

# AUDIT COMMITTEE REPORT

<b>Subject:</b> Strategic Risk Register	<b>Purpose:</b> <b>For Approval</b> <input type="checkbox"/> <b>For Discussion</b> <input checked="" type="checkbox"/> <b>For Information</b> <input type="checkbox"/>																																			
<b>Prepared by:</b> Hazel Robertson, VP Finance & Corporate Services	<b>Date:</b> 04 May 2022																																			
<b>Purpose:</b> To present the current report on the Risk Register for review.																																				
<b>Linked to Strategic Ambition:</b> Take a leading role in enabling an inclusive, resilient and sustainable Scotland  <b>Performance Measures:</b> Recognised as national leaders in sustainable practice																																				
<b>Linked to Strategic Risk Register:</b> Governance  <b>New Risk Commentary:</b> Encompassing all risks																																				
<b>Executive Summary:</b>  <b>Summary risk profile</b> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 45%;">Risk theme</th> <th style="width: 15%;">Target</th> <th style="width: 20%;">Rating</th> </tr> </thead> <tbody> <tr> <td rowspan="3" style="text-align: center; vertical-align: middle;">Customer / Student</td> <td>1a Delivery model - changes to political environment</td> <td style="text-align: center;">6</td> <td style="text-align: center;">6</td> </tr> <tr> <td>1b Alumni skilled, resilient and agile – impact of COVID</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> </tr> <tr> <td>1c Alumni skilled, resilient and agile – practice reflects need</td> <td style="text-align: center;">6</td> <td style="text-align: center;">9</td> </tr> <tr> <td>Financial</td> <td>2 Financial plan and in year targets</td> <td style="text-align: center;">6</td> <td style="text-align: center;">16</td> </tr> <tr> <td rowspan="3" style="text-align: center; vertical-align: middle;">Internal process/ compliance</td> <td>3a Maximise technology deployment</td> <td style="text-align: center;">6</td> <td style="text-align: center;">6</td> </tr> <tr> <td>3b Breakdown in internal controls</td> <td style="text-align: center;">6</td> <td style="text-align: center;">9</td> </tr> <tr> <td>3c Protection from cyber risk</td> <td style="text-align: center;">10</td> <td style="text-align: center;">15</td> </tr> <tr> <td rowspan="2" style="text-align: center; vertical-align: middle;">Organisational capacity</td> <td>4a Motivated, engaged and capable staff</td> <td style="text-align: center;">4</td> <td style="text-align: center;">6</td> </tr> <tr> <td>4b Inadequate governance arrangements</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> </tr> </tbody> </table>			Risk theme	Target	Rating	Customer / Student	1a Delivery model - changes to political environment	6	6	1b Alumni skilled, resilient and agile – impact of COVID	4	4	1c Alumni skilled, resilient and agile – practice reflects need	6	9	Financial	2 Financial plan and in year targets	6	16	Internal process/ compliance	3a Maximise technology deployment	6	6	3b Breakdown in internal controls	6	9	3c Protection from cyber risk	10	15	Organisational capacity	4a Motivated, engaged and capable staff	4	6	4b Inadequate governance arrangements	2	2
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<p>One new risk has been added: due to the separation of cyber security from information management. This has been necessary to recognise the potential catastrophic impact of a ransomware attack. This risk is rated at 15.</p> <p>The finance risk has been increased in rating back up to 16 given the level of uncertainty and challenge in the coming years. SFC guidance for the coming year and the following two years has not yet been received.</p>																																				

**Recommendation:**

Members are asked to

- review the register and assurances provided,
- endorse the current status of risks, actions and linked performance review,
- and agree the separation of risk 3c protection from cyber risk from risk 3a  
maximise technology deployment.

