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AUDIT COMMITTEE REPORT

Subject: Strategic Risk Register	**Purpose:** **For Approval** ☐ **For Discussion** ☒ **For Information** ☐
Prepared by: Peter D Smith, Vice Principal – Finance and Corporate Services	**Date:** 30 August 2018

Purpose: To discuss the College's Strategic Risk Register.

Linked to Strategic Goal 5: Build Sustainability.

Executive Summary:

The Executive Team considered the College's Strategic Risk Register (attached) on 29 August 2018. The Executive have made the following changes to the Register: -

- Risks 1a – reduced the targeted likelihood of to 2, reflecting the desire to minimise this Risk as much as possible.
- Risk 1b – additional actions added reducing current likelihood to 2, resulting from the appointments to new Curriculum and Learning Manager (CLM) posts.
- Risks 1c, 1e, 1f and 1j – Risk closed as action complete – actions complete, and Risk residual likelihood reduced to a level that we tolerate.
- Risk 2b – additional actions added as a result of combining with Risk 2g.
- Risk 2c – additional actions added, resulting from the appointments to new CLM posts.
- Risk 2d – Risk combined with Risk 2h and closed.
- Risk 2g – Risk combined with Risk 2b and closed.
- Risk 2h – additional actions added as a result of combining with Risk 2d.
- Risk 3h – additional action added..

Recommendation: Committee discuss the Strategic Risk Register.

Previous Committee Approvals: n/a

For publication ☒	**For publication with redactions** ☐	**Not for publication** ☐

