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F&GP COMMITTEE REPORT

Subject: Strategic Risk Register	**Purpose:** **For Approval** ☐ **For Discussion** ☒ **For Information** ☐
Prepared by: Hazel Robertson	**Date:** 17 February 2021

Purpose:
To provide members with the current strategic risk register for scrutiny

Linked to Strategic Goal: We will take a leading role in enabling an inclusive, resilient and sustainable Scotland

Executive Summary:

There is an agreement that the strategic risk register and process requires renewal. The two risk workshops took place in January 2021. To support implementation of the Board Development Plan, the risk workshops covered:

- Strategic Risk Identification, Assessment and Monitoring
- Scenario Planning
- Establishing the right balance in the Board's Attitude to risk
- Understanding and developing the roles accountabilities of the Board Committees
- Maintaining a clear distinction between issues that relate to governance and those that are operational in nature.

As part of the workshop we also considered the cybersecurity Board toolkit.

Risk Register Policy

Notes from the two sessions are attached as Appendix 5. The proposed new methodology will include:

- Taking a more developed approach using scenario planning as a tool to identify potentially positive and negative impacts of uncertainty
- All new risks should be debated at the Board
- Appropriate delegation of scrutiny to specific committees to allow for more detailed discussion
- Focus less on scoring risks, and more on measuring impact through KPIs.
- Agreeing appetite at individual risk level, not College wide.
- Board will agree tolerance levels

Members are reminded that risk is about uncertainty, so going forward for the new risk process we also need to identify areas where we can use uncertainty to our advantage, to improve our ability to achieve our strategic ambition.

The Regional Board retains responsibility for risk within the College and will be provided with the revised Risk Policy for approval.

Risk Register

The strategic risk register is attached as Appendix 3. This is an interim register until the Board can consider the findings of the risk workshops and risks associated with delivery of the new Strategic Ambition.

Risks have been aligned to the 3 strategic objectives:

1. We will provide high quality learning and training opportunities which are relevant, enabling and flexible
2. We will proactively engage with our community and stakeholders to ensure our practice reflects their need
3. We will take a leading role in enabling an inclusive, resilient and sustainable Scotland

Changes are highlighted in red type. Two risk scores have changed.

5c	National bargaining	Impact score reduced to 3 to reflect the assumption that SFC distribution of funds would address the financial impact on the College
5l	Covid 19 impact on student achievement	Extended lockdown impact on student outcomes and potential for large number of deferrals into 2021/22

(Appendix 4). This 5x5 summary by strategic objective hopefully makes it easier for members to understand where our most significant risks are, and thus, where our efforts need to be focussed.

Looking at the 5x5 matrices is probably the easiest way to identify any risks that have been missed or any that may require review and rescore. Similarly, these matrices may also help members to think about risk appetite.

Risk exposure

The greatest risk exposure currently is:

- Potential excess costs associated with national bargaining/job evaluation (no information available to further assess this until the outcome of job evaluation begins to become available). Potential pressures on support staff pay due to pay negotiations. Assumptions currently assume SFC funding, but is a risk and potentially a time lag.
- Potential worsening impact of COVID on delivery of curriculum. We are assessing the potential number of deferrals into 2021/22 and will need to explore options for how we can accommodate these students into the College calendar.
- BREXIT impact on the economy and the College not being able to meet regional need (unable to adequately assess due to lack of sufficient information).
- Lack of growth funding from SFC (risk of insufficient capital funds for IT has reduced in the current year due to the development of a funding model for the currently scoped Digital Transformation Programme)

- Potential impact of ineffective engagement with partners (much of our strategic ambition relies on this). Appointment of an Exec Director and Director will have a direct impact on this area of our activity. A new Stakeholder Strategy is being developed. This will also positively impact on our marketing activity including website, which is being replaced by the summer.

Recommendation:

Members to

- Seek clarification on any specific risks and gain assurance on mitigation plans.
- Identify any additional strategic risks to be added to the Register.

