
AUDIT COMMITTEE MEETING

Date of Meeting	27 September 2017
Paper Title	Risk Register
Agenda Item	17.35
Paper Number	17.35A
Responsible Officer	Janet Thomson, Vice Principal Resources and College Development
Status	Disclosable
Action	For Discussion

1 REPORT PURPOSE

The Report considers the College's Strategic Risk Register which is updated regularly and reported to each Audit Committee.

2. RECOMMENDATION

Committee Members are invited to DISCUSS this paper.

3. BACKGROUND

The College Strategic Risk Register is updated regularly and considered at least quarterly by College Senior Management and is a key part of the College's risk management framework.

4. RISK ANALYSIS

4.1 The College Strategic Risk Register is a key part of the College's risk management framework and a copy of the Strategic Risk Register as at mid-September is attached. The changes to the narrative since last reported to the Board of Management in June are highlighted in red.

4.2 There are 12 risks on the College Strategic Risk Register and of these 5 risks are scoring as high after mitigating actions and the main reasons for this are summarised in paragraphs 4.3 to 4.7 below.

4.3 Risk F1 – Adverse Funding Changes (SFC/SDS/ESF). This is scoring as probability of 5 and impact of 4 after mitigating actions. There are challenges for each of these funding strands particularly in the medium term. The SFC funding allocation does not fund the Region to the full value of the simplified model and there is a very long transition period through to 2020/21 to move to that full model. For SDS there are changes in the funding strands they

provide and changes to SDS itself. For ESF this funding increases in 2017/18 however will then significantly reduce as the current programme ends. This risk is also flagged as increasing due to new Flexible Workforce Development Fund(FWDF) for 2017/18 which has just been announced and has some very specific requirements which must be made to release these funds and the capital funding policy changes by GCRB where 50% of the Regional funding is either subject to a bidding process or part of a central Regional fund for emergency needs.

- 4.4** Risk F2 – Failure to achieve contracted overall teaching delivery targets for any key partner (SFC/SDS/ESF). This is scoring as probability of 3 and impact of 5 after mitigating actions. This is high because there are a range of delivery requirements particularly associated with SDS, ESF and now FWDF funding. Also the portfolio planning is now closer to the target requirement than in previous years with less extra capacity built in.
- 4.5** Risk F3 – Failure to achieve surplus targets for non-SFC commercial activity. This is scoring as probability of 3 and impact of 5 after mitigating actions. The College plans to at least maintain its commercial income and this is challenging in difficult economic circumstances and with some increased economic uncertainties e.g. Brexit.
- 4.6** Risk O1 – Negative impact on employee relations (e.g. national bargaining, industrial action, local consultation). This is scoring as probability of 3 and impact of 5 after mitigating actions which has reduced from a probability of 4 and impact of 5 at the last report. This is high however has been indicated as decreasing given that first tranche of national bargaining for teaching staff has been paid and the support staff position for 2017/18 has settled. However, some of the key issues in this risk are associated with decisions that are not within the College’s direct control.
- 4.7** Risk O2 – Failure of College operational processes/systems/ICT infrastructure (including risk of fraud). This is scoring as probability of 3 and impact of 5 after mitigating actions. This is just scoring within the high range and is due to the volume of activity across the College processes and in areas such as cyber security.
- 4.8** Risk G1 – Also there is one further risk which is scoring overall as low however is flagged as increasing which is G1 - Failure to meet all legislative and regulatory requirements and/or recommended guidance. This is increasing due to the significant new requirements of the General Data Protection Regulations which are required to be met by May 2018.

**5. LEGAL IMPLICATIONS/ FINANCIAL IMPLICATIONS/ REGIONAL
OUTCOME AGREEMENT IMPLICATIONS**

The College is required to have a risk register as part of the Financial Memorandum.

6. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A