

CONFIDENTIAL

REMUNERATION COMMITTEE

**MONDAY 1 FEBRUARY 2021 at 2.30 p.m.
via the Teams link circulated by the Secretary**

AGENDA

General Business

1. Apologies
2. Declarations of Interest
3. Minutes of the meeting held on Monday 3 February 2020 Enclosed MN
4. Matters arising from the Minutes
(not otherwise on the agenda)

Main Items for Discussion and/or Approval

<i>Agenda items 6, 7, 8 and 9 are deemed to be reserved under the Freedom of Information Act as they refer to an individual</i>

- | | | | |
|-----|--|-------------|----|
| 5. | Remit and Membership | Paper 5 | MN |
| 6. | Update from Principal | Paper 6 | LC |
| 7. | Review of the Principal 2020/21 | Oral Report | WH |
| 8. | Review of the Executive, SMT and Heads 2020/21 | Paper 8 | LC |
| 9. | Review of Secretary to the Board 2020/21 | Oral Report | WH |
| 10. | Risk Management Strategy and Strategic Risk Register | Paper 10 | MN |
| 11. | Any Other Business | | |

Shirley Gordon
Secretary to the Committee

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**WEST COLLEGE SCOTLAND
REMUNERATION COMMITTEE**

MINUTE: 3 February 2020

Present: Mark Newlands (in the Chair), Nick Allan, John McMillan and Keith McKellar.

Attending: Liz Connolly, Principal, David Gunn, Director Organisational Development and HR, Shirley Gordon, Secretary to the Committee.

Apologies: Jim Hannigan and Jacqueline Henry.

RM65 **DECLARATION OF INTERESTS**

John McMillan and Liz Connolly declared an interest as Trustees of the West College Scotland Foundation.

RM66 MINUTES

The minutes of the meeting held on 21 May 2019 were approved. There were no matters arising not otherwise on the agenda.

RM67 **REMIT AND MEMBERSHIP**

The Committee noted its remit and membership and the following **amendments were agreed**:

- Delete “Corporate Development Committee” and replace with “HR and Corporate Development Committee”.
 - Delete “Frequency of meetings – as required and should be at least annually” and replace with “Frequency of meetings - The Committee will meet twice per year”.
- [ACTION - SECRETARY]**

RM68 UPDATE FROM PRINCIPAL

.1 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RM69 REVIEW OF PRINCIPAL

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

RM70 ANNUAL REVIEW OF EXECUTIVE - EFFECTIVE FROM 1 APRIL 2020

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

RM71 ARRANGEMENTS FOR PAY AWARDS FOR STAFF OUT WITH THE NATIONAL RECOGNITION AND PROCEDURE AGREEMENT (NRPA)

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]

RM72 ANY OTHER BUSINESS

- The Chair reminded all members to undertake the mandatory online training offered by the College Development Network (CDN) for all Remuneration Committee members.
- Date of next meeting – to be arranged in late September / early October when the Board and Committee meeting dates are being confirmed. **[ACTION – SECRETARY]**

TITLE: REMIT AND MEMBERSHIP

Background: The remit and membership of the Remuneration Committee is attached for information.

Action: The Committee is invited to note its remit and membership.

Lead: Mark Newlands, Chair of the Remuneration Committee

Status: Open

West College Scotland

Board of Management

Remuneration Committee

Statement of Purpose

The Board provides the principal governance mechanism through which activities are managed in accordance with legislation and regulations, as well as ensuring that systems are in place to provide efficiency, effectiveness and economy. However, the Board has delegated some of its responsibilities to certain committees.

The purpose of the Remuneration Committee will be to determine the remuneration and terms and conditions of the Principal, all other members of the Senior Management Team (SMT) including the College Executive and Heads, and the Secretary to the Board, and to ensure due process is followed.

1. Remit

- a. The Committee will review and determine the remuneration and terms and conditions and, where appropriate, the severance conditions of the Principal, all other members of the Senior Management Team including the College Executive and Heads, and the Secretary to the Board, on behalf of the Board of Management.
- b. To assist the Committee to make salary awards it will receive performance appraisal reports on the Principal, all other members of the College Executive, and the Secretary to the Board.
- c. The Chair of the Board of Management will conduct the annual performance appraisal of the Principal and of the Secretary to the Board.

The annual performance appraisal of the College Executive will be consistent with the recommendations in the College's HR Policy.

The Principal will not be present when her/his salary, severance conditions or performance is being considered.

The Vice Chair of the Board of Management, or the Chair of one of the standing Committees of the Board, will Chair the meetings. If the chair is not available to chair the meeting then the members of the Remuneration Committee will appoint a chair from amongst those members present, but the Chair of the Board of Management may not chair meetings of the Remuneration Committee.

2. Membership

The Committee will comprise:

- The Chair of the HR and Corporate Development Committee (Chair of the Remuneration Committee)
- The Vice Chair of the Board of Management
- The Chair of the Board of Management
- The Chairs of the standing committees of the Board

Attending;

- The Principal
- Professional advisers as required.

3. Frequency of Meetings

The Committee will meet twice per year.

4. Quorum

A quorum will be four Members,

5. Secretariat

Secretary to the Board of Management.

Papers for the meeting will be sent out 7 days in advance of the meeting.

The Committee will report to the Board of Management as required.

6. Review

The Remit will be subject to review by the Committee annually.

Remuneration Composition (Para 2 of the Remit)

Category	Name
The Chair of the HRCD Committee (Interim Chair of the Remuneration Committee)	Mark Newlands (Chair) (and chair of HRCD and Remuneration)
The Vice Chair of the Board of Management	Jacqueline Henry (and chair of LTQ)
The Chair of the Board of Management	Dr Waiyin Hatton (and chair of Nominations)
The Chairs of the standing committees of the Board	Nick Allan – Estates Jim Hannigan – F&GP John McMillan – Audit

In Attendance	Name
Principal	Liz Connolly
Director of Organisational Development & HR	Natalie Smith
Secretary	Shirley Gordon

Quorum	Four Members
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TITLE: PRINCIPAL’S UPDATE

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Lead: Liz Connolly, Principal and Chief Executive

Status: Restricted

TITLE: RISK MANAGEMENT STRATEGY AND STRATEGIC RISK REGISTER

Background: The Committee considers risk in relation to the activities within its remit. Risk is considered by the Board and all the Board Committees at each of the meetings. This means that emerging risks are quickly identified and mitigating actions agreed. In relation to the risks pertinent to its remit, the Committee must be confident that these have been identified and mitigating actions agreed.

This paper presents the College Strategic Risk Register for the consideration of the Committee and provides an update on the actions taken by the College to embed risk management across the organisation. The latest update of the Strategic Risk Register was considered by the Board at its meeting held on Monday 14 December 2020 and a copy of this is attached.

Action: The Committee is asked to note and review the current Strategic Risk Register attached and propose any amendments and / or additions, or any re-phrasing, required to be made.

Lead: Mark Newlands, Chair, Remuneration Committee

Status: Open



Risk Management Strategy

Document control

Version	Date	Review	Summary of changes made
V1.0 Draft	01-09-15	A Ritchie	Initial strategy document for review
V1.2	12-09-15	A Ritchie	Final Strategy for approval
V2.0	04-12-17	A Ritchie	Strategy document review
V3.0	24-11-20	A Ritchie	Updated following Board of Management approval of risk appetite levels; style updated, and content amended to reflect current operations
V3.0	14-12-20	A Ritchie	To be presented to the Board of Management for approval

1. INTRODUCTION FROM CHAIR OF BOARD OF MANAGEMENT AND THE PRINCIPAL	3
2. RISK MANAGEMENT OVERVIEW	6
Purpose	6
Objectives	6
Definitions	6
Roles and Responsibilities	7
Partnership and Projects	9
3. RISK MANAGEMENT FRAMEWORK	10
Code of Corporate Governance	11
Internal / External Audit	11
Insurance	11
Business Continuity Management (BCM)	11
Health and Safety	12
Risk Implications – Decision Making Process	12
4. RISK MANAGEMENT PROCESS AND APPROACH	13
a) IDENTIFY RISKS	13
b) RISK ASSESSMENT AND EVALUATION	15
c) PLAN MITIGATIONS	19
d) MONITOR AND CONTROL	20
5. MEASURING THE EFFECTIVENESS OF THE RISK MANAGEMENT PROCESS	22
Internal Audit	22
Review of Procedures	22
APPENDIX 1: CATEGORIES OF RISK	16
APPENDIX 2 – COLLEGE STRATEGIC RISK REGISTER ENTRY	17
APPENDIX C – RISK APPETITE STATEMENT	18

1. Introduction from Chair of Board of Management and the Principal

1.1 The Financial Memorandum with the Scottish Funding Council (SFC) requires that the governing body complies with the principles of good governance set out in the Code of Good Governance for Scotland's Colleges. The Financial Memorandum also requires the governing body to ensure that:

- The College has an effective policy of risk management and risk management arrangements;
- Internal audit must provide the governing body and senior management of the College with an objective assessment of adequacy and effectiveness of risk management, internal control, governance and value-for- money; and
- The College undertakes careful appraisal of the risks before accepting any contingent liability.

