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FINANCE AND GENERAL PURPOSES COMMITTEE REPORT

Subject: Strategic Risk Register	**Purpose:** **For Approval** ☐ **For Discussion** ☒ **For Information** ☐
Prepared by: Hazel Robertson, Vice Principal – Finance and Corporate Services	**Date:** 10 March 2020

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) has been updated since the last Board and a new summary page has been introduced. The summary page gives an overview of the risk exposure by strategic goals.

The following strategic risks identified on the Risk Register are above target. Summarised below are the reasons why and mitigation.

1a	The risk level is slightly above target due to Outcome Agreement funding not matching the level of credit delivery in 2018/19. We are continuing to seek additional funding, having asked for an additional 1300 credits and looking to bid for additional FWDF resources. This risk is both an opportunity and a threat, with the potential opportunity much greater than the potential threat. The Board agreed to carry this risk in order to protect service delivery. The potential negative financial impact is manageable in year.
1k	The impact of BREXIT remains unclear although commentary suggests the impact will not be so immediate and more likely to be an issue as the end of the transition period approaches.
4f	Considerable joint working is underway at Board level, Executive leads and project teams in order to work effectively with Dumfries and Galloway College to deliver the joint SOSEP project work and shared curriculum delivery. Joint formal launch has taken place
5a	There is still a concern about insufficient funding available for ICT in the long term. We understand that a case was made to increase this as part of the spending review. Locally we have developed our three year Digital Delivery and Development Programme and report on progress through the Finance and General Purposes Committee. We have been able to accelerate the replacement of nearly one half of the apple macs, taking pressure off the 2021/22 budget.
5h	The College has made good progress in fulfilling its requirements with regard to GDPR in accordance with the Information Commissioner's Office (ICO) guidance. The IT systems audit report highlighted a high risk around potential data leakage. The risk score has decreased this reporting period and will remain above target until implementation of the Identity Management Systems in March 2020 (delayed due to additional upgrade work required) allows full roll out of Office 365 and related

	functionality, thus fully addressing the concern about data leakage. A data breach reported in January has resulted in some recommendations to further improve our information controls.
5i	We achieved Cyber Security Plus accreditation in August 2019. The recent IT systems audit report highlighted a high risk around web filtering. This has been addressed. The data breach reported in January has resulted in some recommendations to improve cyber security.
2f, 5k	The review of the bursary lap top scheme has been completed and we have developed a four year rolling plan going forward. Additional laptops have been purchased. The risk remains above target until we obtain further feedback from national discussion in relation to the use of bursary funding. We have commenced collation of course costs for 20/21 and will be reviewing how we can reduce these to the average level across Scottish Colleges.

The following risks have been closed as the required controls are in place and effective.

Risk description		**Change**
3c	If the student association is not proactive in engaging with the college	Close
3d	If students are not engaged in driving the learner experience	Close
4c	If the College is not able to recruit appropriately qualified staff	Close

A new risk has been added – 5l – to address the coronavirus (Covoid 19) situation. The risk has been assessed as 5 likelihood and 5 impact. Accordingly an Incident Management Team has been established under our Emergency Plan and to ensure Business Continuity Plans are suitably developed and implemented. The team is led by the Vice Principal Finance and Corporate Services and contains members from the Strategic Leadership Team and the communications team. Deputies have also been identified. The team has briefed the SLT and is now meeting daily to ensure the latest intelligence and guidance is being applied and that the communications plan is delivered. UK guidance is to maintain the CONTAIN phase. We are also planning for the move to DELAY.

The BREXIT risk impact assessment has not been provided as it has changed since the last report We continue to assume that our Business Continuity Plan and response mechanism will enable us to deal with any immediate impact. Medium term and longer term concerns are largely about the potential financial impact, and consequences for our procurement activity.

Recommendation: Members discuss the Strategic Risk Register, and seek any further clarification of any risks.

