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AUDIT COMMITTEE REPORT

BORDERS COLLEGE REGIONAL BOARD

Subject: Strategic Risk Register	**Purpose:** **For Approval** ☐ **For Discussion** ☒ **For Information** ☐
Prepared by: Hazel Robertson, Vice Principal – Finance and Corporate Services	**Date:** 13 November 2018

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

Linked to Strategic Goal 5: Build Sustainability.

Executive Summary:

The College's Strategic Risk Register (attached) was considered by the Executive Team on 12 December 2018. The Executive have made the following changes:

Risk description		Change
1h	IF EU funding credit is withdrawn	Reduced in impact to 2, and at target (10). Cost assumptions are built into the five year financial forecast return (FFR).
3d	IF students are not engaged in driving the learning experience	Reduced in likelihood to 2, and at target (4). Feedback from student experience councils and students using Buzz the Boss. Having CLMs in post provides greater capacity to engage with students.
5e	IF procurement reform does not deliver efficiencies	Reduced in impact to 2 and at target (6).

In addition, for noting:

Risk description		Comment
3b	IF significant numbers of learners travel to study at other colleges	Now includes HEIs in the description
5c	IF national bargaining drives costs upwards ahead of resources.	Is ahead of target and costs are built into the 5 year FFR
5f	IF EU funding credit is withdrawn	At target and cost assumptions are built into the FFR

These changes will also be considered by Audit Committee on 22 November 2018.

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For publication ☒	**For publication with redactions** ☐	**Not for publication** ☐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
Strategic Risk Appetite - MODERATE

Approved by:	Executive
Date:	13/11/2018

	Objectives and Risks	Original Likelihood (1 - 5)	Original Impact (1 - 5)	Original Rating (max =25)	Current Controls in place	Current Likelihood (1 - 5)	Current Impact (1 - 5)	Current Rating (max =25)		Target Further Actions	Target Likelihood (1 - 5)	Target Impact (1 - 5)	Target Rating (max =25)	Completion Date	Above / On Target	Action Owner
1	**Respond to the needs of our region - Risk Appetite - OPEN**				**Respond to the needs of our region - Risk Appetite - OPEN**					**Respond to the needs of our region - Risk Appetite - OPEN**					**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.	4	4	16	Outcome agreement, engagement with SFC, development of business cases to support growth	2	3	6		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	2	2	4	Continuous	Above Target	Principal
1b	IF partners do not engage successfully with the College, THEN the College will not be able to identify and meet their needs.	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		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.	3	2	6	Continuous	On Target	Principal
1d	IF SFC/SDS funding is reduced, THEN the College will not be able to meet the demands of our stakeholders.	4	5	20	Engagement with SFC, Outcome Agreement Process, curriculum and business planning	2	3	6		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.	3	2	6	Continuous	On Target	Principal
1h	If EU-funded Credit activity is withdrawn, THEN the College may not be able to sustain activity levels	5	4	20	Outcome agreement, engagement with SFC, curriculum and business planning	5	2	10		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. This risk is at target level and is built into our 5 year financial forecast return.	5	2	10	Continuous	On Target	VP C&SS
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.	3	3	9	Monitoring of external factors, engagement with stakeholders, discussion with SFC	3	3	9		TREAT - Continue to explore alternative funding streams to respond to demand.	3	2	6	Continuous	Above Target	VP C&SS
2	**Deliver successful outcomes for all our learners - Risk Appetite - OPEN**				**Deliver successful outcomes for all our learners - Risk Appetite - OPEN**					**Deliver successful outcomes for all our learners - Risk Appetite - OPEN**					**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.	3	4	12	Faculty councils, student feedback and engagement on College committees	2	2	4		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	2	2	4	Complete	On Target	VP F&CS
2b	IF staff are not fully motivated and engaged in delivering the best learner experience, THEN students may not achive desired outcomes.	3	4	12	CPD and staff development, staff consultation, College meetings and briefings	2	2	4		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.	2	3	6	Continuous	On Target	Principal
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.	3	4	12	Employer engagement programme, industry groups	3	2	6		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	2	2	4	Continuous	Above Target	VP C&SS & VP F&CS
2e	IF students are not enrolled on the most appropriate programme, THEN they may be less likely to succeed.	3	4	12	Admissions procedures and interviews, programme review, learner success mentor, course tutors	2	2	4		TREAT - Continue to have clear entry requirements understood by those interviewing and suggest alternative provision when applicant doesn't match the course TOLERATE	2	2	4	Continuous	On Target	VP C&SS
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.	3	4	12	Outcome agreement, engagement with SFC, management, full utilisation and monitoring of SS Funds	2	2	4		TREAT - Control expenditure through limiting essential course costs. Make application for additional funding through SFC redistribution.	1	2	2	Continuous	Above Target	VP F&CS
2h	IF our outcomes don't show a positive trend THEN it will impact on our Education Scotland grade and potentially our SFC funding.	3	3	9	Monitoring, achievement coaches,	2	3	6		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	2	2	4	Continuous	Above Target	VP C&SS
3	**Provide a high quality College experience - Risk Appetite - MODERATE**				**Provide a high quality College experience - Risk Appetite - MODERATE**					**Provide a high quality College experience - Risk Appetite - MODERATE**					**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.	4	4	16	Outcome agreement, engagement with SFC, business cases for capital projects, resource planning	3	3	9		TREAT - Create headroom in budget to allow for onggoing investment	3	2	6	31/07/2018	Above Target	VP F&CS