1.2 The College is also required to comply with the requirements of the Scottish Public Finance Manual (SPFM). The SPFM requires that the College must 'develop a framework for assessing risks that evaluates both the likelihood of the risk being realised, and of the impact if the risk is realised. Risk assessment should be recorded in a way that demonstrates clearly the key stages of the process.'

1.3 This Risk Management Strategy has therefore been written taking account of the requirements of both the Financial Memorandum with the SFC and Scottish Public Finance Manual.

1.4 In addition to the above requirements the internal auditor must produce an Annual Report to the Board of Management on their activities during the year. The report must include an opinion on the adequacy and effectiveness of the College's risk management, internal control and governance. This Strategy therefore forms a key component in allowing the internal auditors to be able to report without qualification that the College is complying with these requirements.

- 1.5 The Risk Management Strategy is a key document in ensuring that the four Strategic Priorities of Personalisation, Collaboration, Agile and Adaptive and Digital contained within the College Strategy 2019-205 are delivered. The Risk Management Strategy aims to ensure that the College community is aware of the level of risk that the organisation is willing to accept; that some risks will always exist and will never be eliminated, however mitigation can be put in place to minimise their impacts.
- 1.6 The College recognises that it has a responsibility to manage risks and supports a structured and focused approach to managing them through application of the Risk Management Strategy. In this way the College will better achieve its four strategic priorities and enhance the value of services it provides to the wider community.
- 1.7 The approach of the Risk Management Strategy is that it is owned and led by the Board of Management and it is intended to deliver a more dynamic and inclusive approach to risk management. The Risk Management Strategy aims to ensure that the Strategic Risk Register will be informed by the College Operational Planning process and from all Board of Management Committees with the objective of being outward facing and strategically focused.
- 1.8 The College's Risk Management Strategy objectives are to:
- Integrate risk management into the culture of the College;
 - Manage risk in accordance with best practice;
 - Anticipate and respond to changing requirements;
 - Prevent injury, damage, losses and reduce the cost of risk; and
 - Raise awareness of the need for risk management by all those connected with delivering the College's Strategic Priorities.

1.9 These objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the College for risk management;
- Providing opportunities for shared learning on risk management across the College;
- Reinforcing the importance of effective risk management as part of everyday work by offering training;
- Incorporating risk management considerations into the annual internal audit plan and any internal / external audit work carried out; and
- Monitoring arrangements on an on-going basis.

1.10 The Risk Management Strategy aligns with the Regional Outcome Agreement (ROA) and will be reviewed and presented to the Board of Management every three years for approval.

1.11 The Board of Management and Senior Management Team are fully committed to the principles of risk management and the approach outlined within this Strategy.

Approved by:

Dr Waiyin Hatton

Chair of the Board of Management

Liz Connolly

Principal

2. Risk Management Overview

Purpose

2.1 The purpose of the Risk Management Strategy is to:

- outline West College Scotland's approach to risk management; and
- describe the procedures for the management of risk within the College while detailing the roles and responsibilities of the key business areas.

Objectives

2.2 To ensure the effective delivery of the College Risk Management Strategy, the following objectives will require to be progressed by the College Senior Management Team:

- To undertake ~~an annual~~ a review every three years of the College Risk Management Strategy. The review will ensure clear roles, responsibilities and a reporting framework for the managing of risk across the College is maintained and developed;
- To develop operational planning guidance on risk identification and its translation into strategic risk where appropriate;
- To monitor and report on risk management arrangements to the Board of Management Audit Committee;
- To continue to integrate risk management into the culture of the College and to raise awareness of the need to manage risk effectively throughout the College; and
- To comply with corporate governance requirements and integrate effective processes to allow the Board of Management to approve the annual Accountability Report including the section on Risk Management and Internal Controls.

Definitions

2.3 The following represents the meaning of terminology that is used throughout the Strategy document:

- **Risk Management:** The coordinated activities, systems and processes in place to direct and control the College regarding the management of risk.

- **Risk:** ~~An uncertain event, which, should it occur, will have an effect on the achievement of objectives. Risks may have a negative effect, in which case they are recorded as threats, or a positive effect, denoted as opportunities.~~

The potential 'effect of uncertainty on objectives', where an effect is a deviation from an intended or expected outcome. A risk will be considered as either a threat (negative) to the College's ability to achieve any given objective or as uncertainty resulting from an opportunity (positive) which offers potential benefits to the institution.

- **Issue:** A certain event which is known and will impact upon the achievement of the College's Priorities and Objectives.
- **Risk Appetite:** ~~The level of risk which is deemed acceptable to the organisation in the pursuit of its objectives.~~

This refers to the level of risk the College is willing to tolerate or accept in the pursuit of its objectives. When considering threats, risk appetite defines the acceptable level of exposure deemed tolerable or justifiable by the College; when considering opportunities, risk appetite defines how much the College is prepared to actively put at risk in order to realise potential or expected benefits.

- **Risk Exposure:** The calculated level of risk which the organisation is exposed to in pursuit of its objectives.
- **Risk Owner:** this is the person, persons or entity in authority who is accountable for the effective management of a risk.

Roles and Responsibilities

- 2.4 To be effective, the risk process is recognised as the responsibility of the Board of Management and of all members of staff and will integrate with College operating requirements.

Owner	Role
<u>Board of Management</u> <ul style="list-style-type: none"> • <i>Has a fundamental role to play in the management of risk</i> 	<ul style="list-style-type: none"> • Provide authority and responsibility for the establishment, maintenance, support and evaluation of the Risk Management Strategy • Set the tone and promote a positive risk culture within the College • Delegate the overall implementation of risk management to the SMT

Owner	Role
	<ul style="list-style-type: none"> Have knowledge of the significant risks facing the College
<p><u>Audit Committee</u></p> <ul style="list-style-type: none"> <i>Has a fundamental role to play in the review and management of risk</i> 	<ul style="list-style-type: none"> To ensure compliance with corporate governance requirements To review the Strategic Risk Register and approve for presentation to the Board To review internal processes and systems and work closely with internal and external auditors to obtain reports on these
<p><u>Senior Management Team</u></p> <ul style="list-style-type: none"> <i>Support and implement policies approved by the Board of Management.</i> <i>The Senior Management Team consists of the Principal, Vice Principals, Assistant Principals and Directors.</i> 	<ul style="list-style-type: none"> Implementation of Risk Management Strategy Overall co-ordination of risk management Promotion of a holistic approach to risk management To review the probability and impact assessments of risks on a regular basis Ensure appropriate levels of awareness throughout the College
<p><u>College Management Team</u></p> <ul style="list-style-type: none"> <i>Encouraging and embedding good risk management practice within their area of activity.</i> <i>The College Management Team consists of all those managers who are directly line managed by SMT.</i> 	<ul style="list-style-type: none"> Co-ordinating and ensuring that the operational objectives are implemented in line with the Risk Management Strategy Have an awareness and understanding of risks which fall into their area of responsibility, the impacts these may have, and monitor outcomes against the risks identified ensuring that response plans detail corrective action to minimise risk Report any new risks identified or failures of existing control measures to SMT Report on current 'active' risks highlighting mitigating actions and effect towards risk reduction
<p><u>College Staff</u></p> <ul style="list-style-type: none"> <i>Encouraging and embedding good risk management practice</i> 	<ul style="list-style-type: none"> Understand their accountability for individual risks

Owner	Role
<i>within their area of activity</i>	<ul style="list-style-type: none"> • Understand how they can enable continuous improvement of risk management and risk awareness • Report systematically and promptly to a member of the College Management Team or Senior Management Team any perceived new risks or failures of existing control measures
<p><u>Internal/External Audit</u></p> <ul style="list-style-type: none"> • <i>Ensuring the effectiveness of organisational and financial control systems, including monitoring performance against quality assurance standards.</i> 	<ul style="list-style-type: none"> • To review risks and limitations of existing control measures • To review the adequacy of internal control systems designed to minimise risk • To make appropriate recommendations following on from any internal / external audit reports to the SMT, which will effectively improve systems of control

