
AUDIT COMMITTEE

Date of Meeting	22 November 2017
Paper Title	College Strategic Risk Register
Agenda Item	17.59
Paper Number	17.59A
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 each Audit Committee and to the Board of Management on a quarterly basis.

2. RECOMMENDATION

Members are invited to NOTE this paper.

3. BACKGROUND

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

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 12th November is attached. The changes to the narrative since last reported to the Board of Management in October 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 and if indeed the transition does fully happen. For SDS there are changes in the funding strands they provide and changes to SDS itself. ESF funding is increased for 2017/18 however will then significantly reduce as the current programme ends. There is also some financial risk due to new Flexible Workforce Development Fund(FWDF) for 2017/18 which has some very specific requirements which must be met to release these funds. Finally the capital funding policy by GCRB has some risk 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. This has been indicated as no change when it was previously decreasing following the payment of the first tranche of national bargaining for teaching staff and the support staff position for 2017/18 being settled. 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 25th 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