BORDERS COLLEGE STRATEGIC RISK REGISTER
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	Objectives and Risks	Original Likelihood (1 - 5)	Original Impact (1 - 5)	Original Rating (max =25)	Current Controls in place	Current Likelihood (1 - 5)	Current Impact (1 - 5)	Current Rating (max =25)	Target Further Actions	Target Likelihood (1 - 5)	Target Impact (1 - 5)	Target Rating (max =25)	Completion Date	Above / On Target	Action Owner
3b	IF significant numbers of learners decide to travel to study at other colleges and HEIs, THEN learner choice will likely be reduced.	3	3	9	Curriculum planning, marketing strategy, engament with schools and prospective learners, employers	3	2	6	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	2	2	4	Continuous	Above Target	VP C&SS
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.	3	3	9	Financial and SMT Support to SA, partnership agreement, clear BCSA development plan, feedback on engagement	2	2	4	TREAT - Review reasons for lack of effectiveness. Support BCSA to make changes. Engage NUS (Scotland) and SPARQS to provide support to SA. TOLERATE	2	2	4	Continuous	On Target	VP C&SS
3d	IF students are not engaged in driving the learner experience, THEN the College may not develop an appropriate learner experience.	3	3	9	Student feedback, students' association, surveys and feedback, faculty councils	2	2	4	TREAT - continue with student engagement, At target level - feedback from student experience councils has been good and students using Buzz the Boss. Having new CLMs in post provides greater capacity for staff to engage with students.	2	2	4		On Target	VP C&SS
4	**Grow our business - Risk Appetite - CAUTIOUS**				**Grow our business - Risk Appetite - CAUTIOUS**				**Grow our business - Risk Appetite - CAUTIOUS**					**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.	4	4	16	Outcome agreement, engagement with SFC, development of business cases to support growth	2	3	6	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.	3	2	6	Continuous	On Target	VP C&SS
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.	3	4	12	Employer/client engagement, work on new markets and products	3	3	9	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.	2	2	4	Continuous	Above Target	VP F&CS & VP C&SS
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.	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	TREAT - Continue to promote college successes through proactive marketing and PR campaigns making us an attractive employer.	2	2	4	Continuous	Above Target	Principal
4d	IF BREXIT adversely affects the Regional economy, THEN employers may not have the capacity to undertake commercial training.	3	4	12	Employer/client engagement, work on new markets and products	3	3	9	TREAT - Widen client base to spread risk	2	2	4	Continuous	Above Target	VP F&CS
5	**Build sustainability - Risk Appetite - MODERATE**				**Build sustainability - Risk Appetite - MODERATE**				**Build sustainability - Risk Appetite - MODERATE**					**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.	4	4	16	Engagement with SFC, Outcome Agreement Process, curriculum and business planning, replacement infrastructure project 2017	2	2	4	TERMINATE - Creation of sinking fund for ISLT resource	2	2	4	01/07/2018	On Target	VP F&CS
5b	IF alternative sources of income are not found, THEN the ability to develop new delivery and trial new products is restricted.	3	4	12	Employer/client engagement, work on new markets and products	3	3	9	TREAT - Work with BDU and faculties to to increase commercial engagements and wider funding opportunities.	2	2	4	Continuous	Above Target	VP F&CS
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.	5	5	25	Engagement with Employers' Association, resource planning	3	4	12	TREAT - This risk is ahead of target level and is built into our 5 year financial forecast return.	5	3	15	31/07/2018	On Target	VP F&CS
5d	IF regional demand reduces, THEN the credit target may not be achieved and funding reduced.	4	4	16	Engagement with CPP, schools, employers groups, data analysis, business engagement, adult provision	3	3	9	TREAT - Create new provision in non-traditional subject areas, grow our HN provision and community and business courses	3	3	9	Continuous	On Target	VP C&SS
5e	IF procurement reform does not deliver efficiencies, THEN the College will have reduced resources to deploy to support activity.	3	4	12	Resource Planning cycle, procurement management	3	2	6	TREAT - Maximise use of efficient procurement via contracts register and collaborative frameworks, create headroom in budget. This risk is at target level with limited impact on objective.	3	2	6	31/07/2018	On Target	VP F&CS
5f	If EU-funded Credit activity is withdrawn, THEN the College may not be able to sustain activity levels	5	4	20	Outcome agreement, engagement with SFC, curriculum and business planning	5	2	10	TREAT - minimise impact of withdrawn funding by efficient esource planning. Notificaton of rejection of SFC claims means we have increased risk here. This risk is at target level and is built into our 5 year financial forecast return.	5	2	10	01/07/2018	On Target	VP F&CS
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.	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	TOLERATE - no additional actions	2	2	4	Continuous	On Target	Director BI&P
5h	IF the College is unable to meet the requirements of GDPR THEN the College may suffer financial and reputational damage	4	5	20	Staff awareness and training, project to ensure compliance, DPO appointment	2	3	6	TREAT - detailed project plan. Report to Board, ongoing compliance.	1	2	2	Continuous	Above Target	Director BI&P
5i	IF protection against cyber attack is not sufficient, THEN the College could suffer financial and reputational damage, or negative impact on student success	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	TREAT - ensure compliance with SG guidance when issued, as appropriate	2	2	4	30/09/2018	Above Target	VP F&CS
5j	IF our Childcare and ESF targets are not met THEN this could have a negative impact on financial sustainability	4	3	12	Curriculum planning,monitoring of eapplications, enrolments, discussion with SFC	3	2	6	TREAT - continued monitoring and negotiation with SFC	2	2	4	Continuous	Above Target	VP C&SS
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	4	4	16	Resource planning to create flexibility in ICT replacement	4	3	12	TREAT - continued monitoring, create headroom within budget	4	1	4	Continuous	Above Target	VP F&CS

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

Risk Score

Likelihood	1	2	3	4	5
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	Impact				