Previous Committee Approvals: n/a

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

BORDERS COLLEGE STRATEGIC RISK REGISTER
Strategic Risk Appetite - MODERATE

Date: 09/03/2020

	Objectives and Risks	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)	Above / On Target	SLT lead	Exec 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 -**		
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.	Outcome agreement, engagement with SFC, development of business cases to support growth. Growth was funded and achieved in 18/19 but not carried forward into the 19/20 agreement. As a College which is able to regularly deliver additional credits this increases opportunities for future years albeit additional credit funding has non recurring and not known until around mid way in the academic and financial year.	3	2	6	TREAT - A bid for 1300 additional credits in 2019/20 has been submitted. If not funded this will present negative financial risk in the current year of circa £60k. If funded it will provide income of up to £200k.	2	2	4	On Target	APs + Dir BDU	Principal
1b	IF there is not successful engagement with partners, THEN the College will not be able to identify and meet their needs.	Engagement with Industry groups and other employers, local authority and schools, community planning partners, universities. .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. Although this is at target this is an area of significant activity with multiple projects being progressed	2	3	6	TOLERATE. - Transformation Programme Board has been formed to oversee significant projects with external stakeholders.	3	2	6	On Target	APs + Dir of BDU	Principal
1d	IF SDS funding is reduced, THEN the College will not be able to meet the demands of our stakeholders.	Engagement with SFC, Outcome Agreement Process, curriculum and business planning. 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.	2	3	6	TOLERATE. No further actions at present - at target, although this is anticipated to be a future risk therefore retain on register	3	2	6	On Target	Dir of BDU	Principal
1h	If EU-funded Credit activity is withdrawn, THEN the College may not be able to sustain activity levels	Outcome agreement, engagement with SFC, curriculum and business planning. 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	TOLERATE - no additional actions at this time - await further advice from SFC	5	2	10	On Target	APs	VP C&SS
1k	If BREXIT has a significant negative impact on the Borders economy, THEN this may mean the College cannot meet the needs of the Region.	Monitoring of external factors, engagement with stakeholders, discussion with SFC. Brexit impact assessment compilied. Impact is not likely to be significantly felt until after the transitional period.. Risk rating retained at current level.	3	4	12	TREAT - Continue to discuss with SFC. Attend BREXIT forums. Await further advice from SFC.	3	3	9	**Above Target**	All	VP F&CS
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 -**		
2a	IF learners' needs are not properly articulated when considering resource planning, THEN learners may not achieve their desired outcomes.	Student feedback and engagement on College committees. Improved 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. Further investment in achievement coaches and differentiation of support for students.	2	2	4	TOLERATE - no additional actions	2	2	4	On Target	APs + Dir BDU	VP C&SS
2b	IF staff are not fully motivated and engaged in delivering the best learner experience, THEN students may not achive desired outcomes.	CPD and staff development, staff consultation, College meetings and briefings. 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	2	4	TOLERATE - no additional actions - below target	2	3	6	On Target	APs	VP C&SS
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.	Employer engagement programme, industry groups. BDU managers are working with curriculum areas to progress. Use of SOSEP funding to generate new opportunities. We are performing well in terms of MA.	2	2	4	TOLERATE - This continues to be a focus of our activity.	2	2	4	On Target	Dir of BDU	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.	Admissions procedures and interviews, programme review, learner success mentor, course tutors. Continue to have clear entry requirements understood by those interviewing and suggest alternative provision when applicant doesn't match the course	2	2	4	TOLERATE - no additional actions	2	2	4	On Target	APs	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.	Outcome agreement, engagement with SFC, management, full utilisation and monitoring of SS Funds. Additional funding allocation received from in year re-distribution. Request for in year redistribution is likely to be supported.	2	4	8	TREAT - We are aware of concerns about high level of course costs (we are at the highest level of the sector). Need to undertake review of course costs and actively put in place alternative solutions for bursary laptops as this is highly unlikely to be funded in 2020/21 onwards.	1	2	2	**Above Target**	VPs	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.	Established tracking and monitoring arrangements and investment in additional achievement coaches for 2019/20. KPI performance in early January shows higher withdrawal rates for both FE and HE FT and lower withdrawal rates for both FE and HE. We are getting better at identifying at risk students and capturing information earlier on withdrawals. Action plan in place and regularly reviewed. We are more confident about our likely credit delivery as a result. Risk level reduced.	2	2	4	TREAT - Continue to enhance tracking and monitoring arrangements.	2	2	4	On Target	APs	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**		