Previous Committee Approvals:

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

APPENDIX 1 Proposed risk impact matrix

Descriptor	Negligibile	Minor	Moderate	Major	Extreme
Student experience	Reduced quality of student experience/outcome directly due to curriculum delivery	Unsatisfactory student experience / outcome - readily resolvable	Unsatisfactory student experience / outcome - resolvable within xxx time	Unsatisfactory student experience / outcome - resolvable within xxx time	Unsatisfactory student experience / outcome - long term impact
Objectives / Project	Barely noticeable impact on scope, quality or schedule	Minor reduction in scope, quality or schedule	Reduction in scope, quality or schedule	Significant project overrun / reduction in quality	Inability to meet project objectives / impact on reputation
Injury to student/ staff / visitors	Adverse event not requiring first aid	Minor injury/illness requiring first aid	Agency reportable	Long term incapacity requiring medical treatment or counselling	Death or major permanent incapcity
Complaints	Locally resolved verbal complaint	Justified written complaint	Justified complaint involving lack of professionalism	Multiple justified complaints	Complex justified complaints
Business interuption	Interuption in a service which does not affect delivery of educational services	Short term interuption which has minor impact on educational delivery	Some disruption with unacceptable impact on educational delivery. Temporary loss of ability to provide services.	Sustained loss of service which has serious impact on ability to delivery educational services, resulting in major contingency plans being invoked.	Permanent loss of core service or delivery. Disruption to services causing significant knock on effect
Staffing	Short term low staffing levels temporarily affecting service quality	Ongoing low staffing level reducing service quality. Minor error due to ineffective training	Late delivery of objectives due to lack of staff. Moderate error due to ineffective training.	Uncertain delivery of objectives due to lack of staff. Major error due to ineffective training	Non delivery of key objective due to lack of staff. Loss of key staff and inability to recruit. Critical error due to ineffective training.
Financial	Negligibile <£1k	Minor >£1k to £10k	Significant >£10k to £50k	Major >£50k to £100k	Over £100k
Inspection / Audit	Small number of recommendations - minor quality improvement	Recommendations which can be addressed by low level of management action	Challenging recommendations which can be addressed with appropriate action plan	Enforcement action, low rating. Critical report	Prosecution, zero rating, severely critical report.
Reputation	Rumours, no media coverage, little impact on staff morale	Local press, little impact on morale and public perception	Local media coverage. Long term adverse publicity. Significant effect on staff morale and public perception	National media coverage less than three days. Public confidence undermined. Use of services affected	National media coverage > 3 days. MSP/MP concern (questions in Parliament), pubic enquiry, enforcement

APPENDIX 2 Proposed probability scoring and overall Risk Matrix

	Rare	Unlikely	Possible	Likely	Almost certain
Probability	Cant believe this event would ever happen - will only happen in exceptional circumstances	Not expected to happen but definite possibility exists - unlikely to occurr	May occurr occasionally - has happened before on occasions - reasonable chance of occuring	Strong possibility that this could occurr - likely to occur	This is expected to occur frequently - more likely to occur than not

Previous matrix

Impact /Likelihood	**Negligibile**	**Minor**	**Moderate**	**Major**	**Extreme**
Almost certain	5	10	15	20	25
Likely	4	8	12	16	20
Possible	3	6	9	12	15
Unikely	2	4	6	8	10
Rare	1	2	3	4	5

Proposed

Impact /Likelihood	**Negligibile**	**Minor**	**Moderate**	**Major**	**Extreme**
Almost certain	5	10	15	20	25
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APPENDIX 3