BORDERS COLLEGE STRATEGIC RISK REGISTER

Approved by: Executive
Date: 29/08/2018

Strategic Risk Appetite - MODERATE

Ref		Objectives and Risks	Risk Owner	Original Likelihood (1 - 5)	Original Impact (1 - 5)	Original Rating (max =25)	Current Controls	Current Likelihood (1 - 5)	Current Impact (1 - 5)	Current Rating (max =25)	Target Likelihood (1 - 5)	Target Impact (1 - 5)	Target Total (max =25)	Above/ On Target	Further Actions	Action Owner	Planned Action Completion Date
1		**Respond to the needs of our region - Risk Appetite - OPEN**															
1a		IF the SFC does not fund growth in the Scottish Borders, THEN the College will not be able to create new provision to meet demand.	Principal	4	4	16	Outcome agreement, engagement with SFC, development of business cases to support growth	2	3	6	2	2	4	Above Target	TREAT - Continue to explore alternative funding streams to respond to demand. Board Chair and SMT continue to raise the profile of the college with regional stakeholders who have influence with decision makers. Continue to seek efficency savings in order to invest in new provision. Engage with SFC on request for Credits	Executive	Continuous
1b	↓	IF partners do not engage successfully with the College, THEN the College will not be able to identify and meet their needs.	Principal	3	4	12	Engagement with Industry groups and other employers, local authority and schools, community planning partners, universities. Introduction of of Regional Improvement Collaboratives increases complexity and likelihood of risk.	2	3	6	3	2	6	On Target	TREAT - Build on good reputation of the college to foster genuine partnerships and solutions to regional challenges. Continue to push positive PR re our successes. Develop bespoke and flexible solutions for schools. CLMs will meet monthly with DYW and schools.	Executive	Continuous
1c		IF College is not recognised by South of Scotland Enterprise Agency, THEN this will undermine College's role and remit as region's recognised skills provider, affecting funding and resourcing.	Principal	3	4	12	Maintaining awareness of emerging issues with SSSA, active angagement with local authority and Borderlands by Principal / Chair	2	3	6	2	3	6	On Target	TOLERATE - Co-ordinate approach with Dumfries & Galloway college ACTION COMPLETE - RISK CLOSED	Principal/Board Chair	Complete
1d		IF SFC/SDS funding is reduced, THEN the College will not be able to meet the demands of our stakeholders.	Principal	4	5	20	Engagement with SFC, Outcome Agreement Process, curriculum and business planning	2	3	6	3	2	6	On Target	TREAT - Continue to explore alternative funding streams to respond to demand. Board Chair and SMT continue to raise the profile of the college with regional stakeholders who have influence with decision makers. Continue to seek efficency savings in order to invest in new provision.	Executive	Continuous
1e		IF national priorities conflict with local needs THEN the College may not be able to effectively meet Regional needs.	Principal	4	4	16	Outcome agreement, engagement with SFC, engagement with CPP and industry	3	2	6	2	2	4	Above Target	TOLERATE - Build on good reputation of the college to foster genuine partnerships and solutions to regional challenges. Continue to push positive PR re our successes. ACTION COMPLETE - RISK CLOSED	Executive	Complete
1f		IF Regional need is not properly articulated, understood and analysed, THEN the College will not be in a position to effectively meet that need.	Principal	3	4	12	Engagement with CPP, industry, other stakeholders	2	2	4	2	2	4	On Target	TOLERATE - No further action ACTION COMPLETE - RISK CLOSED		Complete
1g		IF regional schools underperform, THEN learner outcomes may be adversely affected.	Principal	3	4	12	Engagement with local authority and schools to improve understanding of College opportunities and requirements, curriculum design	2	2	4	3	2	6	On Target	TREAT - Consider collaborative partnerships and alternative delivery models to engage learners who do not meet baseline qualifications. ACTION COMPLETE - RISK CLOSED	VP C &SS	Complete
1h		If EU-funded Credit activity is withdrawn, THEN the College may not be able to sustain activity levels	VP C &SS	5	4	20	Outcome agreement, engagement with SFC, curriculum and business planning	5	3	15	5	2	10	Above Target	TREAT - Continue to explore alternative funding streams to respond to demand. Board Chair and SMT continue to raise the profile of the college with regional stakeholders who have influence with decision makers. Continue to seek efficency savings in order to invest in new provision.	Executive	Continuous
