

Strategic Risk Register update

1.0 PURPOSE OF PAPER

For discussion

- 1.1 The purpose of this paper is to provide the Committee with an update on the Strategic risk register and progress on the agreed actions.

2.0 EXECUTIVE SUMMARY

- 2.1 The full revised strategic risk register is contained in Appendix A, detailing the assigned Committee, risk appetite and progress on the agreed actions.
- 2.2 All risks, other than 1.2 are currently within or below the agreed appetite levels. Agreed actions for these risks are being progressed.

3.0 RECOMMENDATION(S)/ACTION(S) REQUIRED

- 3.1 It is recommended that the Committee: -
- 3.1.1 Note the current strategic risk register and progress of the agreed actions.

4.0 BACKGROUND

- 4.1 The Terms of Reference for the Audit and Risk Committee require the Committee to:

“To monitor and ensure the effectiveness of the College Strategic Risk Register, the Risk Management Framework and the College approach to risk assessment and risk appetite, undertaking reviews as appropriate, and to oversee and approve revisions of, and amendments to, the College Business Continuity Plan”

- 4.2 Identifying and managing risk is a corner stone of effective management and good governance. The revised strategic risk register was developed through a period of engagement with Board Members and with the Senior Leadership Team. The Board development day on 9th November agreed the revised format of the risk register and the Committees responsible for scrutinizing and monitoring progress on the agreed actions for each risk.
- 4.3 The Board agreed risk appetites for each of the identified risks. The table below provides details the parameters for each risk appetite category:

Risk Appetite	Description	Risk Appetite Score
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.	Lower than 7
Minimal	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.	between 7 -9
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken my carry a high degree of inherent risk that is deemed controllable to a large extent.	between 10 - 14
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.	between 15- 19
Hungry	Eager to be innovative and to choose options based on maximizing opportunities and potential higher benefit even if those activities carry a very high residual risk.	20 and above

5.0 RISK REGISTER UPDATE

- 5.1 Following the Board development day there are no risks assigned to the Audit and Risk Committee. The full risk register is contained in Appendix 1 detailing the agreed Committees responsible for scrutiny and monitoring progress of the agreed actions.
- 5.2 The Board, at the meeting on 28 March reviewed the risks and the progress of actions for the risks assigned it. The Board agreed to revise risk 4.1 to 6 from 8. This reflects the actions completed and progress made on the remaining actions.
- 5.3 The Curriculum, Quality & Student Experience Committee are meeting on 30 May and will be reviewing the risks and progress of actions for the risks assigned it. The paper is recommended a revised score for risk 2.1 of 12 from 6. This reflects the increased likelihood of reduced applications in HNC and HND courses.
- 5.4 The Finance & Resources Committee met on 18 March and reviewed the risks and progress of actions for the risks assigned to it. The Committee agreed to increase risk 1.2 to 16 from 12 to reflect the increase risk of the financial stability of the College. The Committee also reduced risk 3.4 to 9 from 12 to reflect the progress on the actions agreed and the awarding of Cyber Essential Plus to the College.
- 5.5 The Senior Leadership Team has fully reviewed the risks and progress of actions on 20 February, 19 March, 23 April and 21 May. Additional factors and consequences have been added to risks 1.2 and 2.1. No new risks have been added to the strategic risk register following these reviews

5.6 All risks, other than 1.1, are currently within or below the agreed risk appetite agreed by the Board. The actions agreed to ensure these are within the agreed risk appetite are progressing and updates are contained in Appendix A.

6.0 IMPLICATIONS AND CONSIDERATIONS

6.1 Financial Implications

There are no direct financial implications from the contents of this report

6.2 Learner Implications

There are no direct learner implications from the contents of this report.

6.3 Staff Implications

There are no direct staff implications from the contents of this report.

6.4 Equality and Diversity Implications/Equality Impact Assessment

There are no direct equality implications from the contents of this report.

6.5 Sustainability/Environmental Implications

There are no direct sustainability implications from the contents of this report.

7.0 RISK COMMENTARY

7.1 The management of risks is an essential part of good governance for an organisation. The monitoring of risk is a key element of this management. This report provides the Committee with assurance that the monitoring of risks is undertaken and agreed actions to further mitigate risks are being progressed

8.0 CONCLUSION

8.1 The agreed actions for risks are being progressed. Monitoring of the register has been undertaken during the period by the Senior Leadership Team, Finance & Resources Committee, Curriculum, Quality & Student Experience Committee and the Board for the risks assigned to them.