BORDERS COLLEGE STRATEGIC RISK REGISTER
Strategic Risk Appetite - MODERATE

Date: 26/01/2021

	Objectives and Risks	Baseline controls	Likelihood (1 - 5)	Impact (1 - 5)	Rating (max =25)	TYPE	Likelihood (1 - 5)	Impact (1 - 5)	Rating (max =25)	Target Actions to reach target
1	**We will provide high quality learning and training opportunities which are relevant, enabling and flexible**				25					**We will provide high quality learning and training opportunities**
2a	IF learners' needs are not properly articulated when considering resource planning, THEN learners may be enrolled in the wrong course and / or not achieve their desired outcomes.	The move from face to face to online learning has introduced different resourcing issues. Investment in elearning facilitators, additional support for learning through achievement coaches and focused student support. Strong engagement with BCSA continues.	2	3	6	Student Experience	2	3	6	TREAT - further investment in digital learning support and technology. Further 1-1 support for students is being identified
2b	IF staff are not fully motivated and engaged in delivering the best learner experience, THEN students may not achive desired outcomes.	This risk has not materialised in 2019/2020.	2	3	6	Student Experience	2	3	6	TREAT - further investment in digital learning - staff capability. Two elearning technologists are being recruited.
2h	IF our outcomes don't show a positive trend THEN it may impact on our Education Scotland grade and potentially our SFC funding.	There are specific COVID19 impacts on our ability to complete some qualifications which meant that over 500 students were affected. The priority in 2020/21 is to timetable these students, to support their achievement in 2020/21.	3	3	9	Inspection/audit	3	3	9	TREAT - Continue to enhance tracking and monitoring arrangements. 10 welfare measures have been implemented including feel good day, protected CPD and social activities
4f	IF the College does not work effectively in partnership with other Colleges to implement shared delivery eg digital THEN our ability to access future grant funding from SFC/SOSEA may be impaired.	Although additional funding has not been agreed through SOSEA, this is likely due to the ecomonic impact of COVID19, which is a factor outwith our control. Discussions are ongoing about the next phase. Discussions re wider federations are ongoing	2	2	4	Objectives	2	4	8	TREAT - End of project report submitted. Implementation of spokes nearly complete (some delays due to Covid). Programme for use of schools has been delayed due to covid. Reprofiled plan has been develped.
2	**We willl proactively engage with our community and stakeholders to ensure our practice reflects their need**				32					**We willl proactively engage with our community and stakeholde**
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.	The 2019/20 bid for redistribution was successful however was funded at a much lower rate than expected, due to sector wide demand.	2	2	4	Student Experience	3	4	12	TREAT - Continue to lobby SFC for recurrent growth and flexibility in funding
1b	IF there is not successful engagement with partners, THEN the College will not receive enough funding to 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	Objectives	3	4	12	TOLERATE. - Projects' Board oversees significant projects with external stakeholders. Appointment of Exec Director and Director, along with renewal of the Stakeholder Strategy will provide focus for engagement. Website renewal will support.
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.	This risk is not in our ability to control. It has not materialised to date	3	3	9	Objectives	4	4	16	TREAT - Continue to discuss with SFC. Attend BREXIT forums. Await further advice from SFC.
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.	Impact has been factored into financial assessment. This risk has not materialised in 2020/21	2	2	4	Financial	3	3	9	TREAT - Continue to explore opportunities. Appointment of Exec Director and Director will provide focus for growth. Set stretch targets for curriculum portfolios as part of budget setting for 20/21
5l	IF the Coronovirus continues to spread and increase in impact, THEN the College may need to invoke contingency measures to protect staff, maintain critical services and support student achievement	Our ability to make changes in delivery arrangements in the light of COVID has been established. However the impact of COVID19 on student outcomes is now our primary concern. There is a risk of significant levels of deferrals into next year. This is currently being estimated and we will need to consider how to address this.	3	3	9	Business interuption	4	4	16	TREAT - Keep in touch with national discussions and guidance. Strive to thrive framework allows us to flex up and down as required. Service directory and communications plan updated, for staff and students. Reopen campuses when permitted. Provinding 121 support as required. Assessing potential deferrals so that we can plan how to support students to complete.
3	**We will take a leading role in enabling an inclusive, resilient and sustainable Scotland**				40					**We will take a leading role in enabling an inclusive, resilient and**
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.	There has been no tangible progress on this matter in this year.	4	4	16	Financial	4	3	12	TOLERATE - assume SFC redistribution of funds would address = current risk lowered. Some pressure on support staff pay award, which can be accomodated within current budget availability without too much strain.
5h	IF the College is unable to meet the requirements of GDPR THEN the College may suffer financial and reputational damage	Information Governance audit identified 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	Inspection/audit	3	2	6	TREAT - Data sharing agreements and Data Protection Impact Assessments are now a priority. IT systems audit report highlighted risk of data leakage through USB devices, plan to be implemented. Data breach with associated financial loss, notified in January has identified further technical, operational and training actions. Data protection action plan will be refreshed by February 2021.
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. Cyber risk review nearing completion, and cyber esssentials plus re-acccreditation pending	3	3	9	Business interuption	2	4	8	TREAT - cyber risk technical assessment completed Sep 2020, cyber essentials plus re-accreditation completed Sep 2020. Resource investment agreeed and reported to audit committee in December. The DTP will improve our ability to comply with cyber security standards. Board considered the NCSC toolkit in workshop sessions in January. Additional controls agreed to support Board activity.

