

**Meeting of the Audit Committee
to be held on Monday 20 March 2017
at 3.00 pm in Room L111 in Ayr Campus**

AGENDA

- 1 Welcome and Declarations of Interest
- 2 Apologies
- 3 Minute of the meeting held on 8 December 2016 (Paper 1) (P)
- 4 Matters arising

Part A – For discussion, decision and approval

- 5 Internal Audit-Scott Moncrieff
 - (i) Internal Audit Report 2016-17 - Final Budget Setting (Paper 2) (P)
 - (ii) Updated 2016-17 Internal Audit Programme (Paper 3) (P)

Part B – Regular Reporting/Monitoring

- 6 2016-17 Internal Audit Rolling Action Plan at February 2017 (Standing Report) (Paper 4) (P)

Part C – Risk Management

- 7 2016-17 Risk Management
 - (i) College Risk Register (V3) at February 2017 (Paper 5) (P)
 - (ii) New Campus Risk Register (V19) at February 2017 (Paper 6) (R)

Part D – For Information

- 8 National Fraud Initiative 2016 Verbal
- 9 Date of Next Meeting – Thursday 15 June 2017 in Kilwinning Campus

(P) Papers will be published on the College website

(R) Papers will not be published for reasons of commercial sensitivity or for reasons of personal data confidentiality



Ayrshire College

Internal Audit Report 2016/17

Budget Setting

January 2017



Scott-Moncrieff
business advisers and accountants

Ayrshire College

Internal Audit Report 2016/17

Budget Setting

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<i>Audit Sponsor</i>	<i>Key Contacts</i>	<i>Audit team</i>
<i>Michael Breen, VP Finance & College Systems</i>	<i>Alistair Gordon, Director of Finance and Student Funding Liz Walker, Head of Financial Services</i>	<i>Chris Brown, Partner Kirsty Steele, Audit Manager Andrew Diffin, Internal Auditor</i>

Executive Summary

Conclusion

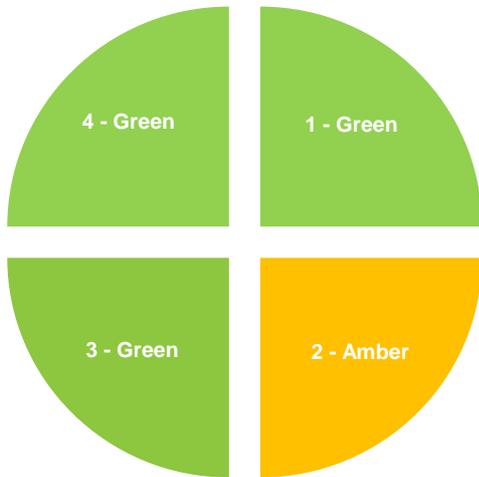
Ayrshire College has a number of well-designed and effective processes and controls in place over the budget setting process. However our review has identified one high risk area, one moderate risk area and one low risk area for improvement where the College can further enhance its existing processes, including a detailed assessment of potential future funding reductions with corresponding action plans, centralised detailed saving plans and formal budget holder signoff.

Background and scope

Strong budgetary control is fundamental to the financial health and success of any organisation. As a public sector organisation, Ayrshire College is accountable for the proper use of public funds and for meeting efficiency targets. In order to ensure the economic, efficient and effective use of these funds, it is important for Ayrshire College to have a robust budget setting process in place.

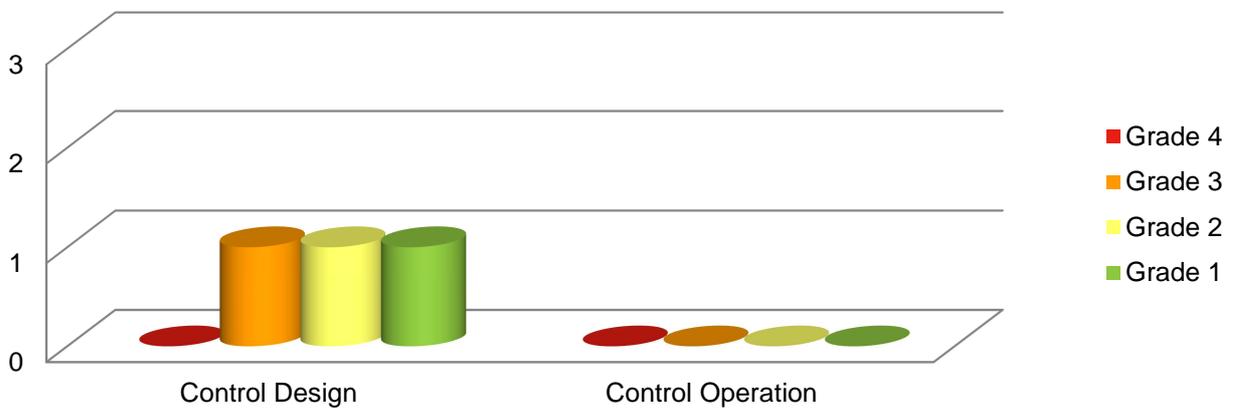
In accordance with our 2016/17 internal audit plan, we have reviewed the budget setting arrangements in place at Ayrshire College, to ensure that they are robust and working effectively.

Control assessment



- 1. There is an appropriate budgeting framework which reflects and supports the structure and operations of the organisation
- 2. The budget planning process has taken account of the financial operating environment, with in-year and future expected reductions in funding being robustly managed and monitored
- 3. Budgets were developed with input from relevant department heads and budget holders as required
- 4. Budgets are subject to scrutiny prior to the start of the year and authorisation by senior management and the board

Improvement actions by type and priority



Three improvement actions have been identified from this review, all of which relate to the design of controls, as opposed to compliance with existing procedures. See Appendix A for definitions of colour coding.

