

Imperial College Union
Finance, Audit and Risk / September 2024

Strategic Risk Register

Author: Tom Newman (Managing Director)
 Purpose: To recommend the updated Strategic Risk Register to the Board for its annual review
 Action: To **approve**

1. Introduction

As part of the Union's risk management framework the Board will consider the strategic risks and raise any questions related to the management of controls. The Board are asked to review and approve the Risk Register. The Finance, Audit and Risk Committee will review the Strategic Risk Register at each of its meetings over the 2024/25 year period. Risk will be escalated to the Board as necessary over the year.

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.

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 will be developed on an annual basis and reviewed termly by the senior manager and at the Management Committee. These will 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 will be formally reviewed annual each September by the full Board of Trustees. The Strategic Risk Register will be a standing item on the Finance & Risk Subcommittee. The Strategic Risk Register will integrate with the College's risk framework.
Third Line of Defence	Annual External Audit Annual Imperial College Internal Audit External Accreditation Schemes	These will 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:

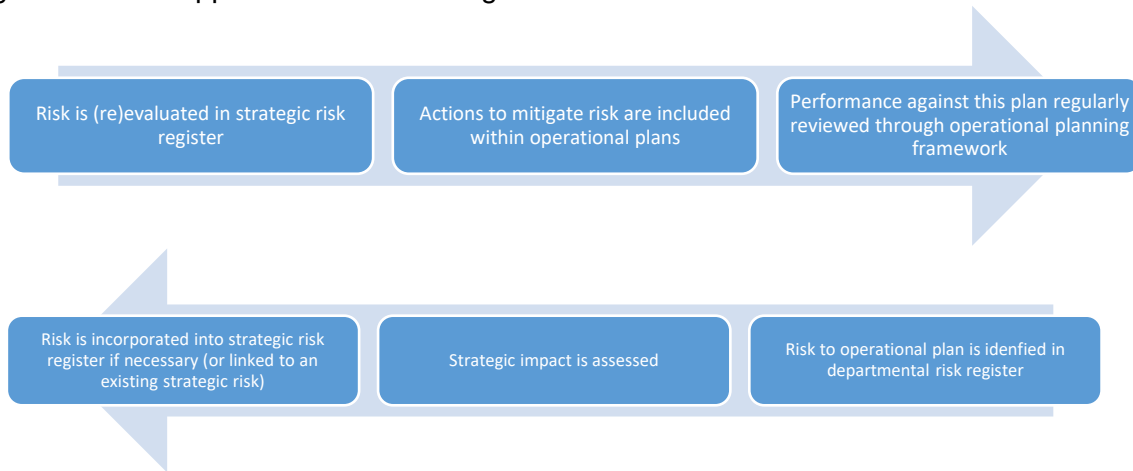
- i. **Current Control.** A control that has been fully implemented and is currently operational and active.

- 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 (12 times per year).
- ii. Amber Risk, reviewing the current and pending controls twice per term (6 times per year).
- iii. Green Risk, reviewing the current and pending controls once every three months (4 times per year).

Figure 1. Union Approach to Risk Management.



3. Managing Risk Status September 2024

The Union approach to managing risk is designed to proactively review operational and strategic risk and their defined controls at an individual, team/department and organisational level.

At this stage in the business planning cycle, the Board will receive the 2024-25 Objectives at the September meeting for review.

The Operating Plans are a key process for ensuring new and existing operational and strategic risks have the adequate controls being actioned at a team and individual level.

As of August 2024, risk has been reevaluated in the strategic risk register by the Management Committee with actions designed to mitigate risk included in 2024-25 operational plans. No new risks have been identified that should be included in the strategic risk register, but an updated commentary has been provided.

The SMT will actively manage performance including review of strategic risk on a monthly basis. The Finance, Audit and Risk Committee will receive the strategic risk register as a standing item for review.

4. Strategic Risk Register [September 2024]

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 Incident Management Response Process by the Managing Director.</p> <p>Business continuity plan active and recently reviewed.</p> <p><u>Pending Control</u> Business continuity plan periodic testing</p>	3	2	6	<p>The business continuity plan was approved at the June 2023 Finance Audit and Risk. Finance, Audit and Risk updated on progress in October 2023 meeting with intended completion date in 2023/24. The Finance, Audit and Risk Committee were provided with a project update for implementation and have suggested a testing regime for the effectiveness of BCP.</p> <p>Managing Director is a member of College's Silver and bronze group. ICU Senior Managers also attend relevant meetings.</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>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> <p><u>Pending Control</u> Full alignment with new College strategy.</p>	2	2	4	<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. Managing Director has a clear objective to support strategy delivery.</p> <p>The College has developed and launched its new organisational strategy. A strategy alignment paper has been provided to the College which proposes a number of collaborative actions.</p> <p>Business planning round 24/25 has been completed, team level objectives defined and budget complete pending final review of objectives by Board.</p>
3	Financial (Financial – Change in Funding Model)	There is insufficient funding within the Union to deliver the strategic plan and associated activities and services.	5	3	15	<p><u>Current Control</u> 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>New business planning cycle led by Director of Support Services.</p>	3	4	12	<p>Block grant funding case 2024/25 submitted to College, confirmation of scenario B funding.</p> <p>Heightened risk of the Union Building at South Kensington not being prioritised in College capital plan. Particular concerns around access and cctv. Positive discussions with the College on funding the necessary</p>