Partnership and Projects

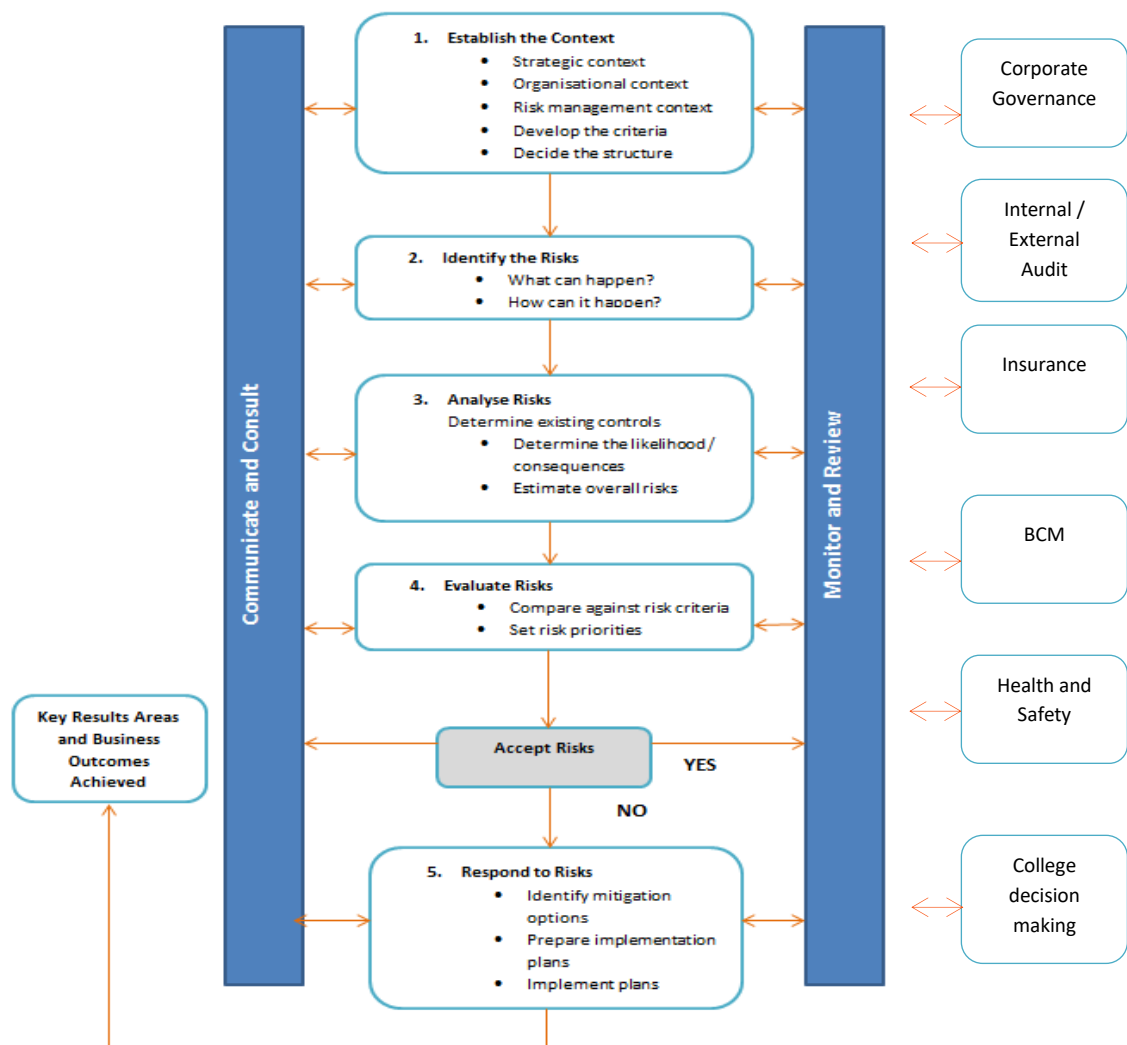
- 2.5 For the College, it is important to ensure partnerships and projects are considered in a Risk Management context, as well as core services. Where the College is involved in strategic projects and partnerships, it will look to develop joint risk management practices with relevant partners as required.

3. Risk Management Framework

3.1 The overall responsibility for ensuring the College has effective risk management framework is with the Board of Management but this is implemented and co-ordinated by the College Senior Management Team (SMT). Risk management at the College is closely aligned to corporate governance, internal/external audit, business continuity management (BCM), insurance, health and safety and occupational health and safety arrangements. These different elements act as support mechanisms for the delivery of the Risk Management Strategy at the College. Internal and external audit also plays a key role in scrutinising the mitigations and controls implemented by the College.

Figure 1 below summarises the overall College risk management framework:

Figure 1 - Risk Management Framework



Code of Corporate Governance

- 3.2 The Board of Management is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve the College strategic priorities and can only provide reasonable and not absolute assurance against material misstatement or loss.
- 3.3 The Board of Management has delegated the day-to-day responsibility to the Principal, as Chief Executive, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and asset.

Internal / External Audit

- 3.4 Internal audit will assess the effectiveness of the College's internal controls and review risk management as part of the Corporate Governance arrangements. Internal audit will use the information on the Strategic Risk Register to inform their annual audit plan.
- 3.5 External audit will annually undertake an overall review of the corporate governance arrangements and processes of internal control in place at the College. Based on their audit work and the findings made by the internal auditors they will form an opinion on adequacy of the systems in place to comply with corporate governance requirements.

Insurance

- 3.6 Insurance is one method the College uses to transfer risk. The implementation of an effective Risk Management Strategy will have an impact upon the premiums paid by the College. The prevalence of insurance claims will need to be monitored as these will have a bearing on the Strategic Risk Register.

Business Continuity Management (BCM)

- 3.7 Business continuity underpins risk management and is concerned with how the College can overcome disruption in the event of an adverse incident or situation and continue to deliver key services at an agreed, pre-determined level. It is the low probability/high impact risks that if they occurred could result in the failure of key services or systems.

Health and Safety

- 3.8 There are clear and well-established links between the health and safety and risk management. The College is committed to achieving best practice in health and safety management and is fully committed to controlling risk and preventing harm to people.
- 3.9 The College will use the guidance in Managing for Health and Safety at Work (MFHS), which supports the model of managing health and safety with a 'Plan, Do, Check and Act' approach. This model helps to achieve a balance between the systems and behavioural aspects of management.
- 3.10 The Board of Management has a primary objective to ensure health and safety is integrated into the College's core business management activities and that suitably resourced health and safety management systems are implemented which are also influenced by risk management arrangements.

Risk Implications – Decision Making Process

- 3.11 Effective risk management is crucial to the achievement of the [College's Strategic Priorities](#) and the success of the strategic operation and provision of College services. It is important to recognise that there are risks associated with decisions taken in respect of the delivery of College business.
- 3.12 The nature, impact and probability of these risks will vary depending on a wide range of circumstances or potential outcomes.

4. Risk Management Process and Approach

4.1 Risk management is a cyclical process – new risks emerging while old risks become obsolete – and is based upon the following basic workflow:

- a) Identify Risks
- b) Risk Assessment and Evaluation
- c) Plan Mitigations
- d) Monitor and Control

4.2 The following sections explain in detail what each of the above steps require the College to undertake.

a) IDENTIFY RISKS

4.3 The first step in the risk management process is risk identification. The process of risk identification will vary depending on context and the level at which risks are being assessed. For example, at organisational level, strategic risks should correlate with the key college objectives linked to the College Strategy 2019-2025 and should therefore be identified as part of the College planning process, which is cyclical. Similarly, at departmental level, risks should align with the key objectives set out in Operational Plans and should therefore be identified early as part of the planning process. Within a project setting, key risks should be identified at the start of the project lifecycle, during the project initiation/planning phase.

4.4 A variety of methods can be used for identifying risks. For example, sessions or workshops involving key stakeholders are common approaches. At project level, risk identification may be carried out using standardised checklists which identify risks commonly associated with project-based work, or by benchmarking against similar projects undertaken in the past.

4.5 The risk management process is cyclical and therefore risk identification is not a one-off exercise; it is a continuous process which is necessary to identify new risks that had not previously arisen, but which might affect the College's ability to achieve its objectives in the area under consideration.

Recording the Identified Risks

4.6 All identified risks will be recorded in the Strategic Risk Register using the College's standardised risk register template (Appendix 2). Within the Strategic Risk Register there are several fields to populate.

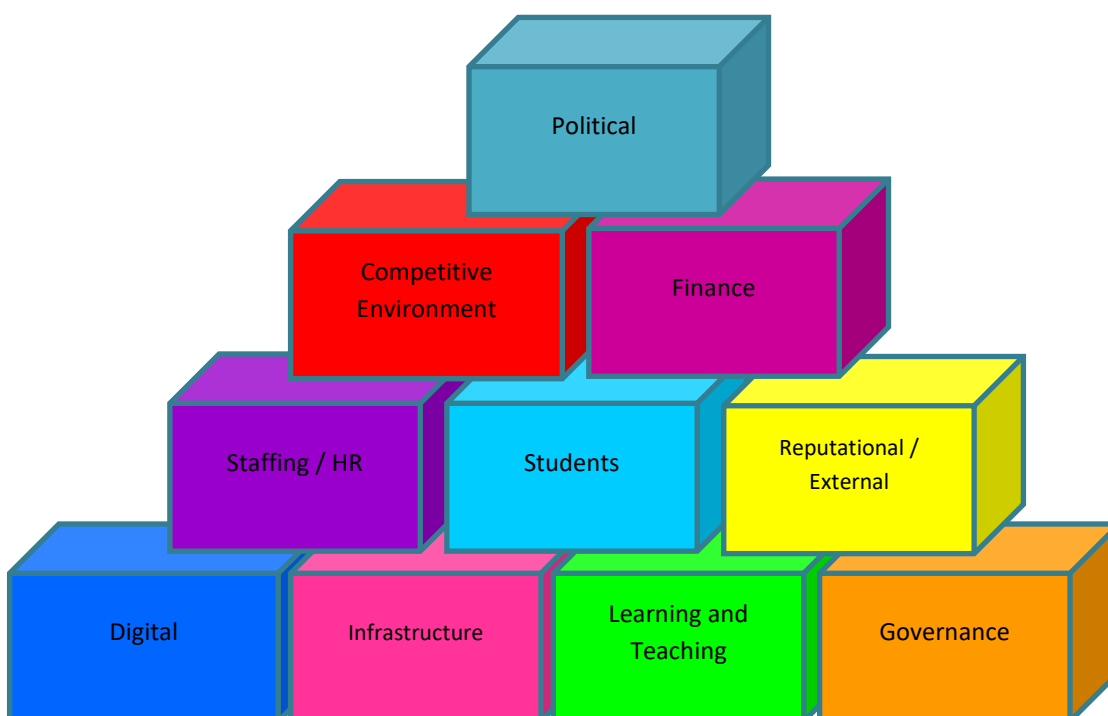
4.7 Each risk should have:

- a) A risk number and a title which should be concise but contain enough information to distinguish it from the others.
- b) A risk description containing information on the three composite parts of a risk; the cause, the risk event and the impact on the College Strategic Priorities:

'As a result of <cause/statement of fact>, there is a risk that <uncertain event> may occur, which would result in <an effect on Strategic Priorities>.

