

Imperial College Union
Finance, Audit and Risk / 26 March 2025

Strategic Risk Register

Author: Tom Newman (Managing Director)
Purpose: To review the Strategic Risk Register
Action: To **note** and to **consider**.

1. Introduction

As part of the Union's risk management framework the Finance, Audit and Risk Committee will consider the strategic risks and raise any questions related to the management of controls. The Finance, Audit and Risk Committee are asked to 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 March 2025

An updated risk register is included in section four. The Committee last reviewed the strategic risk register at its March meeting. This has been reviewed by Senior Management in the intervening period.

- i. Risk 4 residual impact has increased due to summer ball event. All actions being taken to deliver a good event but it is a large financial risk to the Union.
- ii. Risk 6 has increased due to the ageing minibus fleet. An investigation is occurring to see what lessons can be learnt from the break down and whether established processes and controls were followed. It is likely that a report will be reviewed at the next Union health and Safety committee. We will look in future to undertake an audit of our travel policy to check we are compliant with it.
- iii. The committee should consider whether it would wish for an annual report from the Union's Health and Safety committee for assurance purposes.

4. Strategic Risk Register [February 2025]

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	<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. Membership of the College's Incident Management Response Process by the Managing Director and Director of Membership Services. Business continuity plan active and recently reviewed. <u>Pending Control</u> Business continuity plan periodic testing Revised SLA with College Estates	3	2	6	BCP testing will take place in 2025 utilising individual team response plans which have been being developed. The committee are provided with a BCP update on team level action plans in the March 2025 meeting. The ICU/Estates SLA has been evaluated and reviewed, stakeholders have been identified and engaged with new principles. March 2025 will see a first draft of a revised SLA with sign off likely in April. Managing Director and Director of Membership Services continue to join College's Silver and bronze group. ICU Senior Managers also attend relevant meetings.
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	<u>Current Control</u> A clear strategy for the Union with a cycle for revision and renewal every two years. A working group is in place to guide the development of the next strategy. A range of longitudinal KPIs to monitor the Union's progress over a period of time. An annual planning round that links directly back to the strategy and associated KPIs. Development of Team level Balanced Scorecards and individual objectives linked to these. 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. White City Operational Plan <u>Pending Control</u> Multi Year Financial Strategy Impact Report Multi Campus Engagement Plan	3	3	9	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. The Board and Management Committee should consider the timeframe for the next iteration of the next strategy at its September/October away day. The Board approved the business planning round including budget timeframe for 25/26. The first training for budget holders will start in March and April 2025. The committee will receive the budget draft at the June meeting. September 2024 Board identified concerns with the Union's presence at White City. A White City operational plan was developed and shared with the University. Subsequently this has partly helped in the pausing of planned work in DZ1, and the White City Programme Board requesting the Union to develop a new strategy for a student centric campus. This work has begun with a workshop with key stakeholders taking place. A student workshop will take place in April/May ahead of a final proposal being

										submitted to the White City Programme Board in July.
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	<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. A budgeting round that links directly back to the strategy and associated KPIs. New business planning cycle led by Director of Support Services. New Block Grant Business Case to include additional support for priority areas. Procurement disclaimer on sponsorship documentation and training relating to unauthorised contracts. <u>Pending Control</u> Establishment of multi-year budgeting to support planning. Capital Funding Long term plan Updated Scheme of Delegation to include updates to sponsorship and contract authorisations. Trading subsidiary	3	3	9	Block grant funding will next be reviewed for 2026/27 financial year. The Union business case will need to be submitted in ~January 2026. Positive discussions with the College on funding the necessary upgrades for access control and CCTV. The Board approved a security review for the Union building which is close to completion. This will be used as evidence to get the University to pay for necessary security enhancements. The University is conducting its own security review which has dependencies with the Union which is causing delays to our review. Scheme of delegation was reviewed and approved by the Board in February. This gave clarity on sponsorship and contract authority across both commercial and CSPs. A review of student group budgeting has been completed by the DPCS, and approved subject to some auditor guidance. This is likely to reduce some risks related to student group funding. The committee should seek some review of the new process in 25/26. The Director of Support Services submitted a successful University funding bid to secure design fees to get the Union building design to RIBA stage 2. Work is now starting and a verbal update can be provided during the meeting. Changes to corporate structure which may result in changes to staffing employer (ie from College to ICU) may expose the Union to increased pension liabilities. The Union is to get pensions advice to advise on this risk exposure. We are liaising with the University on advice on incorporation. We deem it a risk mitigating activity to establish a trading subsidiary regardless of incorporation. Risk on reserve level highlighted by an external lay trustee. ICU has positive cash flow and there is assurance provided by the recurring block grant from College having been secured. A review of the Union reserve is included on the annual calendar of business at the Board.