**Previous Committee Approvals:**

none

For publication ☒

For publication with redactions ☐

Not for publication ☐

## REPORT ON THE MAY 2022 RISK REGISTER

### 1. High risks

The finance risk has been escalated back to 16. Financial planning assumptions for 2022/23 were expected to become clearer after the Scottish Government Budget was announced on 9 December 2021. The indicative allocations were published in mid March and the financial planning assumptions for the coming year will be published in May. Assumptions for the three year FFR will be known in June. There is a reduction of cash compared to 2021/22 allocations. Savings of £424k have been identified along with significant cost pressures such as utilities. Pay awards for 2021/22 and onwards are not agreed. Consideration of scenarios is well underway. We are engaging directly with SFC in relation to our financial outlook.

Cyber Security has been separated out due to the potentially extreme impact of a ransomware attack. The College remains very vigilant in this space and will be implementing a comprehensive staff awareness and training programme and compliance checks. Exercise in a box programme will also be implemented.

### 2. New risks

As noted above cyber security is now a stand alone risk.

### 3. Changes to risk profile (risk score)

Student experience

- Reduced COVID impact (risk 1b) to 4, which remains a medium risk. Continued hybrid working is enabling more on campus activity.
- Learners needs (risk 1c) reduced to 6 to reflect benchmarked performance levels with the College being in the top quartile.

Maximise technology deployment

- Reduction in risk 3a due to 6 due to separation of cyber risk.

Protection from cyber risk

- New risk 3c scored at 15 to reflect the potential serious impact, this is a high risk area.

Finance

- Increase in finance risk (risk 2) from 12 to 16 which remains a high risk. Scenario planning on least pessimistic and most pessimistic scenarios provide options for achieving a break even position in 2022/23 although the position still holds risk in relation to potential pay increases and inflation.

### 4. Assurance on changes made

**Notable progress on actions (marked in red type on the register)**

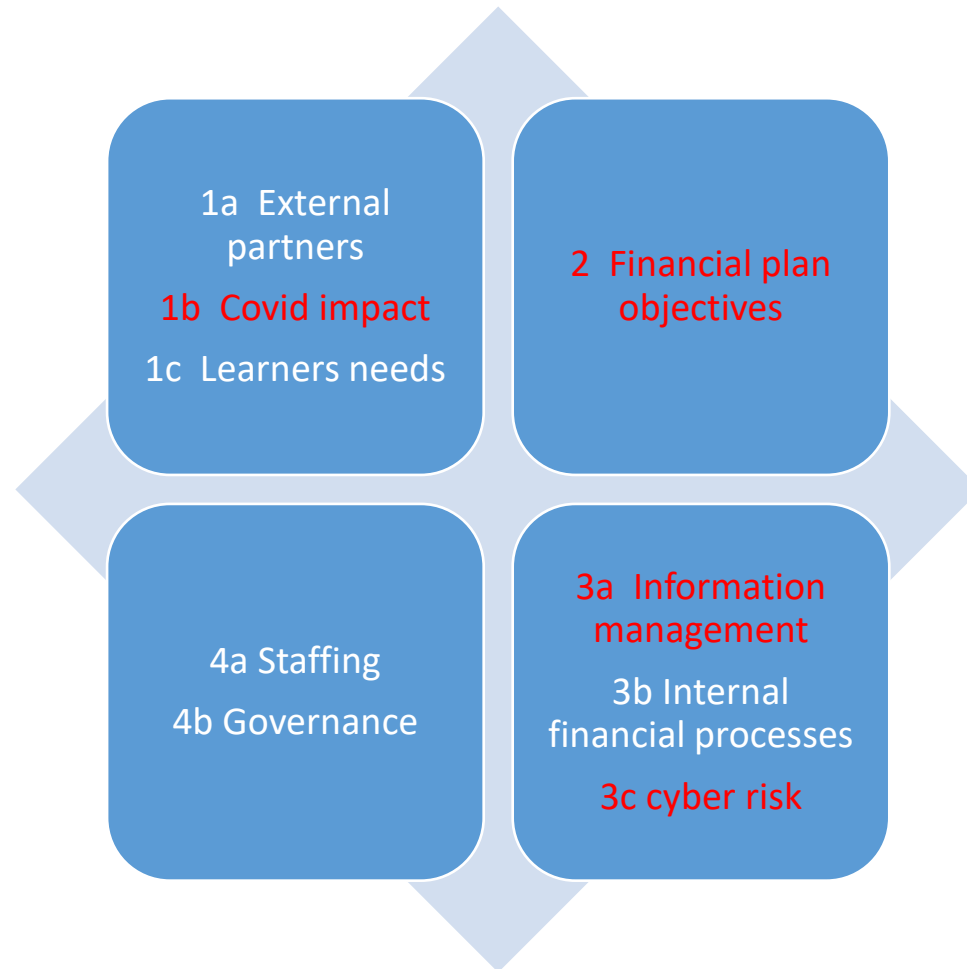
	Delegated to	Update
1a	Board	Preparing for bidding to the new prosperity fund for possible Lowwood development CRM project progressing towards tender process and award of contract