- c) A list of which of the College Strategic Objectives is impacted by the identified risk.
- d) A specific risk category. The College classifies each risk according to one of ten categories as noted in figure 2 and Appendix 2 contains a full definition of each category.

Figure 2 – Risk Categories



Ideally, each risk will be allocated to only one category, according to its main criteria. For example, a risk associated with carbon management might be Governance or Infrastructure depending on the College's stated priority.

- e) An indication of the proximity of the risk occurring ranging from immediate through to medium or long term.
- f) A risk owner who is a member of the Senior Management Team that has been given the responsibility and authority to manage a risk/set of risks and is accountable for doing so.

- 4.8 The risk category is linked to the risk appetite that the College is willing to be exposed to and the methodology for arriving at the risk appetite is explained below.
- 4.9 The information collected and recorded within the Strategic Risk Register to this point should enable initial assessment and scoring of the risk.

b) RISK ASSESSMENT AND EVALUATION

- 4.10 Risk assessment and evaluation takes account of various key components.

Risk Appetite

- 4.11 The next step in the risk management cycle is to establish the risk appetite level that the Board of Management is willing to accept in pursuit of its Strategic Priorities.
- 4.12 The College accepts that it must take risks, to some extent, in order to achieve its Priorities and to realise expected benefits. The College is committed to ensuring that all risks taken will be proactively controlled and exposure will be kept to an acceptable level. The College acknowledges that the level of exposure carried by different activities will vary and its threshold for accepting varying levels of risk will change depending on the risk area under consideration, the specific objectives involved, the subsequent activities undertaken and the projected benefits.
- 4.13 However, the College is clear that it will reject or closely manage any activity that has the potential to cause significant financial or reputation harm to the institution, most notably where these might endanger the College's ongoing viability, its ability to achieve its key strategic priorities or its ability to meet its regulatory and/or legal obligations.

4.14 The College defines Risk Appetite based on the following categories:

<u>Classification</u>	<u>Description</u>
<u>AVERSE</u>	<u>Avoidance of risk and uncertainty is a key organisational objective.</u>
<u>MINIMALIST</u>	<u>Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.</u>
<u>CAUTIOUS</u>	<u>Preference for safe delivery options that have a low degree of residual risk and may only have limited potential for reward.</u>
<u>OPEN</u>	<u>Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.)</u>
<u>HUNGRY</u>	<u>Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.</u>

- 4.15 Based on these categories, the College's institutional baseline Risk Appetite is defined as 'cautious to open'. This means that, while maintaining a level of prudence, the College is generally willing to consider all options and will accept moderate levels of risk in the pursuit of its Priorities, albeit with a preference for options or activities that limit exposure, even if the rewards are likely to be similarly limited.
- 4.16 A full definition of the College risk appetite for each category of risk can be found at Appendix C.
- 4.17 While a general appetite of cautious to open is in place, it is recognised that risk appetite will vary according to the Priorities pursued and the linked activities undertaken. For example, the College would give consideration to options or activities which carry elevated levels of risk, where it can be shown that the anticipated outcomes are realistically achievable, and likely to deliver enhanced benefits; acceptance of risk, irrespective of risk appetite, should always take account of the likely benefits an activity will deliver.

- 4.18 At a strategic level, risk appetite is applied to the College's identified risk areas as follows:

	<u>Averse</u>	<u>Minimalist</u>	<u>Cautious</u>	<u>Open</u>	<u>Hungry</u>
<u>Finance</u>					
<u>Political</u>					
<u>Governance</u>					
<u>Competitive Environment</u>					
<u>Staffing and HR</u>					
<u>Student</u>					
<u>Reputational / External</u>					
<u>Infrastructure</u>					
<u>Learning and Teaching</u>					
<u>Digital</u>					

- 4.19 It should also be noted that risk appetite will likely vary according to context; for example, capital projects provide a different context and should be considered on individual merit, as projects are usually stand-alone, and fall out with the 'business as usual' activities of the College. Consequently, the College may be prepared to accept higher levels of risk for a project that will feasibly deliver transformative change or bring significant rewards.

Risk Scoring

- 4.20 Risk scoring will be undertaken in the first instance to prioritise risks using a standard 6 by 4 semi-quantitative scale (shown in Figure 3) for risk probability and impact.
- 4.21 This use of a standard scoring threshold promotes consistency in risk assessment.

Figure 3 - Risk Scoring Thresholds

Probability	Score	Impact	Score
Almost Certain	6	Catastrophic	4
Very Likely	5	Critical	3
Likely	4	Marginal	2
Possible	3	Negligible	1
Very Unlikely	2		
Remote Chance	1		

- 4.22 When assessing impact, it is important that a holistic analysis of the categories of risk be considered, in terms of how the issue would impact on the College (a partnership, a service or a specific project). The agreed approach to the assessment of risk at the College is undertaken based on existing control measures.
- 4.23 When assessing probability, a consideration of historical information, external drivers, trends and statistics can be useful in determining an appropriate level.
- 4.24 Each risk should be allocated two risk scores, as follows:
- Gross Risk Score
 - Net Risk Score
- 4.25 The Gross Risk Score is populated and refers to the level of risk an activity would pose if no controls or mitigating actions were in place.
- 4.26 The Net Risk Score refers to the level of risk remaining after controls and mitigating actions are considered and should ideally reflect the applicable risk appetite.
- 4.27 Risks identified within the Strategic and Operational Risk Register will be plotted on a probability impact grid, as shown in figure 4 below, to provide a pictorial representation of risk exposure. Risks which fall into the upper boundary (Red RAG status) will be considered as critical for management attention and as greater than the acceptable risk appetite. Efforts will be made to reduce risk exposure below the upper boundary.

Figure 4 - Risk Probability Impact Grid

Probability Impact Score Grid					
Almost Certain	6	6	12	18	24
Very Likely	5	5	10	15	20
Likely	4	4	8	12	16
Possible	3	3	6	9	12
Very Unlikely	2	2	4	6	8
Remote Chance	1	1	2	3	4
		1	2	3	4
		Negligible	Marginal	Critical	Catasrophic

- 4.28 Risks with low probability but high impact scores will be elevated for attention of the Board. Risk response plans will be developed which seek to reduce the potential impact of the risk.

c) PLAN MITIGATIONS

- 4.29 When considering the appropriate risk response, the controls already in place should be recorded under Controls in the Strategic Risk Register and potential mitigating actions should be identified, where applicable (i.e. where a risk requires treatment).
- 4.30 Mitigations actions should change or reduce either the probability of a risk materialising, or its impact if it does (or both) and they should also be recorded in the Strategic Risk Register assigned a responsible person/lead and set a target date for completion.
- 4.31 Taking account of the mitigations the Gross Risk Score should be re-assessed and revised, and a Net Risk Score agreed. The Net Risk Score should not be higher than the Gross Risk Score (either in terms of impact, or probability, or both), because again, it refers to the level of risk remaining after controls and mitigating actions are considered.
- 4.32 After mitigations and risk scores have been identified, the planning process is effectively complete, and the agreed plans should be taken forward for implementation.
- 4.33 Control strategies / plans may align with the categories below:

Figure 5 – Risk Mitigation Measures

Risk Response	Commentary
Tolerate	The exposure may be tolerable without any further action being taken. It may be supplemented by contingency planning for handling the impacts that will arise if the risk is realised
Transfer	Transfers the risk to a third party. Be aware that the entirety of a risk is practically impossible to transfer
Terminate	Some risks are only treatable by terminating an activity. Alternative plans and/or processes will require developing
Treat	Action is taken to constrain the risk to an acceptable level. This includes reducing the probability of occurrence and/or the impact of the risk
Take	Implement actions to exploit the identified opportunity

d) MONITOR AND CONTROL

- 4.34 Risks should be monitored and controlled on an ongoing basis as part of the Risk Management Process. Responsibility for monitoring and control lies with the Risk Owner and should be ongoing at the appropriate levels.

