REGIONAL BOARD REPORT

BORDERS COLLEGE REGIONAL BOARD

Subject: Strategic Risk Register	**Purpose:** **For Approval** ☐ **For Discussion** ☒ **For Information** ☐
Prepared by: Hazel Robertson	**Date:** 14 October 2021

Purpose: To present the first formal report on the new Risk Register

Linked to Strategic Ambition: Take a leading role in enabling an inclusive, resilient and sustainable Scotland

Performance Measures: Recognised as national leaders in sustainable practice

Linked to Strategic Risk Register: New Risk (outwith themes)

New Risk Commentary: Encompassing all risks

Executive Summary:

Introduction

The Strategic Risk Register was designed through a period of engagement with Board members and with Strategic Leadership Team. A new Risk Management Framework was also designed, to provide guidance on the operation of the process. The Audit Committee approved both the Framwork and the Register and recommend their adoption by the Board.

This report completes the first formal round of reporting on the new register.

Summary risk profile

Perspective	Risk theme	Target	Rating
Customer	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	6
Financial	2 Financial plan and in year targets	6	16
Organisational	3a Integrated asset management	6	9
	3b Breakdown in internal controls	6	9
Staffing	4 Motivated, engaged and capable staff	6	6

New risks

None identified

Changes to risk profile

2	Rating increased to 16 to reflect concern about lack of SFC funding for pay uplift, loss of Foundation apprenticeship funding, and loss of other SFC grants including mental health and deferrals. SFC asked us to forecast this scenario for the FFR. Impact and options will be reviewed in detail and presented to F&GP Committee and then onward to the Board.

Progress on actions

1b **1c**	Use of MIS for tracking and monitoring is delayed a month due to need to familiarise with new MIS, timetables and resolve outstanding queries
1c	Recruitment to MH team is complete
2	SFC have given approval to retain capital receipt for Melrose Road
3a **3a**	Data Protection Assurance Framework developed, will be rolled out by end September
	Datavita project on track to meet programme deadline
	Relaunch of IT Service - planning is underway as part of discovery phase for Phase 2 DTP
3b	Review of fixed asset register complete, change in accounting policy for grouped equipment asset has been proposed

KPI performance

KPI performance has not been incorporated as it is too early in the year to provide meaningful information. KPIs will be reviewed at the end of the first quarter and incorporated where it is meaningful.

Committee cycle of review

All three committees have reviewed the full register and any comments have been incorporated. Curriculum and Quality Committee review took place after this report was written so may wish to provide verbal feedback to the Board.

The only significant point of note through the review process is that the finance risk has increased to 15 due to concerns about funding levels and pay cost pressures for 2023/24. This is covered in more detail in the Financial Forecast return, also on the agenda for this meeting.

Recommendation:

The Board is asked to approve the Risk Management Framework and the New Strategic Risk Register as recommended by the Audit Committee, and as reviewed by the three governance committees.

The Board is asked to note the increased risk score for finance risk based on concerns about future funding and pay cost pressures.

Previous Committee Approvals: Audit Committee, Finance & General Purposes Committee

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

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Working Together

Risk Management Framework

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August 2021

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History of Changes

Version	Description of Change	Authored by	Date
1.1	Policy created	P Smith	August 2011
1.2	Minor updates to policy	P Smith	August 2014
1.3	Updated to include risk appetite and other minor changes	P Smith	December 2016
2.1	Complete rewrite to reflect new approach as discussed through Board level risk workshops	H Robertson	August 2021

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1.0 Introduction and Context

1.1 An effective risk management framework is essential to identify and manage uncertainty which impacts on the ability of the College to provide services and meet its objectives. This framework explains the College's approach to risk management, and documents the roles and responsibilities of the Regional Board, the Senior Leadership Team, and other key parties.

1.2 The Board has agreed that the College's risk appetite will be defined for individual risks, not as a global statement for College activity, nor as a statement per strategic objective. This will encourage maximisation of positive benefits of uncertainty as well as mitigating negative impacts.

1.3 Risk management systems can become over-engineered with too much focus on agreeing the risk score and on managing scores downwards or closing risks. The reality is more subtle, some uncertainty will be acceptable and some uncertainty we will want to exploit.

1.4 The risk management process:

- considers perspectives and identifies uncertainty, both threats and opportunities
- sets out existing controls
- assesses the risk exposure if no further action is taken
- agrees priority actions and tolerances
- sets target risk level and measures impact through KPIs and outcomes of change management activities, rather than just through scores.

