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FINANCE AND GENERAL PURPOSES COMMITTEE REPORT

BORDERS COLLEGE REGIONAL BOARD

Subject: Strategic Risk Register	**Purpose:** **For Approval** ☐ **For Discussion** ☒ **For Information** ☐
Prepared by: Hazel Robertson, VP Finance & Corporate Services	**Date:** 03 June 2021

Purpose:
To present the proposed revision to the Strategic Risk Report.

Linked to Strategic Goal 3: Provide a high quality College experience.

Executive Summary:

Following a series of workshops with Board members I have developed a new format which is more strategic and will allow for better consideration and scrutiny through the Board and committee structure. It is not yet fully formed and will require consideration by the Board, possibly through another workshop.

This has been presented to the SLT to seek input from an operational perspective.

The main construct is to use a balanced scorecard approach. This provides the following benefits:

- identification of the potential positive impacts of exploiting uncertainty
- alignment with our strategic KPIS will provide members with greater feedback in relation to the mitigation of risks
- ability to use this construct to support the scenario planning undertaken in preparation of the Financial Forecast Return.
- greater alignment to committees, in turn enabling more focussed scrutiny.

The strategic risk themes which are proposed are:

1. Major changes in political environment eg Brexit, new Scottish or UK government, independence
2. Profound impact of COVID19 on delivery and student achievement
3. Learner needs are not understood or met
4. Uncontrolled variability in income streams
5. Fragility of internal control processes
6. Staff are not motivated, engaged or capable

The approach needs some more work which can be undertaken in the next two months. It may be that another workshop would be helpful and views on that are requested.

Recommendation:
Members to provide feedback on the proposal for change in relation to risk register, including whether another workshop would be helpful.

Previous Committee Approvals:

For publication ☒	**For publication with redactions** ☐	**Not for publication** ☐

Borders College
Risk management report

June 2021

Strategic Risk Management Proposal

- Summarise risk at a strategic level
- Using a balanced scorecard approach
- Clear alignment to strategic risk to a Committee or the Board to allow for more targeted scrutiny and consideration of our responses

This will in turn support

- Consideration of positive outcomes from exploiting uncertainty
- Development of scenarios as part of preparation of our FFR and financial plan
- Using KPIs to demonstrate progress, not just risk score

Summary of strategic risk themes

Risk theme	Rating
1. Major changes in political environment eg Brexit, new Scottish or UK government, independence	
2. Profound impact of COVID19 on delivery and student achievement	
3. Learner needs are not understood or met	
4. Uncontrolled variability in income streams	
5. Fragility of internal control processes	
6. Staff are not motivated, engaged or capable	

Perspectives

Perspectives and risk descriptors

Ref	Perspective	Descriptor
1	Customer (external)	Inspection and audit Reputation
2	Customer (COVID impact on students)	Business interruption Student experience
3	Customer (students learner experience)	Complaints Student experience
4	Financial (variability in income)	Financial
5	Internal process (fragility in internal controls)	Objectives / Project Injury to student/staff/visitor Business interruption
6	Organisational capacity	Objectives/Project Staffomg

Customer perspective (external partners)

1 Major changes in political environment eg Brexit, new Scottish or UK government, independence	
Positive uncertainty – opportunity Collaboration and shared services Significant funding / resources available from partnerships	Negative uncertainty – threat Lack of clarity regarding future funding Potential changes in priority areas Potential drive to rationalise the sector Unable to meet needs of the region
Existing controls Liaise strategically with funding bodies eg SOSE, Borderlands, City Deal Liaise with policy forum - Principals Group, Colleges Scotland, SFC	Planned activity Work with interested college/university partners to develop collaboratives / federations
Performance measures Increased funding from varied sources Advancement of service delivery in priority areas	Tolerance level

Owner	Scrutiny
Angela Cox	Board

Impact	Likelihood
Overall score	

Customer perspective (students)

2 Profound impact of COVID19 on delivery and student achievement	
Positive uncertainty – opportunity Acceleration of digitally enabled delivery	Negative uncertainty – threat Practical work not complete High level of deferrals Impact on student health, wellbeing and sense of community
Existing controls Detailed risk assessments at student level Planning and scheduling of practical work Maxiumun utilisation of practical space, supported by risk assessments	Planned activity Investment in eLearning facilitators Additional activity being planned for delivery once restrictions allow (currently constrained to 5% practical delivery.
Performance measures Practical activity levels Successful outcomes	Tolerance level

Owner	Scrutiny
Heather Anderson	C&Q Committee

Impact	Likelihood
Overall score	

Customer perspective (students)

3 Learner needs are not understood or met	
Positive uncertainty – opportunity Learners are enrolled in appropriate courses and succession rates are high	Negative uncertainty – threat If positive outcomes are not achieved, successful destinations will not be achieved, and Education Scotland Grade could be impacted
Existing controls Curriculum planning and marketing Support through achievement coaches Student support services BCSA support	Planned activity Investment in VLE and quality standards for delivery
Performance measures % of students with positive destinations	Tolerance level

Owner	Scrutiny
Heather Anderson	C&Q Committee

Impact	Likelihood
Overall score	

Financial perspective

4 Variability in income streams	
Positive uncertainty – opportunity Maximise opportunities for commercial funding Bid for project funding to lever major changes in College capacity	Negative uncertainty – threat Loss of ESF funding, insufficient income to deliver future model, national bargaining drives pay costs upwards, insufficient capital resource to fund transformational changes
Existing controls 3 year financial plan Savings targets Budgetary control	Planned activity Integrated planning approach Develop forward plan for integrated asset management Model impact of scenarios Push out to 5 year plan
Performance measures % non SFC income Staff costs as % of total costs	Tolerance level

Owner	Scrutiny
Hazel Robertson	F&GP Committee

Impact	Likelihood
Overall score	

Internal process perspective

5 Fragility of internal control processes	
Positive uncertainty – opportunity Good data management supports day to day delivery and data analytics will lead to improved decision making and service delivery Cyber security accreditation and technical risk assessments will reduce risk exposure	Negative uncertainty – threat Breaches of Data Protection – loss of information, potential regulatory action Failure to put a Data Sharing Agreement in place can lead to loss or inappropriate sharing– reputational damage Breach in cyber security can lead to permanent or temporary loss of data / business continuity issues
Existing controls Article 30 register, Privacy notices, data Sharing Agreements, DP Impact Assessments Cyber Essentials Plus Accreditation Cyber Technical Risk Assessment	Planned activity Implement action plan from CTRA Data retention and destruction
Performance measures Positive audit outcomes	Tolerance level

Owner	Scrutiny
Hazel Robertson	Audit Committee

Impact	Likelihood
Overall score	

Organisational capacity perspective

6 Staff are not motivated, engaged or capable	
Positive uncertainty – opportunity	Negative uncertainty – threat
Existing controls	Planned activity
Performance measures	Tolerance level

Owner	Scrutiny
Angela Cox	F&GP Committee

Impact	Likelihood
Overall score	

RISK PROBABILITY AND SCORE

	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

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