						<p>New Block Grant Business Case to include additional support for priority areas.</p> <p><u>Pending Control</u> Establishment of multi-year budgeting to support planning.</p> <p>Capital Funding Long term plan</p> <p>Procurement disclaimer on website and training relating to unauthorised contracts.</p>				<p>upgrades. An update can be provided at the October FAR.</p> <p>Student group funding review is complete and has identified requirement for additional control to support CSPs with appropriate management of Union funds. New funding allows for this role to be recruited, currently undertaking HR process to recruit the role(s).</p> <p>It was highlighted as part of the student group funding review that there is an issue related to unauthorised contract signing ie members of the Union signing contracts with suppliers without authorisation as part of student group activity. Sponsorship and contract forms updated with additional mitigations. Awaiting legal advice on website disclaimer. Training for CSPs being undertaken in September.</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>External stock takers to be appointed for the full year 2023-24. Retail stock take quarterly, venues monthly.</p> <p>A strong purchasing arrangement that provides value for money and protects against significant price fluctuations within year.</p> <p>Better use of EPOS data and stock management processes to enhance timeliness and reliability of information presented.</p> <p><u>Pending Control</u> A commercial strategy for the Union’s social enterprise activities, mapping out risks and mitigation / income growth strategies.</p> <p>2024-25 plan for managing CSP debt.</p>	3	4	12	<p>Union Commercial Strategy complete and awaiting committee approval. Risks related to not diversifying income streams and also not continuing with service improvements of Venues.</p> <p>The outsourced catering is operating currently with a small surplus. The Union will continue for at least one further year with this arrangement.</p> <p>Full debrief of Summer Ball has taken place. This event emerged as a significant risk for a combination of reasons, some of which remain, requires further discussion on its future format.</p> <p>2024-25 plan for managing CSP debt needs to be undertaken.</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></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>	3	4	12	SMT through Director of Commercial Services and Director of Support Services have completed the Union's building management plan. This is now being implemented. There are some financial risks to implementing this fully with regards to CCTV and access control. It has been budgeted to extend the Helpdesk opening hours to manage bookings when the building is open. Lack of funding for access control remains a significant problem for managing the building effectively, however it is likely this will be funded by the College but timeframes not confirmed.
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></p> <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>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> <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.</p> <p>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>	3	3	9	<p>Union's health and safety committee now well established and supported.</p> <p>The Union is reviewing the vehicles in the minibus fleet, and is likely to upgrade pending financial business case in 2024/25.</p>

						100% compliance with H&S skills matrix for all staff. Upgrade to the Minibus Fleet.				
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></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>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><u>Pending Control</u></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>	4	3	12	<p>Department level risk register now complete for CSP activity. A full management review to be completed based off this, which may result in further mitigations.</p> <p>The Union code of conduct, disciplinary and complaints policy was updated and streamlined. Behaviour project currently being undertaken which will complete the bye law work.</p> <p>CSP training undertaken and this included H&S aspects.</p> <p>Bronze and Silver group continues to meet with relation to the ongoing Israel-Palestine conflict. Campus activity has reduced but likely to start again in September/October 2024.</p>
8	Permanent 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><u>Current Control</u></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>Exit interviews to be conducted with all permanent staff leavers.</p> <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>EDI review and strategy development</p> <p>People BSC with appropriate measures and KPIs</p> <p>New people and culture plan focusing on recruitment, induction and retention.</p>	3	3	9	<p>Staff vacancy rate has reduced, and we are holding no career staff vacancies currently with all roles appointed.</p> <p>Team expansion based on block grant increase happening as quickly as the HR process in College will allow. Target completion date for all recruitment is October 2024.</p>

					12	<p><u>Pending Control</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> <p>Delegated authority for recruitment.</p>			6	
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>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><u>Pending Control</u> 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	People and culture survey results showed some improvement for casual staff experience. Agreed that a more nuanced approach is required to engage this group of staff and improve their working experience at ICU. This work is to be included as a deliverable in Commercial Strategy.
10	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><u>Current Control</u> 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>	2	3	6	<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, and on track. Longer term digital plan and development roadmap to be developed in 2024/25.</p>

						Risk assessment of IT critical systems.				
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>Positive feedback regarding strategy including positively received presentation to University Management Board.</p> <p>Stakeholder management plan being developed as per the Enabling Plan. Enabling Plan presented at February Board.</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	Continued engagement with Russel Group Students' Union, Wonkhe training for officers and attendance of sector summer conferences for staff.
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>	3	3	9	Director of Membership Services now staff lead on Freedom of Speech changes. New Labour Government have paused the implementation of the Freedom of Speech Higher Education Act. We are keeping a watching brief, all relevant work has been completed to ensure compliance.
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>New block grant funding agreement enabling investment in core services such as Activities.</p> <p><u>Pending Control</u></p>	4	3	12	<p>Team level objectives aim to improve service experience across the Union for 2024/25.</p> <p>Project led by Director of Membership Services relating to service standards for CSPs and behaviour near completion.</p>

					Service level agreements for key student facing teams.				
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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. Impacts are assessed over an annual period.

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