1i		IF the College is not recognised in City Deal, THEN funding could be diverted elsewhere	Principal	3	4	12	Engagement by Principal	2	3	6	2	3	6	On Target	TREAT - Principal & Chair of the Board to work with West Lothian and Edinburgh colleges to ensure a collaborative response lobbying for colleges to influence decision making. ACTION COMPLETE -RISK CLOSED	Principal/Board Chair	Complete
1j		If BREXIT has a significant negative impact on the Borders economy, THEN this may mean the College cannot meet the needs of the Region.	VP C &SS	3	3	9	Monitoring of external factors, engagement with stakeholders, discussion with SFC	3	3	9	3	2	6	Above Target	TREAT - Continue to explore alternative funding streams to respond to demand.	Executive	Continuous
2		**Deliver successful outcomes for all our learners - Risk Appetite - OPEN**															
2a		IF learners' needs are not properly articulated when considering resource planning, THEN learners may not achieve their desired outcomes.	VP F & CS	3	4	12	Faculty councils, student feedback and engagement on College committees	2	2	4	2	2	4	On Target	TREAT - Improve student engagement in resourcing decisions through user groups and committees. Ensure curriculum planning and resource planning are fully integrated. Work with Student Association to support students with issues such as mental health, cyber bullying. ACTION COMPLETE - TOLERATE	VP F &CS	Complete
2b		IF staff are not fully motivated and engaged in delivering the best learner experience, THEN students may not achive desired outcomes.	Principal	3	4	12	CPD and staff development, staff consultation, College meetings and briefings	2	2	4	2	3	6	On Target	TREAT - Continue to influence external policy on National Bargaining and Workforce for the future. Communicate reguarly with internal staff and students not participating in but are affected by strike action and work together to mitigate impact. Work to ensure any effect from cultural shift is minimised. Maintain positive communicatons in relation to national bargaining.	Principal	Continuous
2c		IF employers do not engage successfully with the College, THEN the College will not be able to provide an appropriate curriculum to meet demand.	VP C &SS	3	4	12	Employer engagement programme, industry groups	3	2	6	2	2	4	Above Target	TREAT - Build on relationship with newly formed DYW Industry Group and existing Employer Relationships. Promote our successes with Employers. Continue to explore a CRM system to capture all enquiries. Ensure engagement via CLMs	VP C & SS/VP F & CS	Continuous
2d		IF staff do not deliver teaching in methods that are engaging and effective, THEN students are less likely to achieve a successful outcome.	Director BI & P	3	4	12	Quality assurance, CPD and staff development, internal review, programme and block review, student feedback, faculty councils	3	3	9	2	3	6	Above Target	TREAT - Benefit from the new Education Scotland QA approach. Introduce an enhanced approach to classroom observation improving staff's reflective practice. RISK COMBINED WITH 2h - CLOSED	Director BI & P	Continuous
2e		IF students are not enrolled on the most appropriate programme, THEN they may be less likely to succeed.	VP C &SS	3	4	12	Admissions procedures and interviews, programme review, learner success mentor, course tutors	2	2	4	2	2	4	On Target	TREAT - Continue to have clear entry requirements understood by those interviewing and suggest alternative provision when applicant doesn't match the course TOLERATE	VP C & SS	Continuous
2f		IF student support funding is reduced, THEN learners may not be able to enrol on their preferred course of study or achieve their qualification.	VP F & CS	3	4	12	Outcome agreement, engagement with SFC, management, full utilisation and monitoring of SS Funds	2	2	4	1	2	2	Above Target	TREAT - Control expenditure through limiting essential course costs. Make application for additional funding through SFC redistribution.	VP F & CS	Continuous
2g		IF national pay bargaining has a negative effect on staff engagement, THEN student outcomes may decline.	Principal	4	4	16	Staff consultation and communication	4	3	12	2	2	4	Above Target	TREAT - Continue to influence external policy on National Bargaining and Workforce for the future. Communicate reguarly with internal staff and students not participating in but are affected by strike action and work together to mitigate impact. RISK COMBINED WITH 2b - CLOSED	Principal	Continuous
2h		IF our outcomes don't show a positive trend THEN it will impact on our Education Scotland grade and potentially our SFC funding.	VP C &SS	3	3	9	Monitoring, achievement coaches,	2	3	6	2	2	4	Above Target	TREAT -Continue to monitor and take corrective action as necessary. Director BI&P to work with staff to ensure teaching methods are engaging. Continue to improve student experience through L&T	VP C & SS	Continuous
3		**Provide a high quality College experience - Risk Appetite - MODERATE**															