2.0 Scope

2.1 This framework outlines principles of risk management, identifies roles and responsibilities and describes the risk management process.

2.2 Risk is about uncertainty: the threat or possibility that an action, omission or event will adversely or beneficially affect the College's ability to achieve its strategic ambition.

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3.0 Risk Management Arrangements

3.1 The governance structure for risk management is shown below.

Regional Board

- Sets the culture of risk management within the College
- Approves the risk management framework
- Agrees the addition or removal of risks from the strategic register
- Determines the College's tolerance or appetite for risk and uncertainty
- Ensures that governance arrangements provide for appropriate scrutiny on major decisions relating to the College's approach to managing uncertainty
- Sets the standards and expectations of staff
- Monitors the management of risk and uncertainty
- Annually reviews the College's strategic register

Audit Committee

- Provides assurance to the Regional Board that risks are being actively managed, with the appropriate controls in place and working effectively, and improvement actions are implemented.
- Recommends changes to the risk management framework to the Board

Governance Committees

- Scrutiny of risks designated to them
- Consideration of the action plan and performance against KPIs and tolerances
- Recommend changes to designated risks

3.2 Management arrangements for risk management are shown below.

Senior Leadership Team (SLT)

- Implements approved policies
- Maintains a strategic risk register which realistically discloses the implications of positive and negative uncertainty and actions to be taken to maximise benefit to the College
- Incorporates management of uncertainty into delivery plans
- Provides adequate information to the Board and its Committees on the status of strategic risks, actions, and performance
- Supports the Board in its annual review of the strategic risk register

Projects' Board

- Receives reports on significnt programme risks
- Maintains a schedule of project risks for monitoring by project sponsors, managers and teams

Risk owner

- Designated post holder who is responsible and accountable for managing the risk in question

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3.3 Risk management process

3.3.1 The risk management process in set out in the diagram below.

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3.3.2 Establish the context

The context for the strategic risk register is the Board's Strategic Ambition, which is underpinned by supporting strategies, the financial plan and annual priorities, agreed by the Board as the means to realise the Strategic Ambition. This is supported by a comprehensive suite of policies/procedures.

3.3.3 Identify the risk

Risks can be identified:

- when setting the Strategic Ambition it is good practice for the Board to reach a common understanding of strategic risk. This is often achieved through workshop activity.
- during the year by:
  - poor outcomes on KPIs
  - significant complaints or adverse events
  - the budgetary control process

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- considerations of the SLT
- committees of the Board or the Board itself
- audit activity
- external reviews.

3.3.4 Analyse the risk

The risk is described in depth, which involves the steps below.

Analysing potential impact will involve reviewing the adequacy of the policy and internal control system, and performance management arrangements for that area of activity. This can be a self-evaluation, an audit review, or via an external evaluation. Best practice from other organisations can be a useful source of material.

3.3.5 Evaluate the risk

The table below sets out the method for capturing risk analysis and moving onto evaluation activity.

Positive uncertainty – opportunity	Negative uncertainty – threat
Existing controls	Planned activity
Performance measures	Tolerance level

Evaluative activity enables the assessment of the impact of risk.

Uncertainty can have a positive impact or a negative impact on the achievement of College objectives. Assessing the level of uncertainty comprises two elements: an uncertain event having an uncertain impact. The risk score is first assessed “as is”, before applying any additional control measures.

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Impact scoring

It is easiest to evaluate a risk by thinking about its impact first, then considering likelihood of that impact occurring. The impact of risk will be considered in four perspectives

- customer
- financial
- internal processes
- organisational capacity.

Setting out criteria for scoring the impact for each perspective allows for comparability of risk scores.

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The table below sets out the scoring criteria for risk impact across the four perspectives, eg

- adverse financial impact of £75k would be a major impact (amber)
- sustained loss of service with impact on educational services would be a major impact (amber)
- a single RIDDOR would be a moderate impact (yellow).

Perspective	Element	Negligibile	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), pubic enquiry, enforcement
Customer (learners)	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
	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	Negligibile <£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 incapcity
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 scoring

The table below provides guidance on scoring the likelihood of an event occurring.

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

Overall risk scoring

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

3.3.6 Treat the risk

Once the level of risk has been established the Board retains responsibility for agreeing risk tolerance levels.

