AUDIT COMMITTEE REPORT

Subject: Strategic Risk Register	**Purpose:** **For Approval** ☐ **For Discussion** ☒ **For Information** ☐
Prepared by: Hazel Robertson, Vice Principal – Finance and Corporate Services	**Date:** 6 May 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) was discussed at the Regional Board meeting on 23 April 2020 when risks were substantively reviewed in the context of the COVID19 pandemic. Risk 5k relating to the bursary laptop scheme had been closed following approval and it was agreed that the following two risks above target were complex and would be explored further with the Audit Committee:

5h GDPR
5i Cyber Security

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

Previous Committee Approvals: n/a

For publication ☒	**For publication with redactions** ☐	**Not for publication** ☐

BORDERS COLLEGE STRATEGIC RISK REGISTER - COVID19 impact
Strategic Risk Appetite - MODERATE

Date: 06/05/2020

	Objectives and Risks	COVID 19 impact	Current Likelihood (1 - 5)	Current Impact (1 - 5)	Current Rating (max =25)	Above / On Target	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**	
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.	We are confident in our ability to meet our funded credit targets. Board were previously advised of the potential for overshoot, and additional costs as a result. This situation has been successfully managed.	2	2	4	On Target	Principal
1b	IF there is not successful engagement with partners, THEN the College will not be able to identify and meet their needs.	Strong engagement with partners has continued and where possible within the context of COVID19 we are continuing to meet their requirements under current constraints	2	3	6	On Target	Principal
1d	IF SDS funding is reduced, THEN the College will not be able to meet the demands of our stakeholders.	Significant national and local engagement has resulted in a set of QandAs. Most significant issue will be ability to undertake any practical assessments. Likely impact has been factored into our financial assessment.	2	3	6	On Target	Principal
1h	If EU-funded Credit activity is withdrawn, THEN the College may not be able to sustain activity levels	There are no specific COVID19 concerns	5	2	10	On Target	VP C&SS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.	There are no specific COVID19 concerns	3	3	9	On Target	VP F&CS
2	**Deliver successful outcomes for all our learners - Risk Appetite - OPEN**					**Deliver successful outcomes for**	
2a	IF learners' needs are not properly articulated when considering resource planning, THEN learners may not achieve their desired outcomes.	The move from face to face to online learning introduces different resourcing issues. Investment in elearning facilitators, additional support for learning through achievement coaches and focused student support. Discussions with staff side and student representatives are ongoing to identify any requirements. We understand that the EIS plan on undertaking a survey on the impact on learning and this will be a helpful exercise to identify any additional requirements.	2	2	4	On Target	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.	Regular team meetings are in place for staff to remain engaged. We are also undertaking a monthly staff survey to determine any issues.	2	2	4	On Target	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.	The BDU team are proactive in liaising with employers regarding their requirements in the current environment. Meeting some aspects of curriculum is difficult where practical assessments are involved. Delivery to meet employers needs is being enabled. There is some loss of income projected in the financial assessment, therefore risk is above target level.	3	2	6	**Above Target**	Principal
2e	IF students are not enrolled on the most appropriate programme, THEN they may be less likely to succeed.	This will impact on 20/21 application process for some courses as we are unable to undertake skills tests as part of the interview process. These are in areas of high applications eg carpentry and joinery	3	3	9	**Above 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.	We have been guaranteed that funding will be provided as required and that there will be ability to use flexibility to meet hardship issues	1	2	2	On 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.	There are specific COVID19 impacts on our ability to complete some qualifications and some students may not continue with their assessments or engage with us following Easter – we are highly unlikely to have a positive trend this year	3	3	9	**Above Target**	VP C&SS
3	**Provide a high quality College experience - Risk Appetite - MODE**	**Provide a high quality College experience - Risk Appetite - MODERATE**				**Provide a high quality College**	

BORDERS COLLEGE STRATEGIC RISK REGISTER - COVID19 impact
Strategic Risk Appetite - MODERATE

Date: 06/05/2020

	Objectives and Risks	Current COVID 19 impact	Likelihood (1 - 5)	Impact (1 - 5)	Rating (max =25)	Above / On Target	Exec owner
3b	IF significant numbers of learners decide to travel to study at other colleges and HEIs, THEN learner choice will likely be reduced.	No specific COVID19 impacts	2	2	4	On Target	VP C&SS
4	**Grow our business - Risk Appetite - CAUTIOUS**					**Grow our business - Risk**	
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.	We are confident in our ability to meet our funded credit targets. Board were previously advised of the potential for overshoot, and additional costs as a result. This situation has been successfully managed.	2	3	6	On Target	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.	There is a drop in income due to COVID19 impacts however this is matched with a reduction in expenditure therefore overall impact is largely mitigated. Impact has been factored into financial assessment.	3	2	6	**Above Target**	Principal & 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.	End of project report is being compiled and demonstrates the effective implementation of this project and a significant level of progress on development of teaching and learning materials for use across the SOS. Added value created through set up of joint brand, website and learning platform. Report will be provided to Board in April. Phase 2 funding proposal has been submitted for consideration by SOSE.	2	2	4	On Target	Exec Group
5	**Build sustainability - Risk Appetite - MODERATE**					**Build sustainability - Risk**	
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.	Effective development and deployment of the 3 year digital development and delivery programme has allowed the College to have a smoother transition from face to face delivery to remote delivery. Year 1 of the programme has been delivered and aspects of year 2 have been brought forward. The only concern is that the upgrade of the finance system was interupted by the lock down process and training has still to be completed. Benefits are therefore not yet being realised.	2	2	4	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.	Investment in Programme Manager post has provided additional capacity to ensure that we meet our obligations in relation to new projects and income streams. Positive examples include Boatyard for the Sea, Advanced Manufacting fund, funding for renewable energy, charging points, and more	2	2	4	On Target	Exec Group
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.	No specific COVID19 impacts	3	4	12	Below Target	VP F&CS
5d	IF regional demand reduces, THEN the credit target may not be achieved and funding reduced.	No specific COVID19 impacts for this year	2	3	6	Below Target	VP C&SS
5h	IF the College is unable to meet the requirements of GDPR THEN the College may suffer financial and reputational damage	Information Governance audit has been completed and identifies some actions for completion. These actions are not new, but the report serves as a helpful basis for ensuring a focus on implementing our already agreed action plan. Report will be reviewed by audit committee at which time this risk score will be reassessed.	2	3	6	**Above Target**	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	We are aware of cyber security risks as a result of COVID 19 however there are no current issues locally. We will provide a report on this matter for consideration at the next audit committee at which time the risk score will be reassessed.	3	3	9	**Above Target**	VP F&CS
5j	IF our Childcare targets are not met THEN this could have a negative impact on financial sustainability	No specific COVID19 impacts	2	2	4	On 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	No specific COVID19 impacts. Course costings are currently being prepared and we have built in assumptions about laptop provision into our financial planning. Suggest closing this risk.	4	1	4	On Target	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 Management Team arrangements successfully supported the College in addressing the public health risks for the College and in ensuring the College could move from face to face delivery to remote delivery. The Incident Management Team were stood down and replaced by a "new normal" meeting structure to support College operations during this time. A new Performance Matrix has been implemented to track key metrics. An Exit Plan is in preparation for how we will plan for the next stage which will include exiting from the lock down in a phased manner.	5	4	**20**	On 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					
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				