Kirsty Robb, Vice Principal Finance & Corporate Services

Previous Board or College Committee Approvals: Audit & Risk Committee, 8 February 2024

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Appendix A

Borders College Risk Register as at

21/05/2024

no	Risk	Causes/ Risk factors	Consequences/ Potential Effect	Risk Owner	Committee	Appetite	Pre Mitigation Score			Existing Mitigation Actions	Post Mitigation Scores			Actions	Progress as at 21/5/24
							Likelihood	Impact	Score		Likelihood	Impact	Score		
Financial Stability															
1.1	Commercial income targets not fully reached.	Availability of external grants lack of Employer demand lack of Student demand External training providers competing for same market	Income targets not achieved resulting in budget deficit Costs incurred not fully covered by income resulting in losses Under utilization of permanent staff and resources Not meeting needs of community & employers Possible impact on credit targets Long term financial targets not achieved.	Dir Fin & Proc/ VP Finance & Corp Services	F&R	Open (between 15-19)	4	4	16	Income targets set and monitored on regular basis Membership of National, local and sectors to identify potential funding sources Regular market research and communication with employers Regular Partnership working	3	3	9	TREAT - Increased monitoring and reporting of Non Core funding to SLT and F&R Committee (by 31/12/23) - Action complete - Identify new funding sources (ongoing) - Embed commercial income into curriculum areas supported by DEBI (by 31/7/24)	-Continuing to develop new income streams and relationships with new customers. - Liaising with SDS in relation to MA Contract for 24/25. - Continuing to monitor Grantfinder and one application made for funding so far (RH)
1.2	Delivery of College outcomes unaffordable	Strategic political policies Changes to SFC funding methodology & allocations Identified savings not achieved Loss of HWU rent/SLA income Unaffordable national pay awards Under utilization of estate Reduction in HE Fees	Possible reductions in funding and credits reduction could result in deficit position Unable to deliver to the level required by students and employers Long term Financial targets not achieved Adverse impact on reputation of College Possible staff losses	Dir Fin & Proc/ VP Finance & Corp Services	F&R	Cautious (between 10-14)	5	4	20	Budgetary monitoring process in place Membership of CDN networks Regular contact with SFC and outcome agreement manager Working with Colleges and CES to lobby Regular reporting to SLT and F&R Committee Partnership working with HWU	4	4	16	TREAT - Develop 3 year budget setting - by 31/7/2024) - Increased monitoring and reporting of savings target (by 31/7/24) - action complete - Undertake increased liaison with HWU for future estate use (by 31/3/24) - Savings monitor report to be developed for SLT (by 31/7/24) - Agree KPI's for Board and F&R reports (by 31/12/23) - Action complete	- Budget setting process for 24/25 on track for presentation to F&R Committee and Board - 23/24 savings on track with forecast inline with budget savings - Discussion ongoing with HWU - SLT developing savings tracker from Workshop outputs
Student Experience															
2.1	Student application numbers low	Curriculum doesn't meet student demand Poor or inadequate teaching and student social spaces Course offer not matching employers demand Changes to course requirements Reduced demand for traditional trades/careers New technology resulting in new trades/careers lack of student transport Changes to SFC Guidance Universities reduce entry criteria Cost of living crises	Reduced student applications adverse impact of reputation Lower success rates Loss of students to other providers Failure to meet ROA targets Financial clawback of SFC grant Failure to meet needs of the economy Reduced commercial income due to relevance of commercial courses Not meeting Community and employer Increase in school leavers going directly to employment	VP Student Experience	CQSE	Cautious (between 10-14)	3	4	12	Working with schools , DYW & universities to establish learner pathways that meet students, employers and regional need Use DATA supplied by SDS on Senior Phase pupils career routes to influence the curricular offer Strategies to support students to become successful learners imbedded in all areas Employers forums in place Marketing action plan in place Work with SBC for transport planning Monitoring labour market information to inform curriculum planning Early withdrawals monitored regularly	4	3	12	TREAT -Further development of Employers forums across all curricular areas (ongoing). -Further development of curriculum planning process - Action Complete -Develop further use of DATA (ongoing) -Implementation of Pro-monitor for student support needs - Action complete -Implementation of aligned student support services structure. (July 24) -Increase ownership of DATA across the College (Ongoing)	- Student support services structure on tack in July - Almost all staff engaged with Pro-monitor for staff engagement -Some employer forums have commenced