This stage involves agreeing and implementing plans for how to minimise the adverse aspects or realise the positive aspects of the risk. There are three strategic approaches for managing risk.

Tolerate	accept the risk and take no further action
Treat	implement additional controls or action plan to reduce negative impact or to increase positive impacts, and/or likelihood
Transfer	if the risk relates to working with third parties, put in place actions that mean the risk is shared or indeed fully transferred to that third party

A new strategic risk will be considered by the SLT and an action plan agreed. New risks which are red or amber should be immediately discussed with a member of the Executive team so that an appropriate response can be agreed.

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Depending on the Board reporting schedule, new risks may be considered by the relevant committee before seeking the Board's permission to add it to the strategic register.

A new risk will be reported to the Board with a recommendation on whether this requires to be a new risk on the register, or incorporated within an existing strategic risk theme. The Board will agree if this risk can be delegated to a committee for detailed scrutiny.

Decisions to rectify problems are made at meetings of the SLT, Projects' Board, committees of the Board and the Board.

3.4 Risk Reporting

The risk reporting system includes controls, actions and performance indicators.

Risk and action owners will update their actions and progress quarterly. More frequent reporting will be required for risks where urgent action is required or the level of risk is significantly above tolerance levels.

Reports to the committees and Board will highlight:

- New risks
- Changes in controls
- New actions
- Actions which are behind schedule
- KPIS which are outwith tolerance levels
- Changes in risk score
- Risks recommended for closure.

3.5 Strategic risk register

The strategic risk register is owned by the Regional Board and is considered quarterly by the SLT. It is fully reviewed as part of setting annual priorities, and emerging risks, new controls, actions and risk indicators are recommended to the Board. Each risk has an Executive lead and SLT leads for each action / indicator.

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3.6 Operational and project risk management

Managers will use this framework to ensure that significant risks in their departments are identified, assessed and monitored. Risk owners for projects (and programmes) will also use this to manage risks. New and emerging material operational or project risks should be escalated to the SLT for consideration.

4.0 Supporting roles and arrangements

4.1 Executive leadership

The Vice Principal - Finance and Corporate Services provides leadership for implementation of this framework, and for generating reports for Board and its committees to consider.

4.2 SLT leadership

Departmental managers and project managers are responsible for the application of controls to mitigate risks within their areas of responsibility.

The Audit Committee will annually receive assurance from SLT managers that effective risk management is in place within their area of responsibility.

4.3 Internal audit

Internal audit is an important element of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the College. The internal audit plan takes account of the risks facing the College.

4.4 External audit

External audit provides feedback to the Audit Committee on the operation of internal controls as part of the annual audit.

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4.5 Third party reports

From time to time, the use of external consultants will be necessary in areas such as health and safety, Facilities, Information Technology and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

5.0 Related Documents

5.1 Strategic Ambition

5.2 Supporting Strategies and Financial Plan

5.3 Financial Regulations

5.4 College Policies

6.0 Review

6.1 This policy will be reviewed every 3 years or sooner if required.

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Status:	Draft
Dated:	August 2021
Author:	Vice Principal - Finance and Resources
Review Date:	July 2024
Equality Impact Assessed:	Yes

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APPENDIX 1 TEMPLATE STRATEGIC RISK REGISTER

Strategic Risk Management Report

Ref	Strategic ambition performance measures	Strategic Risk Theme	Scrutiny	Perspective	Target	Rating Oct 21	Rating Aug 21
1a	Recognised leader in sustainable practice; influential and collaborative partner; recocgnised nationally as progressive organisation; delivery models are personalised focus on individual and business need	Major changes / opportunities in political environment	Board	Customer			
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	Board	Customer			
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)		9
2	Financial plan objectives to be met	Uncontrolled variability in income streams	Finance & GP	Financial	TREAT (6)		6
3a	Internal processes to be observed						
3b	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)		9
3c	Compliance with financial regulations	Potential breakdown in internal financial controls leading to loss of funds / excess costs / fraud	Audit	Organisational	TREAT (6)		9
4	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

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TEMPLATE STRATEGIC RISK THEME

Choose perspective (high level description)

Number and desccribe the risk theme and potential impact			
Positive uncertainty – opportunity	Negative uncertainty – threat		
Existing controls	Planned activity	Responsible	Date
Performance measures	Tolerance level		