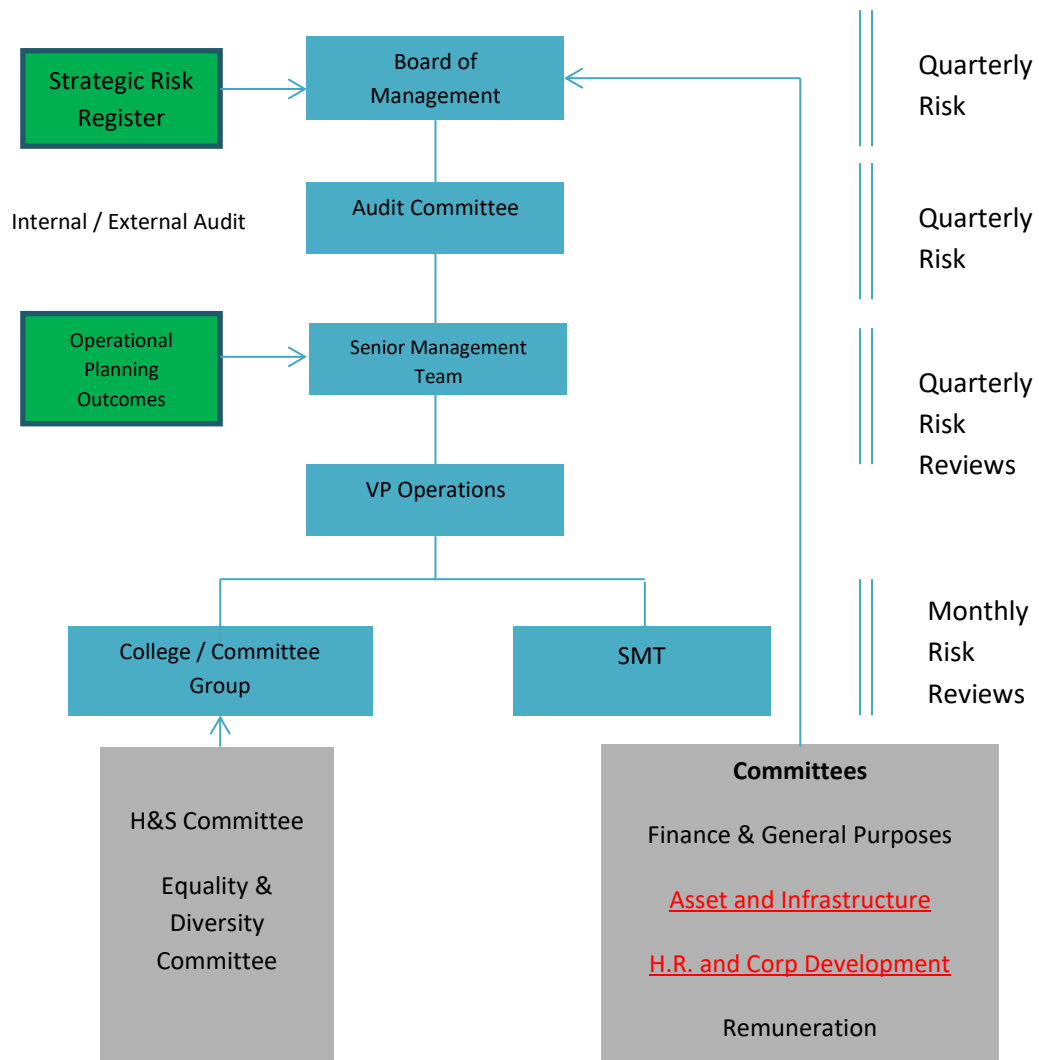
- 4.35 Each of element of the Strategic Risk Register should be revisited on an ongoing basis; for example, mitigating actions should be regularly reviewed for their impact and effectiveness in controlling the risk and in reducing the risk score. Where a mitigating action is complete, it should be removed from the relevant column and where appropriate, referred to under Controls. Where a risk score has escalated, action should be taken to identify and implement control measures in order to reduce the risk score.

- 4.36 Reporting arrangements also provide an additional level of monitoring and control. At College level, the Board of Management will receive a high-level report on risk at each meeting. The report will provide a summary update on the risks included in the Strategic Risk Register, giving current risk scores and notification of any significant changes.

- 4.37 Each Board Committee will receive a report on all strategic risks for their consideration and review based upon the business undertaken at each Committee meeting.

- 4.38 The College Senior Management Team will receive reports on risk for the Strategic Risk Register. Risks at departmental level will be monitored and controlled as part of the operational planning process.

- 4.39 It is the responsibility of the SMT to highlight risks within their Directorates that are considered to have strategic significance. The College reporting framework is outlined below:



5. Measuring the Effectiveness of the Risk Management Process

Internal Audit

- 5.1 As indicated, the Audit Committee must be satisfied as to the College's risk management arrangements and will receive the Strategic Risk Register at each of its meetings. The overall College risk management framework (of which this document is part) is also subject to review by the College's internal auditors both formally through the internal audit process and through the auditor's reliance on the College Strategic Risk Register in formulating Audit Needs Assessment. The College's external auditor also take account of the College Strategic Risk Register in planning their work.

Review of Procedures

- 5.2 This Strategy will be reviewed at every three years and presented to the Board of Management for approval.

Appendix 1: Categories of Risk

<u>Category</u>	<u>Description of Risk</u>
1) <u>Political</u>	<u>Those affecting the College Strategic Priorities normally at a national political level.</u>
2) <u>Competitive Environment</u>	<u>Those affecting the competitiveness of the College to deliver its services in terms of cost, quality, ability to deliver best value and to attract customers / partners to the College.</u>
3) <u>Finance</u>	<u>Those related to financial planning and control and the adequacy of insurance cover.</u>
4) <u>Staffing and HR</u>	<u>Those affecting the recruitment, retention and morale of staff.</u>
5) <u>Students</u>	<u>Those affecting the recruitment, retention, attainment and morale of students.</u>
6) <u>Reputational / External</u>	<u>Those affecting the reputation of the College and/or external partnerships / projects / community in which the College is involved.</u>
7) <u>Digital</u>	<u>Those affecting the ability of the College to deliver the objectives set out in its Digital Strategy.</u>
8) <u>Infrastructure</u>	<u>Those affecting the College's physical assets including buildings and IT systems.</u>
9) <u>Learning and Teaching</u>	<u>Those affecting the successful delivery of the College's curriculum including student experience, performance and associated ROA targets.</u>
10) <u>Governance</u>	<u>Those that impose requirements on the College which could affect priorities / funding / reputation.</u>

Appendix 2 –

Example of Format - College Strategic Risk Register Entry

Risk number	05	WCS 4
Risk description	SFC Regional Outcome Agreement Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.2 2.1 3.2 3.4	
Risk category / appetite	Learning and Teaching	Open
Proximity	Long-term	
Impact/Likelihood	5 x 4	
Gross Risk Score	20	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1) Positive engagement with SFC in relation to ROA development and monitoring for current and future years. Internal audit of ROA process indicated robust planning arrangements in place regarding development of ROA.	
	2) Effective internal monitoring and reporting procedures in place, including operational planning process, and monitoring through the Board of Management and all Committees.	
	3) Good working relationships with local authorities and schools in order to access attainment funding in support of College activities in this area.	
	4) Detailed curriculum development planning and review process which has been subject to positive review by internal audit.	
Net Risk Score	12	
Trend	↔	
Risk Owner	Principal	

Appendix C – Risk Appetite Statement

The College's approach is to minimise its exposure to Finance, Political and Governance risks, whilst accepting and encouraging an increased degree of risk in pursuit of its mission and objectives. It recognises that its appetite for risk varies according to the activity undertaken, and that its acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

The College's appetite for risk across its activities is provided in the following statements:

(3) Finance

The College aims to maintain its long-term financial viability and its overall financial strength. Whilst targets for financial achievement will be challenging the College has a minimalist appetite for risk that puts in peril the long-term sustainability of the College.

(1) Political

The College aims to make a significant, sustainable, and socially responsible contribution to the West of Scotland and to Scotland through education, knowledge exchange and operational activities. It recognises that this should involve a cautious approach to political risk and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

(10) Governance

The College places great importance on governance, and has no appetite for any breaches in statute, regulation, professional standards, bribery or fraud. It wishes to maintain accreditations related to courses or standards of operation and has cautious appetite for risk relating to actions that may put accreditations in jeopardy.

The above statements take priority over the statements of areas of risk appetite below.

(2) Competitive Environment

The College wishes to be amongst the leaders in transforming knowledge, ideas, skills and expertise into teaching, innovation and enterprise, thereby enriching our stakeholders and wider society. It recognises that developing this may involve an increased degree of risk and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

(4) Staffing and HR

The College aims to value, support, develop and utilise the full potential of our staff to make the College a stimulating and safe place to work. It places importance on a culture of equality and diversity, dignity and respect, collegiality, annual reviews, the development of staff, and the health and safety of staff, students and visitors. It recognises that in fulfilling the potential of the College staff, this may involve an increased degree of risk and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before any deviation from its standards in these areas are authorised and that sensible measures to mitigate risk are established.

