. This was particularly a prevalent issue in the venue, but has now been addressed by an upgrade. The rest of the building remains suboptimal with College aware but quoting approximately £50k to address.</p> <p>Operating manual work ongoing for major IT systems, this is now limiting in scope with SUMS implementation as ICU owned systems reduce.</p> <p>SUMS implementation project ongoing.</p>
11	Relationships (Partnerships / Stakeholders)	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.	5	3	15	<p><u>Current Control</u> 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>Pending Control</u> Stakeholder management plan.</p>	2	2	4	<p>No change.</p> <p>Positive feedback regarding strategy including positively received presentation to University Management Board.</p> <p>Stakeholder management plan being developed as per the Enabling Plan.</p>
12	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><u>Current Control</u> 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>	2	3	6	No change.
13	External (Regulation / Legal / Legislative Compliance)	There is a change in sector regulation which negatively impacts our ability to operate effectively.	4	4	16	<p><u>Current Control</u> A proactive relationship with the College to ensure a collaborative approach to sector regulation, including responses to proposed changes.</p> <p><u>Pending Control</u> Jointly with the College legal team reviewing the regulatory impact of the new Higher Education Freedom of Speech Bill to ensure compliance.</p>	9	3	9	<p>No Change.</p> <p>Director of Membership Services now staff lead on Freedom of Speech changes. OfS releasing operational guidance in academic year 2023-24.</p> <p>There is no change in regulation but Managing Director and Director of</p>

					15				12	Membership Services are members of the College Bronze team established in response to Israel and Palestine situation.
14	Strategic (Strategic Vision)	Negative student satisfaction with Union services results in low participation and engagement with core Union activity.	5	3	15	<p><u>Current Control</u> Union strategy setting out priorities for the Union to develop a transformational student experience.</p> <p>A range of longitudinal KPIs to measure the Union's services and impact of the course of the strategy.</p> <p>Each team has a Balanced Score Card clearly establishing team level objectives and measures linked to the strategic priority.</p> <p><u>Pending Control</u> New block grant funding agreement enabling investment in core services such as Activities.</p> <p>Service level agreements for key student facing teams.</p>	4	3	12	<p>Team level Balanced Scorecards are complete and being worked towards. It should be noted that some managers (Representation and Advice) are not yet recruited to the roles limiting the implementation.</p> <p>Block Grant negotiation is in early stage but a timetable has been developed and conversations on shared priorities with College are planned for November 29th</p>

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