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FINANCE AND GENERAL PURPOSES COMMITTEE

Subject: Strategic Risk Register	**Purpose:** **For Approval** ☐ **For Discussion** ☒ **For Information** ☐
Prepared by: Hazel Robertson, Vice Principal – Finance and Corporate Services	**Date:** 25 May 2020

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

Linked to Strategic Goal 5: Build Sustainability.

Executive Summary:

Risks have been substantively reviewed in the context of the COVID19 pandemic. Members should be mindful that the situation is rapidly changing and this assessment is accurate as at the date compiled 25 May 2020.

The following risks have become above target due to the impact of COVID19.

2c	This risk has become above target level due to the impact of COVID19 on employers. Where possible we are continuing to deliver to meet current need however there are impacts on our ability to deliver curriculum where this involved practical work in employers businesses.
2e	This risk has become above target due to the impact of lock down on our ability to undertake skills tests as part of the application process. This will impact most on joinery and carpentry where there are large volumes of applications. We have had to temporarily suspend the interview process for 20/21 due to the need to concentrate on current year students.
2h	This risk has become above target due to the impact of lock down on assessments and qualifications. Some students may not continue with assessment or engage with us following Easter. We are highly unlikely to have positive trend on outcomes, as a result of COVID19
4b	This risk has become above target due to the impact on commercial income. Financial assumptions have been included in our Mid Year Review.

The following risks mitigation strategies have been further progressed

2f	We are forecasting a significant underspend in student support funds, even after making additional funds available to support hardship issues. We have requested a carry forward of these funds to support continuing students from this year. We are also looking to further support digital poverty issues through the use of discretionary funds.
4f	We await feedback from SOSE who have received the joint phase 2 bid from Borders College and Dumfries and Galloway College.

Substantial progress has been made on these compliance risks. The Audit Committee has received separate internal audit reports on these and have agreed to maintain risk scores at their current levels and review again in October 2020.

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. Implementation of the Identity Management Systems in March 2020 allows commencement of roll out of Office 365 and related functionality, thus allowing us to address the concern about data leakage. A data breach reported in January has resulted in some recommendations to further improve our information controls. A recent Information Governance audit has identified some issues to be addressed however these are not new issues. The report reinforces the need to complete the implementation of our action plan.
5i	We achieved Cyber Security Plus accreditation in August 2019 and this will be due for renewal in August 2020 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. Nationally we are aware of some concerns in relation to cyber security as a result of COVID19.

A new risk has been added in relation to the potential impact of COVID19 on our financial sustainability. This risk is scored at 16 due to the almost certain nature of the impact. If this level of deficit rolls forward, and there is an expectation on the Board that we will be able to identify additional savings to cover the deficit, this will necessitate bringing forward difficult choices. Guidance on the FFR process has not yet been received so we are not clear how SFC will wish to handle this matter across the sector.

The following risk has been closed as required controls are in place and effective.

Risk description		Change
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	Close

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: 25/05/2020

	Objectives and Risks	Current COVID 19 impact	Likelihood (1 - 5)	Impact (1 - 5)	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. Gap analysis due for completion imminently whereupon risk will be re-assessed.	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.	COVID19 impacts directly 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. We had had to temporarily suspend interview processes due to demand and need to focus on current year student progression.	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. Currently forecasting an underspend which we have asked SFC to carry forward into 20/21 to enable support for continuing students to complete.	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: 25/05/2020

	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. Looking to complete in next two weeks. Agreed to commence a Digital Transformation Programme with external support to help us to design the next and major phase of transformation of our digital delivery and options for the infrastructure.	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 reviewed by audit committee and risk level remains, to be further reviewed in October.	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. Report reviewed by audit committee and risk level remains, to be further reviewed in October.	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
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	3	**15**	On Target	VP F&CS
5m	IF the Coronovirus continues to spread and increase in impact, THEN the College will incur a deficit due to increased costs and reduced income.	Forecast deficit due to reduction in income and increase in costs. Reduced to some degree by our application for the furlough scheme. Unclear how the SFC will want to handle this position, which is felt across the sector. FFR guidance has not yet been issued.	4	4	**16**	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	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				