Owner	Scrutiny	Impact	Likelihood
responsible Executive	Delegated committee		
		Overall score	
		Strategy and appetite	

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Strategic Risk Management Report

29 Sep 2021

Strategic Risk Management Report

	Strategic ambition performance measures	Strategic Risk Theme	Scrutiny	Perspective	Target	Rating 29 Sep 21	Rating 07 Sep 21
1a	Recognised leader in sustainable practice; influential and collaborative partner; recocgnised 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	4
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)	9	6
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	9
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)	9	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
4	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

Customer perspective (external partners)

1 Major changes / opportunities in socio political environment		29/09/2021	
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**
Liaise strategically with funding bodies eg SOSE, Borderlands, City Deal, Community Renewal Fund	Work with interested college/university partners	Execs	Jul-22
Liaise with policy forum - Principals Group, Colleges Scotland, SFC	Diversifying funding incomes	SLT	Jul-22
Developing customer relationships	Investing in future products and delivery models to weather storm of changing priorities	SLT	Jul-22
Performance measures	Tolerance level		
Apprenticeship starts up 33%	+/- 5% of contract level		
Increased funding from varied sources	Not meeting budget		
Employer satisfaction 100%	Not meeting non SFC target		
Advancement of service delivery in priority areas	Drop in employer satisfaction		

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

Customer perspective (Covid19 impact)

1b Profound impact of COVID19 on delivery and student achievement		29/09/2021		
Positive uncertainty – opportunity	Negative uncertainty – threat			
Beyond level zero - flexibility for online and on campus				
Expect the average to be 2 days in college and one online	potential disruption due to isolation			
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			
Existing controls	Planned activity	**Responsible**	**Date**	
Apprentices will add missed activity into this year				
Effective use of timetabling	Use of new MIS offers greater planning and tracking and monitoring functionality	APs	Sep-21	extended to allow familiarisation with MIS
Performance measures	Tolerance level			
number of deferrals	No COVID deferrals into 2022/23			

Owner	Scrutiny	Impact	Likelihood
Heather Anderson	Curriculum and Quality	2	2
		Overall score (as is)	4
		Strategy and appetite	TOLERATE (4)

Customer perspective (learners)

1c Ability to proactively engage with our community and stakeholders to ensure our practice reflects their needs		29/09/2021		
Positive uncertainty – opportunity	Negative uncertainty – threat			
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		
Wrap around support requirements are met	Complaints due to expectations not met			
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 envirnonment - home or schools			
Collaborate with local providers of support				
Further develop MH support - with local orgs	Non attendance			
Existing controls	Planned activity	Responsible	Date	
Curriculum planning and marketing	Investment in elearning and quality standards for delivery	AP Q&D	Jul-22	
Support through achievement coaches, course tutors, CLMs	Use tracking and monitoring through prosolution	CLMs	Oct-21	extended to allow familiarisation with MIS - interpendent on timetables
Responsive support services - Student Support, MH, Student Finance,	Promote service management approach	VPF&CS	Jun-22	
Student experience committee	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	
Quality check points	Implement action plan	APs	ongoing	
Student support services pastoral and finance, MH service	Mental Health action plan	H of SS	Jul-22	
BCSA support , MH Agreement with SA	Recruitment to MH team	H of SS	Complete	
Performance measures	Tolerance level			
% of students with positive destinations	less than 85%			
Retention rates	decreasing trend and /or less than national average			
Student progress	decreasing trend and /or less than national average			
Student retention	decreasing trend and /or less than national average			
Student satisfaction	decreasing trend and /or less than national average			
Credits used	less than 95% of allocation			
Quality of LTA				
Student survey - 50 % response rate	decreasing trend and / or less than national averae			
OA measures	decreasing trends			
Equality measures	achievable targets not met			

Owner	Scrutiny	Impact	Likelihood
Heather Anderson	C&Q Committee	3	3
		Overall score (as is)	9
		Strategy and appetite	TREAT (6)

Financial perspective (financial stability)