		Considering strategic developments in delivery including immersive learning space
1a 2	Board F&GP	Indicative allocations published Awaiting guidance on two stage FFR Scenario planning and savings challenge process undertaken. Risk remains in relation to inflation and current/ future pay awards.
1b 1c	C&Q	Further CPD complete for curriculum managers in the use of ProSolutions Confidence in achieving credit position but Foundation Apprentice target not fully met. Benchmarked performance across the sector
2	F&GP	Current year risk has been addressed. Finance KPIs very favourable especially creditors payment. Margin analysis not well enough developed to inform budgeting and planning for next year. Reprofiled capital plan and reconfirmed Melrose Road receipt with SFC. Some bids received for next year.
3a	Audit	Continued delay in DP assurance framework, we have a new DPO who is working with 3 managers who have not yet progressed.
3b	Audit	Steady progress on procedures. May be restricted by lack of functionality in SUN accounts – replacement solution being scoped. Aiming to end review by end September including Financial Regulations review.
3c	Audit	Board seminar held. 12 questions for Board to be discussed through audit committee.
4a	F&GP	Extension of GPTW confirmed. Escalation process in place for SPDR reviews.
4b	Board	No change

## 5. KPI performance

KPI performance has been incorporated where available and meaningful. This has been useful in informing the action updates and assessment of risk scoring.

# Strategic Risk Management Report



03 May 2022

# Strategic Risk Management Report

Strategic ambition performance measures						Rating	Rating
Strategic Risk Theme						03 May 22	11 Feb 22
Scrutiny	Perspective	Target					
1a	Recognised leader in sustainable practice; influential and collaborative partner; recognised nationally as progressive organisation; delivery models are personalised focus on individual and business need	Major changes / opportunities in socio political environment	Board	Customer	TREAT (6)	6	6
1b	Alumni skilled, resilient and agile; student outcomes in the top quartile; engaged and empowered student body; student satisfaction in the top quartile	Profound impact of COVID19 on delivery and student achievement	Curriculum & Quality	Customer	TOLERATE (4)	4	6
1c	Alumni skilled, resilient and agile; student outcomes in the top quartile; engaged and empowered student body; student satisfaction in the top quartile	Ability to proactively engage with our community and stakeholders to ensure our practice reflects their needs	Curriculum & Quality	Customer	TREAT (6)	6	9
2	Financial plan and in year financial targets to be met	Long term variability in spend and /or insufficiency in income streams leading to financial instability	Finance & GP	Financial	TREAT (6)	16	12
3a	Integrated asset management - maximise technology deployment	Inadequate IT and information management and security leading to information breach, excess costs and service unavailability	Audit	Organisational	TREAT (6)	6	9
3b	Compliance with financial regulations	Potential breakdown in internal financial controls leading to loss of funds / excess costs / fraud	Audit	Organisational	TREAT (6)	9	9
3c	Recognised leader in sustainable practice - protection from cyber risk	Insufficient controls in relation to cyber security, inability to respond to loss of service or data	Audit	Organisational	TREAT (10)	15	
4a	Agile and creative staff body; engaged and empowered staff body; staff satisfaction in the top quartile	Staff are not motivated, engaged or capable	Finance & GP	Organisational	TREAT (4)	6	6
4b	We will continue to be recognised nationally as a progressive organisation; the successful delivery of our Strategic Ambition and the long term sustainability of the organisation.	Governance arrangements do not meet best practice governance standard	Board	Organisational	TOLERATE (2)	2	2