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	5	20	<u>Current Control</u> A robust financial reporting system, including management accounts, that enables the Union to monitor sales and adjust costs accordingly. 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. Recruit a senior manager with responsibility for income generation. The outsourcing of catering to reduce the Union’s loss making activity. External stock takers to be appointed for the full year 2023-24. Retail stock take quarterly, venues monthly. A strong purchasing arrangement that provides value for money and protects against significant price fluctuations within year. Better use of EPOS data and stock management processes to enhance timeliness and reliability of information presented. A commercial strategy for the Union’s social enterprise activities, mapping out risks and mitigation / income growth strategies. <u>Pending Control</u> 2024-25 plan for managing CSP debt. New Summer Ball event format. Reynolds new operating model	4	5	20	Union Commercial Strategy complete and approved. Risks related to not diversifying income streams and not continuing with service improvements of Venues aim to be addressed in the strategy. The outsourced catering is operating currently with a small surplus and expected to grow in 24/25 financial year, as result It is likely the Union will continue for at least one further year with this arrangement whilst we conduct a full feasibility review for in house Catering. The Director of Commercial can update verbally in the meeting. The Summer Ball presents a significant risk to the Union with both financially and health and safety risks. The potential of this being a loss-making event and impacting the overall end of year bottom line performance of the Union is significant especially with other cost and income pressures. We are enacting the recommendations from the 2024 event with regards to act vetting prior to booking. Event insurance quotes are being sought and a ticketing strategy has been finalised. A president’s community funding bid has been submitted to request some funding for the event to de-risk it financially. Reforecast figures show that Commercial is behind overall budget. With Reynolds underperformance contributing a significant financial challenge. The business planning process will consider the medium and long term plan for this space. 2024-25 plan for managing CSP debt will be reviewed the committee.
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	<u>Pending Control</u> A capital expenditure bid to the College is produced to secure funding for a major investment in the access, security and building control resources. Security Review.	3	4	12	Martyn’s law aims to enhance public safety by requiring venues and events to improve preparedness and security against terror attacks with reasonably practicable measures. The full implementation is not required but we are being proactive through the building management plan, security review and close liaison with the University.

									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. 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 this now relies on the completed security review which is now due to be complete in March 2025. Director of Commercial Services undertaking improvement work to booking policy and systems to improve utilisation of building.	
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	<u>Current Control</u> A range of comprehensive health and safety policies and procedures that cover all areas of the Union's operation. A strong relationship with the College's Safety Department, including attendance at various committees and working groups. 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. 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. 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. H&S approach for core events including the Summer Ball and Welcome Week. Welcome Week H&S management plan. A Health and Safety Audit action plan to be implemented. <u>Pending Control</u> 100% compliance with H&S skills matrix for all staff. Upgrade to the Minibus Fleet.	3	4	12	Union's health and safety committee now well established and supported. The Union is reviewing the vehicles in the minibus fleet, and has begun to upgrade the fleet in an incremental approach. There has been one incident of breakdown with a minibus whilst booked for a trip. An investigation is ongoing and will be reviewed by the health and safety committee. The Union undertook a health and safety audit in 2023, the next audit will take place in 2025. Dates are being finalised with College health and safety team. The Union SMT are reviewing some responsibilities and training with regards to Health and Safety to ensure these are well understood across all teams and managers. The people team have introduced a new process to track all staff training compliance.

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	<u>Current Control</u> Training and induction for all student leaders, with a focus on promoting a positive culture and behaviours within CSP activities. A strong working relationship with the College's Communications department that is articulated clearly in the partnership agreement. A structured programme of health and safety training provided to CSP committee members on a 'risk-based approach' that considers their specific activities. A centrally managed risk assessment monitoring and compliance process. 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. <u>Pending Control</u> An approach to reporting crystallisation of risks and near misses.	4	3	12	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 or reduction in activity. A risk appetite guide to be produced for activities, events and venues to help operational manager decision making. Work has begun on the student group risk activity risk appetite to help mitigate risk, and there is now better processes for following up SALUS reports for student groups. CSP training undertaken and this included H&S aspects. Campus activity significantly reduced regarding political protest. The Union engaged in the University's debrief of 2024 protest activity. FAR chair and Managing Director to undertake necessary work to improve reporting requirements for near misses and risks being realised.
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	<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. 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). Exit interviews to be conducted with all permanent staff leavers. 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. EDI review and strategy development People BSC with appropriate measures and KPIs New people and culture plan focusing on recruitment, induction and retention. <u>Pending Control</u>	3	3	9	Staff turnover rate has reduced to 8% (February 2025). We have had one leaver from facilities, health and safety team, we are pausing recruitment whilst elements of the building management project are reviewed. Corporate structure review has resulted in advice from BW. Meetings have occurred with the University who have stated their preference on the status quo of keeping all staff employed by the College. This is subject to further legal analysis. Employing staff directly by the Union may lead to less favourable employment terms. Department risks have raised the risk of having some areas of the Union reliant on single points of failure in finance and advice. Further work is required to map process in these areas and look at targeted support for advice caseworkers.