2 Long term variability in spend and /or insufficiency in income streams leading to financial instability		29/09/2021		
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	
3 year financial plan through FFR	Integrated planning approach	VPF&CS	Oct 21	Oct F&GP
Savings targets	Model impact of scenarios	VPF&CS	Oct 21	Oct F&GP
Budgetary control and management accounts system	Push out to 5 year plan	VPF&CS	Dec 21	
Treasury management of debtors creditors and cash	Refresh KPIs and implement targets for P2P	AP Finance	Oct 21	Oct F&GP
	Retain capital receipt - agree with SFC	VPF&CS	Complete	
Performance measures	Tolerance level			
Variance from budget	5%			
% non SFC income	less than 15%			
Staff costs as % of total costs	less than 67%			
Cash days	less than 31 days			
Current ratio	less than 1			
% savings delivered	less than 75% achievement			

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

score from 9 to 16

Internal process perspective (information management)

3a Inadequate IT and information management and security leading to information breach, excess costs and service unavailability		29/09/2021		
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	Cyber attack - complete loss of data and service			
Existing controls	**Planned activity**	**Responsible**	**Date**	
Article 30 register, Privacy notices, Data Sharing Agreements, DP Impact Assessments, FOI Policy and Publication Scheme	Review FOI publication scheme and DP Policy	VPF&CS	Mar 22	
	Promote retention and destruction action plans	VPF&CS	Dec 21	DP Assurance Framework
Data analytics - stage of development	Develop and Implement action plan for deployment of analytics	Head of MIS	Jun 22	
Cyber Acreditation, Cyber Technical Risk Assessment, Information Security Policy, Electronic Systems Policy	Complete implementation of action plan from CTRA	Head of ISLT	Sep 21	Report to Audit Committee in Oct
	Move to datavita backup as a service, and disaster recovery as a service	Head of ISLT	Oct 21	On track
	Relaunch of IT Services function	Head of ISLT	Oct 21	Part of Phase 2 DTP
Performance measures	**Tolerance level**			
Positive audit outcomes	no high risk issues			
IT Service performance reporting	no high impact business continuity issues			
DP events	no more than 5 data events annually			
Maturity of data analytics	Assessed availability of data to service managers			

Owner	Scrutiny	Impact	3
Hazel Robertson	Audit Committee	3	3
		Overall score (as is)	9
		Strategy and appetite	TREAT (6)

Internal process perspective (internal financial controls)

3b Potential breakdown in internal financial controls leading to loss of funds / excess costs / fraud		29/09/2021		
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			
Existing controls	**Uncontrolled variability in funding streams**	**Responsible**	**Date**	
Financial Regulations, Finance Manual, Anti Fraud and Anti Bribery Policies, Procurement Policy, Fee Policy, Internal Audit	Complete review of finance procedures	AP Finance	Mar 22	
	Improved fixed asset management	FBP	Mar 22	Complete review of register
Internal and External audit recommendations	Ensure completion of audit action points	ongoing		
Performance measures	**Tolerance level**			
Positive audit outcomes	no high risk issues			
Material delay in implementing audit action plan	TO BE AGREED			
Serious breach of financial regulations	no reported issues			

Owner	Scrutiny	Impact	Likelihood
Hazel Robertson	Audit Committee	3	3
		Overall score (as is)	9
		Strategy and appetite	TREAT (6)

Organisational capacity perspective (staffing)

4 Staff are not motivated, engaged or capable		29/09/2021	
Positive uncertainty – opportunity	Negative uncertainty – threat		
Continuing to gather and use engagement info through GPTW	Not being able to attract the rright individuals		
Wellbeing and mental health initiatives	Insufficent HR staff to support recruitment		
Covid impact on turnover	Covid impact on turnover		
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		
Existing controls	Planned activity	**Responsible**	**Date**
HR policies and procedures, HR Manual	Monitoring of KPIs	Head of HR	ongoing
Workforce strategy	Annual review of performance against measures	Head of HR	Sep-21
GPTW	Extension for 3 years, action plan in response, 2 areas of concern	Head of HR	
NJNC involvement	Involvement in national pay and grading group	Head of HR	
JCCP and local NJNC, Wellbeing Group	Informal meetings staff side, Principal and Head of HR	Principal	ongoing
H&S Committee	Agile workstation assessmenets, all training up to date	H&S Manager	Dec-21
F&GP oversight	Report to every meeting	Head of HR	ongoing
SPDR reviews - interim and annual	100% target - monitor through dashboard	WLT	as per plan
Performance measures	Tolerance level		
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)

Impact assessment

Perspective	Element	Negligibile	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), pubic enquiry, enforcement
Customer (learners)	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
	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	Negligibile <£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 incapcity
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
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

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