# Customer perspective (external partners)

1 Major changes / opportunities in socio political environment			03/05/2022		
Positive uncertainty – opportunity	Negative uncertainty – threat				
Significant funding / resources available from partnerships	Lack of clarity regarding future funding				
Partnership and driving value for money	Potential changes in priority areas				
Major changes in political environment eg Brexit, new Scottish or UK government, independence	Uncontrolled variability in funding streams				
	Tertiary sustainability (SFC review)				
Existing controls	Planned activity	Responsible	Date	Update	
Liaise strategically with funding bodies eg SOSE, Borderlands, City Deal, Community Renewal Fund	Work with interested college/university partners	Execs	Jul-22	Preparing for a bid for prosperity fund. Developing immersive space and considering esports development	
Political lobbying for growth and fair funding	Principal meeting with and writing to political figures	Principal	Jan-22	Letters re growth and funding sent. No growth in 22/23 credits	
Liaise with policy forum - Principals Group, Colleges Scotland, SFC	Diversifying funding streams	SLT	Jul-22	SG budget published 9/12, SFC indicative allocations published, awaiting FFR guidance.	
Developing customer relationships	Investing in future products and delivery models to weather storm of changing priorities	Exec Director of EBI	Nov-22	Investing in CRM to support engagement processes. Design phase due to complete May	
Performance measures	Tolerance level			Current position	
Apprenticeship starts up 33%	+/- 5% of contract level			Update for end 1st quarter	
Increased funding from varied sources	Not meeting budget			Update for end 1st quarter	
Employer satisfaction 100%	Not meeting non SFC target			No change	
Advancement of service delivery in priority areas	Drop in employer satisfaction			Update for end 1st quarter	

Owner	Scrutiny	Impact	Likelihood
Angela Cox	Board	3	2
		Overall score (as is)	6
		Strategy and appetite	TREAT (6)

No change

# Customer perspective (Covid19 impact)

1b Profound impact of COVID19 on delivery and student achievement			03/05/2022		
<u>Positive uncertainty – opportunity</u>	<u>Negative uncertainty – threat</u>				
Beyond level zero - flexibility for online and on campus	High level of concern at national level - may need to reduce activity				More courses moved to online delivery prior to Christmas
Expect the average to be 2 days in college and one online	potential disruption due to isolation and illness of staff				
Lecturing staff ability and desire to redesign	Uncontrolled variability in funding streams				
Received funding to cover Covid costs	Low number of deferrals - 500 credits at risk due to deferrals - nothing else to add				
<u>Existing controls</u>	<u>Planned activity</u>	<u>Responsible</u>	<u>Date</u>	<u>Progress</u>	
Apprentices will add missed activity into this year	Additional hours and proposal to SQA for skills tests for missed evidence from VQ	APs	Complete	forecast achievement of credit target with exception of FA	
Effective use of timetabling	Use of new MIS offers greater planning and tracking and monitoring functionality	APs	Complete	Curriculum managers now more confident with Prosolutions and using information to manage their areas. One manager receiving targetted support.	
Management of staffing	Contingency planning for material levels of absence	SLT	Complete	Contingency plans developed	
<u>Performance measures</u>	<u>Tolerance level</u>			<u>Current position</u>	
number of deferrals	No COVID deferrals into 2022/23			no deferals expected	

Owner	Scrutiny	Impact	Likelihood
VP Student Experience	Curriculum and Quality	2	2
		Overall score (as is)	4
		Strategy and appetite	TOLERATE (4)