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3b	IF significant numbers of learners decide to travel to study at other colleges and HEIs, THEN learner choice will likely be reduced.	Curriculum planning, marketing strategy, engagement with schools and prospective learners, employers. Analyse areas of loss to inform refresh of the curriculum. Coordinated planning with the schools. Adjust admissions policy. Additional targeted marketing	2	2	4	TREAT - Continue to manage impact through curriculum planning.	2	2	4	On Target	APs	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.	Outcome agreement, engagement with SFC, development of business cases to support growth. 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. As a College which is able to regularly deliver additional credits this increases opportunities for future years albeit additional credit funding has non recurring and not known until around mid way in the academic and financial year. We are also submitting a bid for additional FWDF funds	2	3	6	TREAT - A bid for 1300 additional credits in 2019/20 has been submitted. If not funded this will present financial risk in the current year of circa £60k. This will continue to be a risk area for future years. Level of risk cannot be reduced until we have completed the review of curriculum and identified savings actions for future years.	3	2	6	On Target	APs + DirBDU	VP C&SS
4b	IF we do not understand and capitalise on the market for commercial delivery sufficiently to meet income targets, THEN we may not have the ability to generate sufficient funds to invest in new activities.	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. Introduce improved monitoring arrangements for commercial activities. Planned growth of 9% in 2019/20 and £500k contribution to College. Modest assumptions built into the financial forecast.	2	2	4	TREAT - Continue to explore opportunities. Need to set stretch targets for 3 curriculum portfolios as part of budget setting for 20/21	2	2	4	On Target	Dir of BDU	VP F&CS & VP C&SS
4f	IF the College does not work effectively in partnership with Dumfries and Galloway College to implement the Hub and Spoke model THEN our ability to access future grant funding from SOSEA may be impaired.	Effective liaison at Executive and operational level. Joint specification for digital hub and spoke. Complementary curriculum development. Monthly Project Board meetings. Regular operational meetings including oversight group and project team meetings.Fomalised project documentation. Joint outcomes based planning workshop to develop benefits realisation plan and review risks.	2	3	6	TREAT - Outocmes based planning tool used to develop a benefits realisation plan and review risks. Moving towards formal launch. This will help to focus on long term outcomes and measureable results.	2	2	4	Above Target	All	Exec Group
5	**Build sustainability - Risk Appetite - MODERATE**	**Build sustainability - Risk Appetite - MODERATE**				**Build sustainability - Risk Appetite - MODERATE**				**Build sustainability - Risk Appetite - MODERATE**		
5a	IF SFC capital funding is contained at current levels, THEN the College may be unable to invest in a sustainable ICT infrastructure to offer up-to-date learning and improve business processes.	Engagement with SFC, Outcome Agreement Process, curriculum and business planning, replacement infrastructure project 2017. Digital delivery and development priorities agreed and funding is in place for next three years	3	2	6	TERMINATE - Explore creation of sinking fund for ISLT resource which will need to include provision for hub and spoke development and refresh. Also develop futue options including cloud model, integration or outsourcing.	2	2	4	Above Target	Finance Business Partner & Head of ISLT	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.	Employer/client engagement, work on new markets and products. Work with BDU and faculties to to increase commercial engagements and wider funding opportunities.	2	2	4	TOLERATE - no additional actions	2	2	4	On Target	Dir of BDU and APs	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.	Engagement with Employers' Association, resource planning. This risk is ahead of target level and is built into our 5 year financial forecast return.	3	4	12	TOLERATE - assume SFC redistribution of funds would address = below target	5	3	15	Below Target	All	VP F&CS
5d	IF regional demand reduces, THEN the credit target may not be achieved and funding reduced.	Engagement with CPP, schools, employers groups, data analysis, business engagement, adult provision. Create new provision in non-traditional subject areas, grow our HN provision and community and business courses	2	3	6	TOLERATE - no additional actions - below target	3	3	9	Below Target	APs + Dir BDU	VP C&SS
5h	IF the College is unable to meet the requirements of GDPR THEN the College may suffer financial and reputational damage	Staff awareness and training, project to ensure compliance, DPO appointment. Data Protection Policy agreed. Mandatory DP training on moodle. Guidance finalised for data event notification and management. Work programme signed off by SLT in February focusing on update of records management register, implementation of Data Protection Impact Assessments and training.	2	3	6	TREAT - all guidance documentation now in place. Article 30 work nearing completion. IT systems audit report highlighted risk of data leakage through USB devices, plan being implemented to mitigate this in the short term whilst waiting for identity management solution. Data breach with associated financial loss, notified in January has identified further technical, operational and training actions.	1	2	2	Above Target	VPF&CS and Head of ISLT	VP F&CS
5i	IF protection against cyber attack is not sufficient, THEN the College could suffer financial and reputational damage, or negative impact on student success	Current security including Firewalls, anti-virus protection, passwords, web filtering, awareness, network segmentation, patches, traffic monitoring, backups, DRP etc. Cyber security accrediation achieved , web filtering solution implemented.	3	3	9	TREAT - Additional technical security measures required and approval of password policy planned for January	2	2	4	Above Target	Head of ISLT	VP F&CS
5j	IF our Childcare targets are not met THEN this could have a negative impact on financial sustainability	Curriculum planning,monitoring of eapplications, enrolments, discussion with SFC	2	2	4	TREAT - continued monitoring and negotiation with SFC	2	2	4	On Target	AP and Dir BDU	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	Resource planning to create flexibility in digital devices. Review of scheme completed and plan in place for ongoing running. .Guidance created for students.	4	2	8	TREAT - We are one of three Colleges who have higher levels of this course cost spend from bursaries and we anticipate there will changes required for future years. Continue to promote student device policy	4	1	4	Above Target	Head of ISLT/Finance Business Partner	VP F&CS
5l	IF the Coronovirus continues to spread and increase in impact, THEN the College will need to invoke contingency measures to protect staff and to maintain critical services	Incident Mangement Team convened and asssessed vulnerabilities and critical services to maintain. Communications approach being developed. Cleaning arrangements reviewed and enhanced.	5	5	25	TREAT - Continue with IMT. Regular communications and briefings. Consider impact of moving to next stage (Delay)	5	4	20			

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					
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
	1	2	3	4	5
	Impact				