						A service level agreement with the College's HR department that clearly establishes the support levels and services that the Union can access. A revised recruitment and selection process that more clearly articulates the Union's employment proposition (rather than the College). Delegated authority for recruitment.				
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	<u>Current Control</u> The staff engagement survey is completed by all staff – permanent and casual – tracking our work in this area. Use of Rota Cloud and Monthly casual worker report from College to ensure Union remains compliant with Tier 4 Visa regulations. 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. People measures and KPIs	2	3	6	People and culture survey currently open and closed end of February. We are aiming to increase the staff completion rates. We get results by early April to inform our people and culture work.
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	<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. Venue WIFI improved as part of College IT support. <u>Pending Control</u> Operating manuals for all our major IT systems (eg Unifi), with associated risk assessments and contingency solutions where appropriate. Digital strategy development including roadmap up until 2028. Improvements to Union Building WIFI. SUMS implementation. Commercial strategy to include contingency plan if EPOS system goes offline. Risk assessment of IT critical systems.	2	3	6	Operating manual work ongoing for major IT systems, this is now limiting in scope with SUMS implementation as ICU owned systems reduce. Implementation of SUMS lowers risk due to operating manuals existing for the system and maintained by the supplier. Concurrent work has been undertaken to develop a wiki for eActivities operating. Operating manual needs to be written for Unifi (the management account in house system). SUMS implementation project ongoing, and on track. Longer term digital plan and development roadmap to be developed in 2024/25. This will be complete by August 2025. A review of our Venue EPOS system to be undertaken by Director of Commercial Services. This is to include a plan to fix known issues, and then move forward a more optimised system with digital plan. Issues have been being fixed with the supplier and this has improved our services.

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	<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. A revised Code of Practice that clearly establishes the regulatory role of the College. A robust elections process that ensures democratic legitimacy of student representatives. <u>Pending Control</u> Stakeholder management/influencing plan.	2	2	4	Positive feedback regarding strategy including positively received presentation to University Management Board. Influencing plan being developed and due for completion July 2025.
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	<u>Current Control</u> An agreed prioritisation amongst the Senior Management Team to ensure Union staff attend sector events / conferences. An agreed prioritisation amongst the Officer Trustees to ensure they engage with wider sector events / conferences. Engagement with WonkHE and its associated activities and briefing services.	2	3	6	Continued engagement with Russel Group Students' Union, Officers attending the Belfast conference. Clear there are shared challenges both in policy and operations, with all SUs reporting commercial decline to varying degrees. Officer Trustees and staff attended initial meeting of the London partnership, a London based collective of SUs aiming to jointly lobby local authority. Management Committee to review our engagement with this body to determine its value.
13	External (Regulation / Legal / Legislative Compliance)	There is a change in sector regulation which negatively impacts our ability to operate effectively.	4	4	16	<u>Current Control</u> A proactive relationship with the College to ensure a collaborative approach to sector regulation, including responses to proposed changes. <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.	3	3	9	Director of Membership Services now staff lead on Freedom of Speech changes. New Labour Government have confirmed the implementation of the Freedom of Speech Higher Education Act with a number of amends to the original proposals. We are keeping a watching brief, all relevant work has been completed to ensure compliance. Any changes required will be made with advisory support from the University.
14	Strategic (Strategic Vision)	Negative student satisfaction with Union services results in low participation and engagement with core Union activity.	5	3	15	<u>Current Control</u> Union strategy setting out priorities for the Union to develop a transformational student experience. A range of longitudinal KPIs to measure the Union's services and impact of the course of the strategy. Each team has a Balanced Score Card clearly establishing team level objectives and measures linked to the strategic priority. New block grant funding agreement enabling investment in core services such as Activities. <u>Pending Control</u>	4	3	12	Team level objectives aim to improve service experience across the Union for 2024/25. Operational Effectiveness Project led by Director of Membership Services and Director of Support Services to review key (the events process) processes related to activities team. This has resulted in an action plan to improve service level against the benchmark data in the next 6 months. The next process improvement analysis will support the helpdesk to improve its customer experience outputs. Marketing team have commissioned research to help improve our communication

						Service level agreements for key student facing teams. Marketing and Communications strategy.				and marketing to students. This will help move the Union communications to being proactive and targeted on things that are important to students by demographic segments. This improved messaging should increase students brand perceptions and awareness of ICU resulting in better engagement with our services. This research will inform the Union's marketing strategy due to be complete June 2025. The Reynold's operating model changes we may need to do, could see some medic students disengaging.
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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