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APPENDIX 4

BORDERS COLLEGE
Risk Exposure, Ratings and Appetite

We will provide high quality learning and training opportunities which are relevant, enabling and flexible **Total risk rating** **29**

Likelihood	1	2	3	4	5
5					
4					
3			2h Outcomes trend not positive		
2		4f Ineffective working in partnership with other Colleges to develop digital delivery	2a Learners needs not articulated 2b Staff motivation		
1					

Impact

Acceptable level of risk - risk appetite **OVERALL STRATEGIC RISK APPETITE - MODERATE**

Risk appetite	Definition
OPEN	The College is willing to consider all delivery options and select those with the highest level of productive outcomes, even
MODERATE	The College will only accept exposure to modest levels of risk in selecting delivery options, recognising that this may restrict
CAUTIOUS	The College remains guarded, with a preference for safe delivery options that have no more than a low degree of risk,

We willl proactively engage with our community and stakeholders to ensure our practice reflects their need **Total risk rating** **65**

Likelihood	1	2	3	4	5
5					
4				5l Impact of COVID19 on delivery	
3			1k BREXIT impact on economy		
2		1a Lack of SFC funding for growth 1b Fail to capitalise on commercial opportunities	ib Unsuccessful engagement with partners		
1					

Impact

We will take a leading role in enabling an inclusive, resilient and sustainable Scotland **Total risk rating** **26**

Likelihood	1	2	3	4	5
5					
4			5c Excess cost of national bargaining		
3			5i Insufficient protection from cyber attack		
2			5b Non compliance with GDPR		
1					

Impact

APPENDIX 5

Borders College

Regional Board Risk Workshops

This is an opportunity to re-base the risk register and associated processes in the context of the areas for improvement identified in the Board enhancement plan.

Workshop 1

Elaine Acaster, Ann Letham, Dave Black, David Peace, Jess McBeath, Ingrid Earp

1. Strategic Risk Identification. In the context of our Strategic Ambition and in particular the performance measures therein, what do you consider to be our strategic risks?