Reduced risk from 6 to 4

## Customer perspective (learners)

1c Ability to proactively engage with our community and stakeholders to ensure our practice reflects their needs		03/05/2022		
Positive uncertainty – opportunity	Negative uncertainty – threat	Current position		
Learners are enrolled to target in appropriate courses and success rates are high	If positive outcomes are not achieved, successful destinations will not be achieved, and Education Scotland Grade could be impacted	FTFE recruitment lower than target. Overall recruitment in line with plan. Negotiation with SFC more credits		
Wrap around support requirements are met	Complaints due to expectations not met	Student referrals for support assessed and implemented timeously. Currently 230 FE students have received/are receiving LS. External processing issues with SAAS causing concern with timeous DSA payments. Support in		
Hierarchy of needs met - funding, support and safety	Uncontrolled variability in funding streams			
BCSA to provide vibrant community	Travel difficulties preventing engagement			
Assisted technologies provided to improve engagement	Poor connectivity, multiple people in home - inappropriate learning environment - home or schools	Loan laptops and specialist assistive technologies have been provided to those who had a need or Learning difficulty requiring specialist equipment		
Collaborate with local providers of support	Non attendance	Ongoing collaboration with local MH providers incl Andys Mans Club, Quarriers, BLISS Academy, Bloom and other MH Providers		
Further develop MH support - with local orgs				
Existing controls	Planned activity	Responsible	Date	Current position
Curriculum planning and marketing	Investment in elearning and quality standards for delivery, closer alignment to Skills needs	AP Q&D	Jul-22	Quality standards being used for adoption of Canvas. Project is 3 months ahead of schedule.
Support through achievement coaches, course tutors, CLMs	Use tracking and monitoring through prosolution	CLMs	Complete	Curriculum managers now more confident with Prosolutions and using information to manager their areas. One manager receiving targetted support.
Responsive support services - Student Support, MH, Student Finance, Student experience committee	Promote service management approach	VPF&CS	Jun-22	One stop shop discovery phase complete on time, now in design phase
	3 times a year meet, and implement action plan	APs & HoSS	ongoing	
Campus Management Committee/Sustainability committee	BCSA to co chair a workstream on behaviour	BCSA President	ongoing	
Feedback mechanisms - local, BCSA, national	Equalities, Enhancement plan, application and enrolment procedure	APs	ongoing	4 year equalities plan in place, strong progress, report to c&QC
Quality check points	Implement action plan	APs	ongoing	Quality check points under review to link with wider quality processes
Student support services pastoral and finance, MH service	Mental Health action plan	H of SS	Jul-22	On track
BCSA support , MH Agreement with SA	Recruitment to MH team	H of SS	Complete	
Performance measures	Tolerance level	Current position		
% of students with positive destinations	less than 85%	awaiting publication		
Retention rates	decreasing trend and /or less than national average	Early withdrawal higher than predicted impacted on credits		
Student progress	decreasing trend and /or less than national average	Student success rates well maintained against the rest of the sector for 2020/21		
Student satisfaction	decreasing trend and /or less than national average	performed better than the rest of the sector in every category and are comfortably in the top quartile of all colleges in Scotland		
Credits used	less than 95% of allocation	Information not yet available		
Quality of LTA		Predicted achievement of credits although some risk in relation to FA (ESF achieved)		
Student survey - 50 % response rate	decreasing trend and / or less than national average			
OA measures	decreasing trends			
Equality measures	achievable targets not met			

Owner	Scrutiny	Impact	Likelihood
VP Student Experience	C&Q Committee	3	2
Overall score (as is)		6	
Strategy and appetite		TREAT (6)	