3a		IF SFC does not provide sufficient capital maintenance funding THEN the quality of student experience will be reduced.	VP F & CS	4	4	16	Outcome agreement, engagement with SFC, business cases for capital projects, resource planning	3	3	9	3	2	6	Above Target	TREAT - Create headroom in budget to allow for onggoing investment	VP F & CS	31/07/2018
3b		IF significant numbers of learners decide to travel to study at other colleges, THEN learner choice will likely be reduced.	VP C &SS	3	3	9	Curriculum planning, marketing strategy, engament with schools and prospective learners, employers	3	2	6	2	2	4	Above Target	TREAT - Manage impact through curriculum planning. Analyse areas of loss to inform refresh of the curriculum. Coordinated planning with the schools. Adjust admissions policy. Additional targeted marketing	Principal	Continuous
3c		IF the Students' Association does not continue to be pro-active in engaging with the College, THEN the learner experience will likely be diminished.	VP C &SS	3	3	9	Financial and SMT Support to SA, partnership agreement, clear BCSA development plan, feedback on engagement	2	2	4	2	2	4	On Target	TREAT - Review reasons for lack of effectiveness. Support BCSA to make changes. Engage NUS (Scotland) and SPARQS to provide support to SA. TOLERATE	Principal	Continuous
3d		IF students are not engaged in driving the learner experience, THEN the College may not develop an appropriate learner experience.	VP C &SS	3	3	9	Student feedback, students' association, surveys and feedback, faculty councils	3	2	6	2	2	4	Above Target	TREAT - continue with student engagement,	VP C & SS	
4		**Grow our business - Risk Appetite - CAUTIOUS**															
4a		IF the SFC does not fund growth in the Scottish Borders, THEN the College will not be able to create new provision to meet demand.	VP C &SS	4	4	16	Outcome agreement, engagement with SFC, development of business cases to support growth	2	3	6	3	2	6	On Target	TREAT - Continue to explore alternative funding streams to respond to demand. Board Chair and SMT continue to raise the profile of the college with regional stakeholders who have influence with decision makers. Continue to seek efficency savings in order to invest in new provision. FWDF allows for some additional activity with employers.	Executive	Continuous
4b		IF the market for commercial delivery is not sufficient to enable the College to meet income targets, THEN we may not have the ability to generate sufficient funds to invest in new resources.	VP F & CS	3	4	12	Employer/client engagement, work on new markets and products	3	3	9	2	2	4	Above Target	TREAT - Build on relationship with newly formed DYW Industry Group and existing Employer Relationships. Promote our successes with Employers. Continue to explore a CRM system to capture all enquiries.	VP C & SS/VP F & CS	Continuous
4c		IF the College is not able to recruit appropriately qualified staff, THEN it will not be possible to enable growth in student numbers or commercial business.	Principal	4	3	12	Review recruitment strategy i.e. employment fairs, university graduates, starting salaries for non qualified teachers in skill shortage areas	3	2	6	2	2	4	Above Target	TREAT - Continue to promote college successes through proactive marketing and PR campaigns making us an attractive employer.	Principal	Continuous
4d		IF BREXIT adversely affects the Regional economy, THEN employers may not have the capacity to undertake commercial training.	VP F & CS	3	4	12	Employer/client engagement, work on new markets and products	3	3	9	2	2	4	Above Target	TREAT - Widen client base to spread risk	VP F & CS/Head of BDU	Continuous
5		**Build sustainability - Risk Appetite - MODERATE**															
5a		IF SFC funding is reduced, THEN the College may be unable to invest in a sustainable ICT infrastructure to offer up-to-date learning and improve business processes.	VP F & CS	4	4	16	Engagement with SFC, Outcome Agreement Process, curriculum and business planning, replacement infrastructure project 2017	2	2	4	2	2	4	On Target	TERMINATE - Creation of sinking fund for ISLT resource	VP F & CS	01/07/2018
5b		IF alternative sources of income are not found, THEN the ability to develop new delivery and trial new products is restricted.	VP F & CS	3	4	12	Employer/client engagement, work on new markets and products	3	3	9	2	2	4	Above Target	TREAT - Work with BDU and faculties to to increase commercial engagements and wider funding opportunities.	VP F & CS	Continuous
5c		IF national bargaining drives pay awards upwards ahead of any additional resources which are generated through growth, THEN the College will have less flexibility in managing its remaining resources.	VP F & CS	5	5	25	Engagement with Employers' Association, resource planning	3	4	12	5	3	15	On Target	TREAT - create financial headroom in budget to reduce impact of above inflaton increases.	VP F & CS/Head of F&P	31/07/2018
5d		IF regional demand reduces, THEN the credit target may not be achieved and funding reduced.	VP C &SS	4	4	16	Engagement with CPP, schools, employers groups, data analysis, business engagement, adult provision	3	3	9	3	3	9	On Target	TREAT - Create new provision in non-traditional subject areas, grow our HN provision and community and business courses	VP C & SS/VP F & CS	Continuous
5e		IF procurement reform does not deliver efficiencies, THEN the College will have reduced resources to deploy to support activity.	VP F & CS	3	4	12	Resource Planning cycle, procurement management	3	3	9	3	2	6	Above Target	TREAT - Maximise use of efficient procurement via contracts register and collaborative frameworks, create headroom in budget	VP F & CS/Head of F&P	31/07/2018
5f		If EU-funded Credit activity is withdrawn, THEN the College may not be able to sustain activity levels	VP F & CS	5	4	20	Outcome agreement, engagement with SFC, curriculum and business planning	5	2	10	5	2	10	On Target	TREAT - minimise impact of withdrawn funding by efficient esource planning. Notificaton of rejection of SFC claims means we have increased risk here	VP F & CS	01/07/2018
5g		IF the grades resulting from the Education Scotland Evaluation Report are poor THE the College may suffer reputational damage, resulting in poor student recruitment and loss of funding.	Director BI & P	3	3	9	Working closely with Education Scotland to ensure accurate judgements about ourselves, work around quality assurance, clear strategies/policies to address concerns.	2	2	4	2	2	4	On Target	TOLERATE - no additional actions	Director BI & P	Continuous
5h		IF the College is unable to meet the requirements of GDPR THEN the College may suffer financial and reputational damage	Director BI & P	4	5	20	Staff awareness and training, project to ensure compliance, DPO appointment	2	3	6	1	2	2	Above Target	TREAT - detailed project plan. Report to Board, ongoing compliance.	Director BI & P	Continuous
5i		IF protection against cyber attack is not sufficient, THEN the College could suffer financial and reputational damage, or negative impact on student success	VP F & CS	3	3	9	Current security including Firewalls, anti-virus protection, passwords, web filtering, awareness, network segmentation, patches, traffic monitoring, backups, DRP etc	2	3	6	2	2	4	Above Target	TREAT - ensure compliance with SG guidance when issued, as appropriate	Head of ISLT	30/09/2018
5j		IF our Childcare and ESF targets are not met THEN this could have a negative impact on financial sustainability	VP C &SS	4	3	12	Curriculum planning,monitoring of eapplications, enrolments, discussion with SFC	3	2	6	2	2	4	Above Target	TREAT - continued monitoring and negotiation with SFC	VP C & SS	Continuous
5k		IF rules for student support funding no longer allow the use of bursaries to purchase mobile devices, THEN the ability to deliver our BYOD strategy will be compromised	VP F & CS	4	4	16	Resource planning to create flexibility in ICT replacement	4	3	12	4	1	4	Above Target	TREAT - continued monitoring, create headroom within budget	VP F & CS	Continuous

Likelihood		Impact	
5	Almost certain 80% +	5 Critical	Substantial effect upon the objective, thus making it extremely difficult/costly to achieve
4	Very likely 60% - 80%	4 Significant	Considerable effect on the objective, making it more difficult /costly to achieve
3	Likely 40% - 60%	3 Moderate	Evident and material effect on the objective, making it fully achievable only with some moderate additional difficulty or cost
2	Unlikely 20% - 40%	2 Minor	Small but noticeable effect on the objective , making it fully achievable but with some minor difficulty/cost
1	Very unlikely Less than 20%	1 Marginal	Peripheral effect upon the objective, impacting only in minor way upon achievement