    - Major change in political environment eg new government, independence
    - Loss or reduction in funding streams
    - Being an influential partner regionally and nationally is considered a lower risk however could negatively impact on collaborative activity
    - Insufficient income to deliver future model for businesses
    - Not being at the forefront of sustainable practice will negatively impact on Borderlands and AMF project work
    - Inflexibility of staff model eg inability to attract the next generation of lecturers, people not turning up for interviews
    - Potential consolidation of services – collaboration or shared services is both a threat and an opportunity, potentially very unsettling
    - Ultimate impact of home working and home study on sustainability of campuses and place based service (College as a civic anchor) – alternative use of space eg incubators
    - Digital transformation, structure, capacity and future skill set, digital learning, expertise in cyber security

2. What is our attitude to risk appetite and how will we incorporate this into our risk management process?

Setting out an overarching risk statement was not felt to be helpful. Attitude to risk has to be assessed for each individual risk. Cumulative impact of risks often worse than a single risk alone. Target levels should be set by Board and used as part of monitoring process. All new risks should be debated by the Board when they are added.

3. What should our approach be to scenario planning?
    - This is a mechanism through which to identify the cumulative financial impact of risk.
    - Happy to continue modelling optimistic, pessimistic and most pessimistic, using risks as a frame for setting assumptions.

4. What does this mean for the roles and accountability of our committees?

It was agreed that some of our risks could be delegated to our committees, with oversight maintained by the Board. Some risks would remain at Board level. This would allow committees to take a deeper dive into specific risks and provide additional assurance to the Board.

Opportunity to take a Balanced Scorecard approach.

All new risks should be discussed and agreed by the Board.

Target levels should be agreed by the Board.

5. Cyber Security Toolkit for Boards

Hazel provided the group with a presentation of the key points for consideration in relation to the Cyber Security toolkit (attached below).

The points pertinent to our Board include:

- Be aware of how cyber security affects you as an individual as well as a Board member
- Potential risks associated with some one hacking into your email and accessing sensitive Board/Committee papers. This can be minimised by:
    - moving from sending Board and committee papers by email to using a secure site (eg Sharepoint)
    - introduction of twin factor authentication for access to email (already being rolled out)
- Potential phishing attack which if successful could cause devastating loss of data and severe impact on service delivery. This can be minimised by:
    - Effective training programme including potentially testing this through dummy emails.

Cyber Security.pptx

Hazel Robertson

19 Jan 2021

Workshop 2

Heather Anderson, Nuala Broderick, Paul Cathrow, Ingrid Earp, Virginia Grant, David Johnston, Jen McKenzie, Liz Parks

This group started by talking about risk appetite, agreeing with the first workshop that a single risk appetite score across all risks was not appropriate and that targets should be about helping us to make decisions about where to apply controls and resources to allow us to optimise benefits and minimise threats.

The current risk register process was explained and it was agreed that this can feel mechanical and is not engaging enough to allow full exploration of the both positive and negative aspects of uncertainty. This group agreed with the proposition to designate risks to committees to allow a deep dive and discussion which could then be reported back to the board. There was also discussion about linking KPIs with risks in order to evidence progress.

Much of the discussion then focussed on scenario planning as a tool to identify and manage uncertainty, looking at the drivers for change:

- We are not using scenario planning enough as a Board
- For example environmental social governance, factors such as isolation, technology and accelerated digital capability, remote delivery, ability for students to complete education or to gain employment / articulate to university due to the impact of Covid, our ability to adapt at speed
- Our appetite to accept uncertainty or to use it to further our strategic ambition would vary according to the topic

Practical steps for moving forward

- Potentially hold a workshop per committee to perform a deep dive into the scenarios to be developed
- Less about risk scoring and more about developed approach as outlined above.
- If necessary could use ranking to help prioritise resources

Strategic risk identification - what keeps us awake?

- Maintaining practical competence
- Quality – getting the best for students and legacy of Covid
- How to create an active online learning community
- Engagement issues

Cyber security

- Need to pay more attention to reputational risk eg ensuring that data sharing agreements are robust and in place and that contingency plans and in place for any significant loss of data. Noted the difficulty in getting this in place with SBC
- Confirmed the need to implement use of college email account, twin factor authentication for logging in, use of sharepoint or similar rather than emailing attachments, reinforce not saving sensitive documents to personal laptop drives

Hazel Robertson

22 Jan 2021