(5) Student

The College aims to ensure that we recruit the correct student onto the correct course, retain those students and ensure that they have a productive time at College. It recognises that in order to compete with other institutions that it must accept an increased degree of risk in order to attract and retain those students. It is comfortable in accepting this risk subject to a) limitations imposed by ethical considerations, and b) ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

(6) Reputational / External

It is regarded as critical that the College preserves its high reputation whilst at the same time it is open to exploring new / innovative external partnerships. The College has an open appetite for risk in the conduct of any of its activities that puts its reputation in jeopardy, could lead to undue adverse publicity, or could lead to loss of confidence by the political establishment and funders of its activities.

(8) Infrastructure (including estate projects, IT and equipment)

Major change activities are required periodically to develop the College, and to adapt to changes in the regulatory and technological environment and in the nature and conduct of the College's activities. The College expects such changes to be managed according to best practice in project and change management but given the operating environment in which it operates has open appetite for investment in this area where the benefits can be shown to outweigh the costs.

(9) Learning and Teaching

The College wishes to stimulate students to develop a wish to engage in lifelong learning, encourage an independent attitude and an aspiration to achieve success. It recognises that this should involve an increased degree of risk in developing education and the student experience and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

(7) Digital

The College wishes to be at the leading edge in the digital arena and wishes to grow its digital ambitions. It recognises that that this will involve an increased degree of risk in developing digital solutions and is comfortable in accepting this risk subject to a) limitations imposed by financial considerations, and b) ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

Strategic Risk Register

Proximity: when might the risk occur.

Description	Timing
Immediate	Now
Medium-term	Within three to six months
Longer-term	Greater than six months

Impact: this is the estimated effect of the risk on the Strategic Priorities.

Impact	Criteria	
Catastrophic	4	Significant and unacceptable impact on objectives that would require a material change to approach, procedure or process.
Critical	3	Moderate impact on Priorities that may require minor changes in approach, procedure or process.
Marginal	2	Minor impact on Priorities, which requires little overall change in approach.
Negligible	1	No real impact on achieving Priorities.

Probability: this is the estimated chance of the risk occurring.

Likelihood	Criteria	
Almost certain	6	Extremely likely to occur
Very likely	5	Almost certain to occur
Likely	4	Most likely to occur than not
Possible	3	May occur
Very unlikely	2	Unlikely to occur
Remote chance	1	Extremely unlikely to occur

Risk Score: Impact x Probability

Impact		Result			
Almost certain	6	6	12	18	24
Very likely	5	5	10	15	20
Likely	4	4	8	12	16
Possible	3	3	6	9	12
Very unlikely	2	2	4	6	8
Remote Chance	1	1	2	3	4
		1	2	3	4
Probability		Negligible	Marginal	Critical	Catastrophic

Risk Score: the overall risk level.

Risk level	Score	Description
High	16 - 24	Unacceptable level of risk exposure that requires a review of controls and immediate mitigating action
Medium	6 - 15	Acceptable level of risk exposure subject to regular monitoring
Low	1 - 5	Acceptable level of risk exposure subject to periodic monitoring

Net Risk Score: the overall risk level after controls and mitigating actions are put in place

Trend: after controls and mitigating actions are considered

↑	New or increasing risk
↔	No change to risk
↓	Declining risk

Risk Appetite

	Averse	Minimalist	Cautious	Open	Hungry
Finance					
Political					
Governance					
Competitive Environment					
Staffing and HR					
Student					
Reputational / External					
Infrastructure					
Learning and Teaching					
Digital					

Classification	Description
AVERSE	Avoidance of risk and uncertainty is a key organisational objective.
MINIMALIST	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
CAUTIOUS	Preference for safe delivery options that have a low degree of residual risk and may only have limited potential for reward.
OPEN	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.).
HUNGRY	Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

College Strategy 2019-2025

Priorities		Objectives	
(1) Personalisation	We will deliver the skills solutions that employers are looking for and the learning outcomes that students want, in a way that suits individual students.	1.1	Developing Bespoke solutions, Fast
		1.2	Raising Aspirations and Enabling Students to achieve outcomes
		1.3	Recruiting and Retaining Talented People
(2) Collaboration	We will build the immersive relationships and make the connections that enhance value for customers and stakeholders by creating learning pathways, developing new delivery partnerships and integrating learning into wider local strategies.	2.1	Creating Learning Pathways
		2.2	Immersive Partnerships
		2.3	Delivering Inclusive Growth
(3) Agile and Adaptive	We will develop the capability to respond to shifts in demand and seize new opportunities quickly' putting in place specialist delivery capabilities.	3.1	Developing new income opportunities
		3.2	Developing the Market
		3.3	Utilising Specialist Capabilities
		3.4	Managing for Resilience
(4) Digital	We will ensure that the College has the digital capacity and capabilities to deliver in a modern economy.	4.1	Using Data
		4.2	Inspirational Learning
		4.3	Developing the skills base

Risk Register: Summary of Top 5 Risks

Risk No.	Risk Description	Proximity	Gross	Net	Prior	Trend since last report
1	<u>Business Continuity / Cyber Resilience Planning</u> Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery primarily resulting from Coronavirus epidemic.	Medium-term	24	24	24	↔
2	<u>SFC Funding and Funding Methodology</u> Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.	Immediate	24	24	24	↔
3	<u>Estate Strategy</u> Failure to deliver Estate Strategy objectives due to business cases for development of estate being delayed, with this having a resultant negative impact on the ability of the College to recruit students, retain staff and address legislative requirements.	Long-term	24	20	20	↔
4	<u>Estates maintenance / capital funding</u> Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	Medium-term	20	16	16	↔
5	<u>Brexit</u> Failure to prepare for the anticipated impact upon the College of Brexit including loss of European funding, loss of students / staff and access to exchange programme funding.	Medium-term	15	15	15	↔

Risk number	1	WCS 7
Risk description	<u>Business Continuity / Cyber Resilience Planning</u> Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery primarily resulting from Coronavirus epidemic.	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.2 - Raising Aspirations and Enabling Students to achieve outcomes 3.4 - Managing for Resilience	
Risk category / appetite	Reputational/External	Open
Proximity	Medium-term	
Impact/Likelihood	6 x 4	
Gross Risk Score	24	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1) Business Continuity Plan available on the College intranet to staff along with departmental plans to assist during any incident.	Director of Finance
	2) Business Continuity scenario planning sessions undertaken on a quarterly basis with involvement from both teaching and support staff. Externally facilitates and lessons learned shared with staff.	Director of Finance
	3) College Mobilisation Group established to oversee the reopening of campuses for teaching purposes. Group is chaired by the Director of OD & HR and has representatives from staff, unions and Student Association. The Group meets weekly and is assisted by a Project Manager. The mobilisation Group reports weekly to an Executive Group led by the Principal who oversees the overall College Covid-19 response.	Director of OD & HR
	4) Good interaction with staff, trade unions and Student Associations with regular meetings taking place and information being supplied to all parties on a timely basis normally via the College intranet, with the use of the Homeworking Times publication being key.	Director of OD & HR
	5) Continued engagement with Scottish Funding Council, Skills Development Scotland and other funding bodies to gain clarity on future funding and determine impacts upon College financial sustainability.	Principal

	<p>6) Return to on-site campus activity for 2020-21 academic session achieved from 21 September 2020, including:</p> <ul style="list-style-type: none"> - development of online materials across all areas of learning and teaching; - purchase and dispersal of IT equipment to support students where there is an identified need; - estate adaptations including specified access / egress points to all campuses; improved signage; increased cleaning regime; and development of policy manuals – circulation; cleaning and catering; - on-going monitoring of supply chains based upon risk analysis supplied by APUC; - investment in dedicated sanitisation teams who work across all circulation spaces ensuring regularly touched areas are cleaned. 	Director of OD & HR
	<p>7) The delivery of the work streams associated with the College Digital Strategy will ensure that the needs of both students and staff are addressed in relation to learning and teaching and delivery of support services.</p>	<p>Assistant Principal: Creativity and Skills</p> <p>Assistant Principal: Enterprise and Skills</p>
Probability/Impact	6 x 4	
Net Risk Score	24	
Trend	↔	
Overall Risk Owner	VP Operations	

Risk number / Reference	2	WCS1
Risk description	<u>SFC Funding and Funding Methodology</u> Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority</i>	1.1 - Developing Bespoke solutions, Fast 1.3 - Recruiting and Retaining Talented People 3.1 - Developing new income opportunities 3.4 - Managing for Resilience	
Risk category / appetite	Finance	Minimalist
Proximity	Immediate	
Probability/Impact	6 x 4	
Gross Risk Score	24	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1. Detail of 2020-21 SFC core funding for teaching, estate and student funding confirmed. Ongoing engagement with SFC on funding for period poverty and support for voluntary severance programme.	Vice Principal Operations
	2. Break-even adjusted operating position (excluding the costs of voluntary severance) budget approved for 2020-21 by the Board of Management on 20 July 2020 along with 3-year financial scenario plan. Budget will be monitored continuously by SMT and quarterly by the Board of Management through provision of management accounts.	Vice Principal Operations
	3. Transformation Plan agreed with SFC to take effect from 2020-21 onwards and funding / credit level confirmed by SFC to support this. Requirement for College to deliver 2020-21 curriculum activity in accordance with the agreed Business Transformation Plan.	Principal
	4. Estates Strategy 2016-2026 includes objective to improve / rationalise the College estate utilising estate maintenance funding. Annual Strategy update provided to Asset and Infrastructure Committee including progress towards achievement of objectives.	Vice Principal Operations
	5. College Commercial Development and Credit Group report to HR and Corporate Development Committee at each meeting on level of SFC credit activity	Assistant Principal: Enterprise and Skills

	and on actions taken to maintain ESF income and to grow other non-SFC income.	
	6. Commercial Development and Credit Group monitor current and future curriculum delivery plans including credit delivery and staffing requirements. Report provided to each SMT meeting on credit activity.	Assistant Principal: Enterprise and Skills
Probability/Impact	6 x 4	
Net Risk Score	24	
Trend	↔	
Overall Risk Owner	VP Operations / VP Educational Leadership	