No change

## Financial perspective (financial stability)

2 Long term variability in spend and /or insufficiency in income streams leading to financial instability		03/05/2022		
Positive uncertainty – opportunity	Negative uncertainty – threat			
Maximise opportunities for commercial funding	Loss of funding streams, insufficient income to deliver			
Bid for project funding to lever major changes in College capacity	National bargaining drives pay costs upwards without matched funding			
Additional in year allocations to advance College service provision	Uncontrolled variability in funding streams			
	No growth in SFC main grant in aid			
COVID19 restrictions ease such that excess spend reduces and commercial and community delivery can resume	Return to variable grant in aid income may result in threat to financial performance			
Existing controls	Planned activity	Responsible	Date	Current position
3 year financial plan through FFR	Integrated planning approach	VPF&CS	Aug 22	Indicative allocations known but FFR guidance not yet available - extended date to August 2022. Significant variables - loss of SFC funding, pay awards, utilities
Savings targets	Model impact of scenarios	VPF&CS	Complete	Savings challenge exercise complete and targets agreed.
Budgetary control and management accounts system	Push out to 5 year plan	AP Finance	Feb 23	Margin analysis not yet sophisticated enough, defer this work until next year
Treasury management of debtors creditors and cash	Refresh KPIs and implement targets for P2P	AP Finance	May 22	Initial transformation complete, further work being done on procedures to complete by May 2022
Capital funding	Retain capital receipt - agree with SFC	VPF&CS	Complete	Reprofiled capital profile and reconfirmed with SFC.
Performance measures	Tolerance level			Current position
Variance from budget	5%			(0.9%), some cost pressures eg teaching supplies and catering provision, possible successful VAT gain. Some income risk. Overall close to target this year and assessing least and most pessimistic scenarios.
% non SFC income	less than 15%			23%. Well ahead of target
Staff costs as % of total costs	less than 67%			66%. Ahead of target by 1%
Cash days	less than 31 days			48 days April 2022 - Core cash remains acceptable level.
Creditor payment days	increasing trend within 30 days			63.7% within 30 days- steady improvement, best in 7 years
% savings delivered	less than 75% achievement			budgets take account of savings requirement, as above some concerns re cost pressures and possible VAT income benefit would offset.

Owner	Scrutiny	Impact	Likelihood
VP F&CS	F&GP Committee	4	4
		Overall score (as is)	16
		Strategy and appetite	TREAT (6)

increased impact due to cumulative effect of future risks

# Internal process perspective (information management)

3a Inadequate IT and information management and security leading to information breach, excess costs and service unavailability			03/05/2022		
Positive uncertainty – opportunity	Negative uncertainty – threat				
Good information and data management supports day to day delivery and data analytics will lead to improved decision making and service delivery	Breaches of Data Protection – loss of information, potential regulatory action and reputational damage				
Strong IT services and provision will enable efficient working practices and enable remote working	Unacceptable unplanned down time leading to loss of service or data				
Existing controls	Planned activity	Responsible	Date	Progress	
Data analytics - stage of development	Develop and Implement action plan for deployment of analytics	Head of MIS	Jun 22	not yet due	
IT management controls	Rebrand as IT Service, with service management culture and formal change management processes	Head of ISLT	Aug 22		
Performance measures	Tolerance level			Current position	
Positive audit outcomes	no high risk issues			audit complete, no high risks	
IT Service performance reporting	no high impact business continuity issues			no high impact issues	
DP events	no more than 5 data events annually			1 complaint received via ICO	
Maturity of data analytics	Assessed availability of data to service managers			some issues with use of prosolutions, additional support in place for curriculum staff	

Owner	Scrutiny	Impact	Likelihood
VP F&CS	Audit Committee	3	2
		Overall score (as is)	6
		Strategy and appetite	TREAT (6)