no	Risk	Causes/ Risk factors	Consequences/ Potential Effect	Risk Owner	Committee	Appetite	Likelihood	Impact	Score	Existing Mitigation Actions	Likelihood	Impact	Score	Actions	Progress as at 21/5/24
2.2	Students are not adequately supported to enable them to complete their studies	Lack of support staff Poor access and signposting to support staff Increase demand for support services	Reduced student applications adverse impact of reputation Lower success rates Loss of students to other providers Failure to meet ROA targets Financial clawback of SFC grant Failure to meet needs of the economy Reduced commercial income due to relevance of commercial courses Not meeting Community and employers needs	Dir Student Support Services	CQSE	Cautious (between 10-14)	4	4	16	Transition support of mental health issues is being funded 23/24 Induction activities Quite induction Partnership working with Student Association Partnership with 3rd sector Robust tracking and monitoring of issue including attendance	3	3	9	TREAT -Implementation of Pro-monitor for student support needs - Action complete -Implementation of aligned student support services structure - Action complete	All actions complete
Objectives/Strategies															
3.1	College does not meet its sustainability targets	Cost and availability of technology Culture of organisation Changes to legislation Lack of funding	Environmental impacts Adverse risk to reputation of College Failure to meet needs of customer base through carbon training/carbon literacy Financial impacts	Dir Estate & Facilities/ VP Fin & Corp Ser	Board	Open (between 15-19)	3	4	12	Sustainability Strategy Regular progress reporting Sustainability Committee Carbon emissions data monitoring Membership of the Central and South Scotland College partnership with EAUC	2	3	6	TREAT -Develop further carbon reduction projects through sustainability workstreams (ongoing) - Identify and access available and future funding (ongoing) - Complete scoping works and funding application for decarbonisation of Campus through NDEEF (by 31/12/23) - Establish Sustainability Champions	- Sustainability articles feature in college magazine. - Application being developed for further GPSED funding to be submitted by end July 2024 to further reduce emission on Galashiels campus.
3.2	College unable to recruit, retain and maintain effective and skilled staff	Failed recruitments Low staff moral External competition Age profile of staff Pay awards Lack of succession planning	High staff turnover Inability to provide services due to staff vacancies Strike action from staff High sickness levels Increased staff performance issues Poor student experience	Dir People Services	F&R	Cautious (between 10-14)	3	4	12	Workforce Strategy Policies and Procedures, regularly reviewed Regular monitoring and reporting to F&R Committee Regular staff survey via Great Places To Work Staff Performance and Reviews carried out regularly	2	3	6	TREAT -Increased publicity around success (ongoing) -Improve profile of Great Place To Work - more staff involvement (end April 2024) -Consider succession planning (September 2024)	-The results of the GPTW survey show a 71% trust index meaning that the college remains a certified Great Place to Work, details will be shared with SLT and the wider staff group as well as the F&R committee - All vacancies have been successfully recruited to including those which have previously been hard to fill
3.3	Closure/disruption/denial of access to site facilities	Power failure Fire Pandemic Power rationing/disruption Terrorist event Building defects	Business Interruption Impact on student outcomes Impact on ability to meet future obligations Potential loss of essential data Building defects cause building to be unsafe for occupation	Dir Estate & Facilities/ VP Fin & Corp Services	F&R	Minimal (between 7-9)	3	5	15	Business Continuity Plan in place Active membership and participant of the Contest group Under regular statutory inspections Planned preventative maintenance Program Statutory training mandatory Fire test and evaluation tests undertaken Risk assessments undertaken Regular internal inspections Required Permits in place	2	3	6	TREAT -Improve awareness of Business Continuity Plan with staff group (31/03/24) - RAAC survey work being undertaken (by 30/11/23) - Action complete	- Article to be included in June newsletter on Business Continuity All RAAC works completed in Tower and workshops, repairs to corridor roofing completed to prevent further water ingress, college entering monitoring phase with annual inspections planned.