Risk number	3	WCS 3
Risk description	<u>Estate Strategy</u> Failure to deliver Estate Strategy 2016-2026 objectives due to business cases for development of estate being delayed, with this having a resultant negative impact on the ability of the College to recruit students, retain staff and address legislative requirements.	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.2 - Raising Aspirations and Enabling Students to achieve outcomes 3.1 - Developing new income opportunities 3.3 - Utilising Specialist Capabilities 3.4 - Managing for Resilience	
Risk category / appetite	Infrastructure	Open
Proximity	Long-term	
Impact/Likelihood	6 x 4	
Gross Risk Score	24	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1. Asset and Infrastructure Committee (A&I) receive VP Update Report at each meeting on College engagement with stakeholders including SFC, SFT, local councils and other key stakeholders.	Vice Principal Operations
	2. Board approved Estate Strategy 2016-2026 with A&I Committee receiving annual implementation update which highlight required estate investment for consideration by SFC and Scottish Government.	Vice Principal Operations
	3. Outline Business Cases for Paisley and Greenock estate submitted to the SFC. Update on progress made in relation to OBCs made to each A&I Committee including engagement with SFC and local councils.	Vice Principal Operations
	4. Update report provided to each meeting of the A&I Committee which indicates how the College has prioritised the use of SFC estate maintenance funding to address the College 2019 Estate Condition Survey results.	Director of Infrastructure
Probability/Impact	5 x 4	
Net Risk Score	20	
Trend	↔	
Overall Risk Owner	VP Operations	

Risk number	4	WCS 2
Risk description	<u>Estates maintenance / capital funding</u> Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.1 - Developing Bespoke solutions, Fast 1.2 - Raising Aspirations and Enabling Students to achieve outcomes 2.3 - Delivering Inclusive Growth 4.1 - Using Data	
Risk category / appetite	Infrastructure	Open
Proximity	Medium-term	
Impact/Likelihood	5 x 4	
Gross Risk Score	20	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1. College Estate Strategy 2016-2026 submitted to SFC highlighted significant need of investment in College. Annual update report on implementation and progress to Asset and Infrastructure Committee. SFC updated at least twice a year on estate challenges faced by the College.	Vice Principal Operations
	2. A&I Committee receive report on the level of SFC estate maintenance funding which is for 2020-21 only. A&I Committee receive report on planned level of expenditure compared to need and how the College is prioritising the use of the amount allocated to it. Update reports provided to each Committee on use of SFC estate maintenance funds.	Director of Infrastructure
	3. The College regularly engages both formally and informally with both Renfrewshire and Inverclyde Councils to discuss opportunities for development of College facilities. Update report on progress provided to A&I Committee at each meeting.	Principal
	4. Outline Business Cases for Paisley and Greenock submitted to the SFC following Board of Management approval. College pursuing with SFC wider curriculum horizon scanning exercise to allow the College to provide holistic approach to curriculum delivery across the regions it serves.	Vice Principal Operations
	5. The College has undertaken an estate condition survey in 2019 to provide up to	Vice Principal Operations

	<p>date information of the investment required to bring the estate to Condition B status and to maintain it at this level. A presentation on the 2019 results was made to March 2020 A&I Committee and the detail of this provided to the Board of Management. SFC have received a copy of the presentation for their information as well as being updated by the Vice Principal Operations. A Board of Management development session to consider estates challenges and opportunities was undertaken on 28 October 2020 with the outcomes being reported to the December A&I Committee along with the next steps.</p>	
Probability/Impact	4 x 4	
Net Risk Score	16	
Trend	↔	
Overall Risk Owner	VP Operations	

Risk number	5	WCS 16
Risk description	Brexit Failure to prepare for the anticipated impact upon the College of Brexit including loss of European funding, loss of students / staff and access to exchange programme funding.	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.3 - Recruiting and Retaining Talented People 2.2 - Immersive Partnerships 3.1 - Developing new income opportunities 3.4 - Managing for Resilience	
Risk category / appetite	Governance	Cautious
Proximity	Medium-term	
Impact/Likelihood	5 x 3	
Gross Risk Score	15	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1) College has undertaken a review of possible impacts of Brexit on operations and continues to keep this under review. This has been discussed at senior management level and with Board Committees.	Assistant Principal: Enterprise and Skills
	2) The College is a member of a sector working group on Brexit allowing access to latest intelligence specific to the College sector. The College continues to consider to review developments as they arise on a continuous basis.	Assistant Principal: Enterprise and Skills
	3) On-going liaison with SFC on future funding arrangements post 31 July 2023 when current ESF funding is due to end.	Director of Finance
Probability/Impact	5 x 3	
Net Risk Score	15	
Trend	↔	
Overall Risk Owner	Principal	

Risk number	6	WCS 4
Risk description	<u>SFC Regional Outcome Agreement</u> Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource, competition and challenging economic environment due to Covid-19, results in future credit and/or funding adjustments.	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.2 - Raising Aspirations and Enabling Students to achieve outcomes 2.1 - Creating Learning Pathways 3.2 - Developing the Market 3.4 - Managing for Resilience	
Risk category / appetite	Learning and Teaching	Open
Proximity	Long-term	
Impact/Likelihood	5 x 4	
Gross Risk Score	20	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1) 2020-21 ROA finalised however revised SFC guidance awaited on monitoring of 2020-21 outcomes given impact of Covid-19 upon targets. Board of Management updated of revised SFC ROA requirements for 2020-21. ROA reported to Board of Management and individual Committees made aware of ROA objectives relevant to their remit.	Vice Principal Educational Leadership
	2) Effective ROA monitoring and reporting procedures in place, including operational planning process, and monitoring through the Board of Management and all Committees.	Vice Principal Educational Leadership
	3) Regular contact and review meetings with local authorities and schools in order to access attainment funding in support of College activities.	Assistant Principal Student Life and Skills
	4) Detailed curriculum development planning and review process which has been subject to positive review by internal audit.	Vice Principal Educational Leadership
	5) Blended approach to delivery of teaching and learning including online learning allowing College to address changes in recruitment and delivery.	Vice Principal Educational Leadership
	6) Curriculum offering is reviewed to ensure employer and student needs are met and appropriate courses delivered.	Vice Principal Educational Leadership
	7) College Marketing Strategy ensures that the College is seen as the place to come to be educated. Internal communication plans subject to internal audit review	Principal

	with limited number of recommendations for improvement. External communications subject to internal audit review as part of 2020-21 audit plan.	
Probability/Impact	4 x 3	
Net Risk Score	12	
Trend	↔	
Overall Risk Owner	Principal	

Risk number	7	WCS 5
Risk description	<u>National Pay Bargaining</u> Impact and outcome of National Pay Bargaining for both teaching and support staff has an adverse effect on either efficiency of delivery or 2020-21 budget.	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.1 - Developing Bespoke solutions, Fast 1.2 - Raising Aspirations and Enabling Students to achieve outcomes 1.3 - Recruiting and Retaining Talented People 3.4 - Managing for Resilience	
Risk category / appetite	Staffing and HR	Open
Proximity	Medium-term	
Impact/Likelihood	6 x 3	
Gross Risk Score	18	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1) College representation and involvement at senior level in national Employers Association and national joint negotiating committee (NJNC). Update reports provided to both SMT and Board of Management Committees.	Vice Principal Operations – support staff Director of Finance – teaching staff
	2) Financial impact assessment / planning scenarios on the impacts of National Bargaining included within the planning of 2020-21 budget and three-year forecast.	Director of Finance
	3) Business Continuity Planning considered impact of industrial action, with specific plans in place.	Director of Finance
	4) Local trade union consultation and negotiating committees for support and teaching staff continuing to meet on a regular basis in order to maintain positive College industrial relations.	Director of Organisational Development & HR
	5) Robust sector and College communication plan including liaison with Student Association on potential impact on students and staff of outcome from National Bargaining negotiations as required.	Principal
	6) Workforce planning being carried out at departmental level based on national agreements. Results of latest round of planning incorporated into Human Resources Annual Report 2019.	Director of Organisational Development & HR
Probability/Impact	4 x 3	
Net Risk Score	12	