reduced due to separation of cyber risk

## Internal process perspective (internal financial controls)

3b Potential breakdown in internal financial controls leading to loss of funds / excess costs / fraud		03/05/2022		
Positive uncertainty – opportunity	Negative uncertainty – threat			
Strong and efficient internal financial controls will improve efficiency and effectiveness, and deliver value for money	Weak or missing internal financial controls may not prevent or detect attempts at fraud			
Effective management of senior finance capacity will enable redesign and improvements in processing, thus reducing rework and enabling good financial control	Workload pressure may cause capacity constraints for process redesign, reviewing financial position, analysis and projections			
Existing controls	Uncontrolled variability in funding streams	Responsible	Date	Progress
Financial Regulations, Finance Manual, Anti Fraud and Anti Bribery Policies, Procurement Policy, Fee Policy, Internal Audit	Complete review of finance procedures, prioritise purchase ledger and fixed assets, if workload demands are too high	AP Finance	Sep 22	Audit Committee have approved an extension of date to September 22, system change - being scoped. <b>Financial regulations also require review</b>
	Improved fixed asset management	FBP	Complete	Register reviewed to reflect new accounting policy, asset verification complete, <b>buildings revaluation in progress</b>
Internal and External audit recommendations	Ensure completion of audit action points, prioritising fixed asset controls and impairment	VP F&CS	Complete	Full review will be presented to the Audit Committee in May
Performance measures	Tolerance level	Current position		
Positive audit outcomes	only low risk IA issues - 2 significant deficiencies in external audit - priority to address			<b>Agreed approach to valuation of assets, will be addressed as part of this years annual external audit.</b>
Material delay in implementing audit action plan	Both longstanding significant deficiencies to be clear for 2021/22			
Serious breach of financial regulations	no reported issues			

Owner	Scrutiny	Impact	Likelihood
VP F&CS	Audit Committee	3	3
		Overall score (as is)	9
		Strategy and appetite	TREAT (6)

no change - once asset valuation action is complete, this risk should reduce

# Internal process perspective (cyber security)

3a Inadequate measures in place to minimise severity of a cyber attack and inability to respond timeously to lack of systems and /		03/05/2022		
Positive uncertainty – opportunity	Negative uncertainty – threat			
Strong IT services and provision will enable efficient working practices and enable remote working	Cyber attack - complete loss of data and service			
Existing controls	Planned activity	Responsible	Date	Progress
Cyber Accreditation, Cyber Technical Risk Assessment, Information Security Policy, Electronic Systems Policy	Complete implementation of action plan from CTRA	Head of ISLT	Complete	Additionally accreditation renewed.
	Move to datavita backup as a service, and disaster recovery as a service	Head of ISLT	Complete	
	Disaster recovery and fail over test	Head of ISLT	May 22	
	Implement O365 backup	Head of ISLT	Complete	
	Implement cyber security insurance	Head of ISLT	Complete	
Staff and student training	Implement comprehensive suite of staff and student training and awareness	Head of ISLT/Head of HR	Jul 22	this will supplement the current compliance modules
Board awareness	Briefings for audit committee and Board	VPF&CS	ongoing	
	Compile response to 16 questions for Board members	Head of ISLT	May 22	
Performance measures	Tolerance level			Current position
Unplanned downtime	no significant episodes			no significant events
IT Service performance reporting	no high impact business continuity issues			no high impact issues

Owner	Scrutiny	Impact	Likelihood
VP F&CS	Audit Committee	5	3
		Overall score (as is)	15
		Strategy and appetite	TREAT (10)