no	Risk	Causes/ Risk factors	Consequences/ Potential Effect	Risk Owner	Committee	Appetite	Likelihood	Impact	Score	Existing Mitigation Actions	Likelihood	Impact	Score	Actions	Progress as at 21/5/24
3.4	Disruption or failure of IT/Digital services or infrastructure	Cyber attack Power Loss system failure Data breach Business interruption	Business Interruption Potential loss of essential data Impact on student outcomes Impact on ability to meet future obligations Adverse financial impact	Dir IT & Digital/ VP Fin & Corp Services	F&R	Minimal (between 7-9)	3	5	15	Various technical controls in place for end users and infrastructure Cyber threat early warning notifications Server/Network Monitoring/Alerts Backup as a Service Disaster Recovery as a Service	3	3	9	TREAT -Network redesign to remove SBC as single point of failure (by 29/2/24) -Network infrastructure refresh (by 31/7/25) -End User Awareness Training (by 31/3/24)	- Network being reviewed against current ongoing projects which further mitigate the risk. - Stage 1 of complete (current system health check) Budget identified in Capital plan due for approval June 24. - Cyber training completed 23/1/24, additional phishing campaign completed May, resulted being reviewed
Statutory Duties															
4.1	College breaches GDPR and/or data legislation	Non adherence or understand of GDPR legislation Lack of security for sensitive data Cyber breach	Adverse impact on reputation of College Penalties from Information Commissioner Office	VP Fin & Corp Services	Board	Averse (lower than 7)	4	5	20	Dedicated DPO Regular reporting & Monitoring Investigations undertaken of any breaches Member of HEFETSTIS Mandatory staff training	2	3	6	TREAT -Additional training for staff on GDPR (ongoing) -Additional training/testing on cybersecurity (by 31/3/24) - Action complete	- Training provided by DPO to all staff - GDPR article contained in newsletter, with additional ones scheduled - Cyber training completed by 112 staff members , additional Phishing completed May 24, results being reviewed
4.2	College does not meet its PREVENT and Safeguarding duties	Non adherence or understanding of Prevent legislation Lack of staff awareness of their roles/responsibilities Possible terrorist incident Changes to legislation	Adverse impact on reputation of College Physical harm to staff and/or students Possible litigation Damage to buildings and/or equipment Harm to students/staff	VP Fin & Corp Services/ VP Student Experience	Board	Averse (lower than 7)	3	5	15	Mandatory staff training SPOC identified Safeguarding officers identified Active members of National groups Partnership working with Lothian and Borders Colleges, Council and Blue light services Quarterly reporting to Health & Safety Committee Annual report to the Board Business Continuity Plan	2	2	4	TREAT -Additional PREVENT training for staff (by 01/04/24) -Review content of quarterly and annual reports (by 31/12/23) Action Complete -Safeguarding Policy to be updated Nov 23 - T&C's for Commercial hires to be reviewed for PREVENT requirements (by 29/02/24) Action complete	- safeguarding training ongoing with Public Protection Committee. - T&C's for commercial hire fully reviewed and required amendments made - action complete
4.3	College does not meet its equality & diversity duties	Poor understanding of duties Culture of organisation Changes to legislation Fail to undertake statutory reporting requirements	Loss of students poor staff and student retention litigation Impact on Colleges reputation harm to staff/students Staff disciplinary	AP Curriculum & Quality/Dir People Services	Board	Averse (lower than 7)	3	3	9	Mandatory staff training Annual equality reports to Equality & Inclusion Committee & CQC Bi-annual mainstreaming Equality reports to Board Active Student Association and student representation Student Experience Committee Equality outcomes set every 4 years by Board Ashco events and training provided to staff & students Equality impact assessment part of decision making process Equality diversity inclusion Policy Dedicated Equality Officer Safeguarding Officers identified	2	2	4	TREAT -Additional Training for all staff on Equality & Diversity (by 31/7/2024) -Mapping exercise of current College Outcomes to the national outcomes (by 31/12/24)	-Equality Officer attended event on national equality outcomes. - Steering Committee established to take forward Trauma Informed Practice, first meeting will include completion of the toolkit - Monthly events and themes being promoted through equality and BCSEA

no	Risk	Causes/ Risk factors	Consequences/ Potential Effect	Risk Owner	Committee	Appetite	Likelihood	Impact	Score	Existing Mitigation Actions	Likelihood	Impact	Score	Actions	Progress as at 21/5/24
4.4	College does not adhere to Health & Safety legislation	Poor understanding of duties Culture of organisation Changes to building regulations defects in estate	Injury to staff and/or students Impact on Colleges reputation Litigation damage to building and/or equipment Restricted access or closure of buildings	Dir Estate & Facilities/ VP Fin & Corp Services	Board	Averse (lower than 7)	3	5	15	Dedicated H&S officer Mandatory staff training H&S assessments in place, Maintain reporting and monitoring structures to assess trends Effective risk assessment practices adhered to Heath surveillance programs in place Quarterly monitoring to H&S Committee Annual report to Board Active Partnership working Business Continuity Plan	2	3	6	TREAT -Review of quarterly and annual reports (by 31/12/23) - Action complete - Increased training on risk assessment and first aid (by 31/7/24)	Partial completion of IOSH working safely with a further 42 staff booked for June 2024.