Trend	↔
Overall Risk Owner	Principal

Risk number	8	WCS 6
Risk description	<u>IT Systems and Infrastructure</u> Failure to maintain or acquire and use IT systems and infrastructure to support the digital ambitions of the College.	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.1 - Developing Bespoke solutions, Fast 2.1 - Creating Learning Pathways 3.3 - Utilising Specialist Capabilities 4.2 - Inspirational Learning	
Risk category / appetite	Digital	Hungry
Proximity	Medium-term	
Impact/Likelihood	4 x 4	
Gross Risk Score	16	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1) IT Strategy, Policies / Procedures and system access processes in place. The Asset and Infrastructure Committee review progress achieved in delivering the IT Strategy on an annual basis.	Director of Infrastructure
	2) College involvement in national college sector digital group has concluded. One off SFC funding of £221k utilised in order to fund purchase IT devices for students.	Assistant Principal: Creativity and Skills Assistant Principal: Enterprise and Skills
	3) Staff and student feedback and evaluation procedures in place. Action planning in place to address issues raised through feedback mechanisms.	Assistant Principal: Performance and Skills
	4) IT Contingency Plan in place with regular review and update undertaken.	Director of Infrastructure
	5) College has renewed Cyber Essentials Plus accreditation as required. Work commencing on updating the Scottish Government Cyber Resilience Framework.	Director of Infrastructure
	6) College Digital Strategy sets out digital ambitions for the College, presented and approved by the Board of Management. Annual Strategy update report provided to Learning, Teaching and Quality Committee with regular updates provided to SMT. This will provide a basis for College digital developments and a basis for seeking required levels of Scottish Government and SFC funding to support this.	Assistant Principal: Creativity and Skills / Assistant Principal: Enterprise and Skills
	7) Data from major IT systems reviewed on ongoing basis to ensure that	Principal

	information upon which strategic decisions are based is robust and up to date.	
Probability/Impact	4 x 3	
Net Risk Score	12	
Trend	↔	
Overall Risk Owner	VP Operations	

Risk number	9	WCS 15
Risk description	<u>College Transformation Plan</u> Failure to deliver the financial and/or non-financial objectives outlined in the College Transformation Plan "Future Proofing Our College".	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.1 - Developing Bespoke solutions, Fast 2.1 - Creating Learning Pathways 3.4 - Managing for Resilience 4.3 - Developing the skills base	
Risk category / appetite	Governance	Cautious
Proximity	Long-term	
Impact/Likelihood	4 x 4	
Gross Risk Score	16	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1) Transformation Plan has been developed by the College and discussed in detail with the SFC. Plan formally agreed and funding provided by SFC from 2020-21 to support this. Requirement for College to deliver the Transformation Plan from 2020-21 and reduce the level of third-party distance learning.	Principal
	2) Board of Management have approved the Plan and financial objectives are monitored through the F&GP Committee. Board of Management monitor overall plan achievement.	Principal
Probability/Impact	3 x 4	
Net Risk Score	12	
Trend	↔	
Overall Risk Owner	Principal	

Risk number	10	WCS 9
Risk description	<u>Staff Relations</u> Inability to maintain positive staff relations.	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.2 - Raising Aspirations and Enabling Students to achieve outcomes 1.3 - Recruiting and Retaining Talented People 3.4 - Managing for Resilience	
Risk category / appetite	Staffing and HR	Open
Proximity	Long-term	
Impact/Likelihood	4 x 3	
Gross Risk Score	12	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1) Approved Workforce Plan in place and implementation reviewed by the HR and Corporate Development Committee.	Director of Organisational Development & HR
	2) Clear procedures for communication and engagement with Trade Unions and College staff verified by 2018-19 internal audit on internal communications	Director of Organisational Development & HR
	3) Staff engagement sessions and staff surveys undertaken on regular basis allowing matters to be raised and issues to be addressed early.	Principal
	4) Local trade union consultation and negotiation committees in place for teaching and support staff. Minutes of the meetings are provided to staff via the College intranet.	Director of Organisational Development & HR
	5) College is supportive of staff involvement in national negotiations and has open dialogue with trade unions at local and national levels as to how staff can be supported.	Director of Organisational Development & HR
Probability/Impact	3 x 3	
Net Risk Score	9	
Trend	↔	
Overall Risk Owner	Principal	

Risk number	11	WCS 11
Risk description	<u>Alternative Income Growth</u> Ability to generate consistent levels of alternative income or to grow alternative income streams.	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.1 - Developing Bespoke solutions, Fast 2.3 - Delivering Inclusive Growth 3.1 - Developing new income opportunities 3.2 - Developing the Market	
Risk category / appetite	Competitive Environment	Open
Proximity	Long-term	
Impact/Likelihood	4 x 3	
Gross Risk Score	12	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1) Alternative Income plans, targets and activities developed annually as part of the Operational Planning Process and shared across the College. Income plans and ambitions are in response to requirements of College Transformation Plan objectives. Reporting and monitoring on activity and progress will be subject to review by HR and Corporate Development Committee.	Assistant Principal: Enterprise and Skills
	2) 2020-21 Alternative income budget and forecast agreed and monitored by the HR and Corporate Development Committee.	Assistant Principal: Enterprise and Skills
	3) Update report provided to HR and Corporate Development committee on partnership working with local employers and stakeholders.	Assistant Principal: Enterprise and Skills
	4) Operation planning combined with Curriculum Development Planning procedure used to identify potential opportunities for income growth.	Vice Principal Educational Leadership
	5) Adaption of course portfolio to meet student / employer needs.	Vice Principal Educational Leadership
	6) Financial strategy and planning in place to address variations.	Director of Finance
	7) Commercial Development and Credit Group meet twice a month to review budget / create forecast and address challenges of delivering alternative income.	Assistant Principal: Enterprise and Skills
Probability/Impact	3 x 3	
Net Risk Score	9	

Trend	↔
Overall Risk Owner	VP Educational Leadership

Risk number	12	WCS 10
Risk description	Workforce Planning Failure to embed Workforce Plan resulting in lack of appropriate resources and skills being developed to achieve College strategic objectives and outcomes	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.3 - Recruiting and Retaining Talented People 2.3 - Delivering Inclusive Growth	
Risk category / appetite	Staffing and HR	Open
Proximity	Long-term	
Impact/Likelihood	4 x 3	
Gross Risk Score	12	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1) Board of Management approved College Workforce Plan in place and annual update report provided to HR and Corporate Development Committee.	Director of Organisational Development & HR
	2) Detailed teaching resource planning through use of curriculum mapping tool (CMAP).	Vice Principal Educational Leadership
	3) Resourcing of support staff structures reviewed on an ongoing basis by Executive Management Team to ensure alignment with operational and strategic priorities.	Principal
	4) ITrent HR and payroll software developed to provide staff data and reports including a College establishment report.	Director of Organisational Development & HR
	5) Professional Development Policies are aligned to strategic priorities.	Director of Organisational Development & HR
	6) Roll out of College CPD review process is ongoing and supports succession planning, leadership development and assists in mitigating the impact of the loss of key staff.	Director of Organisational Development & HR
	7) Results from staff skills survey being used to allow the College to identify and address future skills gaps.	Director of Organisational Development & HR
Probability/Impact	3 x 2	
Net Risk Score	6	
Trend	↔	
Overall Risk Owner	Principal	

Risk number	13	WCS 13
Risk description	<u>General Data Protection Regulations</u> Inability to ensure a holistic response to data and information governance, including compliance with the General Data Protection Regulations (GDPR).	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	3.4 - Managing for Resilience 4.1 - Using Data	
Risk category / appetite	Governance	Cautious
Proximity	Long-term	
Impact/Likelihood	3 x 3	
Gross Risk Score	9	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1) The College has appointed a Data Protection Officer (DPO) in compliance with legislative requirement.	Director of Organisational Development & HR
	2) Ongoing review by DPO of departmental compliance with data legislation and addressing issues as required. Report provided to SMT on progress and issues identified / rectified.	Director of Organisational Development & HR
	3) College GDPR and Data Management Working Group which involves SMT and wider staff involvement as required. The Group has oversight of the information risk assessment process and provides reports to SMT as required.	Director of Organisational Development & HR
	4) Data Protection concepts and principles embedded within the operations of the College.	Director of Organisational Development & HR
Probability/Impact	3 x 2	
Net Risk Score	6	
Trend	↔	
Overall Risk Owner	Principal	

Risk number	14	WCS 14
Risk description	<u>Estate Investment Works</u> Normal business activities are unduly affected due to the complexity of sequencing estates investment works.	
Link to the Strategic Priority <i>Refers to the relevant Strategic Priority.</i>	1.2 - Raising Aspirations and Enabling Students to achieve outcomes 3.4 - Managing for Resilience	
Risk category / appetite	Learning and Teaching	Open
Proximity	Long-term	
Impact/Likelihood	4 x 2	
Gross Risk Score	8	
Controls <i>A control is a framework in place to mitigate the risk.</i>	1) Detailed resource planning involving all relevant parties at early stages to address any issues in advance of project start date.	Director of Infrastructure
	2) Staff resource increased though recruitment of additional Project Manager to address the significant increase in level of expenditure and complexity of projects being undertaken.	Director of Infrastructure
	3) Well embedded Project / Estate Team with knowledge base that allows issues to be identified and addressed.	Director of Infrastructure
	4) Use of external professional advisors to provide oversight and critical review of proposed activities / plans.	Director of Infrastructure
Probability/Impact	3 x 2	
Net Risk Score	6	
Trend	↔	
Overall Risk Owner	VP Operations	