new risk

# Organisational capacity perspective (staffing)

4 Staff are not motivated, engaged or capable		03/05/2022		
<u>Positive uncertainty – opportunity</u>	<u>Negative uncertainty – threat</u>			
Continuing to gather and use engagement info through GPTW	Not being able to attract the right individuals			
Wellbeing and mental health initiatives	Insufficient HR staff to support recruitment			
Covid impact on turnover	Covid impact on turnover			
Increasing access to funding for training posts MAs/interns	Over reliance on short term posts could destabilise			
Funding for suitable training	Is training meeting our needs			
National bargaining paying rates above average for region	Results delayed so long - staff uncertain about outcomes			
<u>Existing controls</u>	<u>Planned activity</u>	<u>Responsible</u>	<u>Date</u>	<u>Current position</u>
HR policies and procedures, HR Manual	Monitoring of KPIs	Head of HR	ongoing	review is ongoing, KPIs annual
Workforce strategy	Annual review of performance against measures	Head of HR	May-22	F&GP asked for a different report so this was not required for September - moved to May 22
GPTW	Extension for 3 years, action plan in response, 2 areas of concern	Head of HR	Complete	action plan in place - close item
NJNC involvement	Involvement in national pay and grading group	Head of HR		ongoing including t&c's group, policy working group and 4 day week investigation group
JCCP and local NJNC, Wellbeing Group	Informal meetings staff side, Principal and Head of HR	Principal	ongoing	local dispute ongoing
H&S Committee	Agile workstation assessments, all training up to date	H&S Manager	Complete	
F&GP oversight	Report to every meeting	Head of HR	ongoing	Next meeting is May
SPDR reviews - interim and annual	100% target - monitor through dashboard	WLT	as per plan	not on dashboard but escalation process implemented and will be raised at SLT if any issues arise
Staff contingency arrangements	Consideration of scenarios for loss of staff due to pandemic flu, Temporary arrangements to cover critical staff absence or recruitment challenges.	IMT	complete	Completed a scenario planning exercise and identified additional control measures to adopt if required. Action complete
<u>Performance measures</u>	<u>Tolerance level</u>			
KPIs - turnover, sickness	turnover > 7%, absence > 10%			
Staff satisfaction	reduction of 2%			
GPTW survey and action plan	Actions not completed by end of reference period			
Completion rate Agile	less than 100%			
Completion rate SPDR	less than 100%			
Performance measures from workforce strategy	Actions not completed by end of reference period			

Owner	Scrutiny	Impact	Likelihood
Debbie Kerr	F&GP Committee	2	3
		Overall score (as is)	6
		Strategy and appetite	TREAT (4)

# Organisational capacity perspective (inadequate governance arrangements)

4 Staff are not motivated, engaged or capable		03/05/2022	
<u>Positive uncertainty – opportunity</u>	<u>Negative uncertainty – threat</u>		
Brings a wider expertise - options	Not a balanced view		
Staff and students have assurance	Ineffective engagement of non executives		
Positive reputation	Executives dominate conversation		
Can rely on committee assurance	Not being provided with enough (or too much info)		
Right information at right time will enhance decision making	Unable to gain assurance		
Confident and collaborative dialogue	Members do not comply with code of governance		
Workplan for efficient and effective working	Inability to recruit		
Attend committees to gain information	Not given advice on options available		
<u>Existing controls</u>	<u>Planned activity</u>	<u>Responsible</u>	<u>Date</u>
Standing orders	Governance admin review	Board Sec	Mar-22
Code of conduct	Development and enhancement plan	Board Sec	Jul-22
External evaluation			
Self evaluation			
Appraisals of members			
Board Secretary report to Board			
Board Secretary - independent			
<u>Performance measures</u>	<u>Tolerance level</u>		
External evaluation	Weak outcome		
Internal audit	Weak outcome		
Self evaluation	material drop in ranks		

Owner	Scrutiny	Impact	Likelihood
Ingrid Ogilvie	Board	1	2
		Overall score (as is)	2
		Strategy and appetite	TOLERATE (2)

# Impact assessment

Perspective	Element	Negligible	Minor	Moderate	Major	Extreme
Customer (External)	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), public enquiry, enforcement
Customer (learners)	Business interruption	Interruption in a service which does not affect delivery of educational services	Short term interruption 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
	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
	Complaints	Locally resolved verbal complaint	Justified written complaint	Justified complaint involving lack of professionalism	Multiple justified complaints	Complex justified complaints
Financial	Financial	Negligible <£1k	Minor >£1k to £10k	Significant >£10k to £50k	Major >£50k to £100k	Over £100k
Internal process	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 incapity
Organisational capacity	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.

# Likelihood assessment

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

# Risk Rating

Rating					
Impact /Likelihood	Negligible	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