Key findings

Good practice

We have gained assurance that the College's procedures reflect good practice in a number of areas:

- Budgetary responsibilities are clearly defined in policy, and align with the structure of the College;
- Delivery of the budget follows a well-defined procedure and timetable, which includes scrutiny and review from Finance, and the Executive Management Team (EMT);
- Budget holders are involved in the process from the outset, and are supported by Finance and the relevant Vice Principal; and
- The budget setting process is closely linked to the delivery of the College's strategic objectives e.g. through the Curriculum Delivery Plan (CDP).

Areas for improvement

We have identified three areas for improvement which, if addressed, would strengthen the College's control framework:

- The College has not completed medium term financial planning and, in line with best practice and the recommendations in the August 2016 Audit Scotland report *Scotland's Colleges 2016*, we recommend that the College carries out further analysis of the likelihood and impact of potential funding cuts and other budgetary pressures. This should extend over a longer time period, e.g. three years, and consider a broader set of factors in addition to a potential reduction in SFC funding. This should inform discussion at the Board and the development of potential responses to budgetary pressures
- Although agreed savings are separately identified in the budget template, there is no formal record of how the savings will be achieved. Nor does the budget holder share with Finance a savings plan documenting all the relevant saving schemes as confirmation that the savings could viably be made; and
- Budget holders do not formally sign off their final version of the budget as evidence that they agree to the final budget position.

These are further discussed in the Management Action Plan below.

Impact on risk register

The College's most recent December 2016 corporate risk register included the following risks relevant to this review:

- BOM1 – College's reputation could be adversely impacted due to internal and external factors;
- FIN1 - Failure to achieve financial sustainability;
- FIN2 – Changes to financial reporting due to ONS reclassification;
- FIN6 - Failure of the allocated Student Support Funds budget to meet requirements; and

Our review has identified areas for improvement with respect to planning for potential future reductions in funding. If not addressed, these could affect the future financial sustainability of the College, and impact on its ability to deliver its planned curriculum.

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

Management Action Plan

Control Objective 1: There is an appropriate budgeting framework which reflects and supports the structure and operations of the organisation.

A green circle containing the word "Green" in white text, indicating a positive status for the objective.

Green

No weaknesses identified

Responsibility for budget setting and management is delegated throughout the College according to its directorate structure, and is clearly defined in the Budget Setting and Monitoring Policy. The budget setting process is closely aligned with the planned activity of the College as set out in the Curriculum Delivery Plan, ensuring that the budget supports the delivery of the College's strategic and operational objectives.

In order to ensure that all budget holders are aware of their responsibilities, they are supported by allocated members of the Finance Team at the outset of the budget setting process, and by their Vice Principals during the process of budgetary review and approval by the EMT.

Control Objective 2: The budget planning process has taken account of the financial operating environment, with in-year and future expected reductions in funding being robustly managed and monitored



2.1 Financial Planning

The College sets its budget on an annual basis. As part of the 2016-17 annual budgeting process the College assessed the short term financial environment in which they operate e.g. through considering the overall allocation of funding made available by SFC for AY 2016-17 and the impact of the nationally agreed pay increases to staff.

However, the College has not produced medium term financial plans to identify possible action the College could take to manage potential future reductions in funding or other budgetary pressures.

Risk

There is a risk that the College does not have a planned response in place in the event of future funding reductions or other budgetary pressures.

Recommendation

In line with best practice, and the recommendations in the August 2016 Audit Scotland report *Scotland's Colleges 2016*, we recommend that the College carries out further analysis of the likelihood and impact of potential funding cuts and other budgetary pressures. This should extend over a longer time period, e.g. three years, and consider a broader set of factors in addition to a potential reduction in SFC funding. This should inform discussion at the Board and the development of potential responses to budgetary pressures.

Management Action:

Grade 3
(Design)

The College acknowledges that medium term financial planning, underpinned by the ability to reasonably assess key factors, should be completed. However, there are a significant number of challenges at present in relation to assessing realistic assumptions, for example SFC grant going forward due to current national reviews taking place, complexities around the treatment by SFC of annual net depreciation cash, and the potential financial implications surrounding national bargaining, Medium term financial planning would however provide a basis for assessment and development of potential responses to these pressures.

The College will therefore consider incorporating this recommendation into its approach to the budget setting for 2017-18 and consideration by EMT, the Finance Committee and the Board of Management.

Action owner: VP Finance & College Systems

Due date: June 2017

2.2 Documentation of Identified Savings

The Executive Management Team is responsible for reviewing and approving the draft budgets for presentation to the Finance Committee. The EMT can receive a number of draft budgets over a period of time prior to finalisation. These drafts are based on submissions from budget holders and other key components such as expected staffing costs based on the CDP and the current organisational structure.

Following the submission of draft budgets, budget holders, supported by both their Vice Principal and Finance colleagues, may be asked to revisit their initial proposals to identify where potential savings could be made and quantify the impact of any savings presented. The budget updates are then presented back to EMT and each Vice Principal is responsible for updating EMT on the budget revisions.

We identified that, although the agreed saving figures are separately identified in the budget template, there is no formal record maintained by the budget holder on how the savings will specifically be achieved e.g. reduction of consumables spend which would then allow savings to be monitored.

Risk

There is a risk that savings identified by Budget Holders are not realistic or achievable.

Recommendation

The nature of the savings should be documented by the budget holder. This should then be provided to Finance as part of the finalisation of the budget process and subsequently held centrally by Finance as part of the budget working papers.

Management Action:

Recommendation agreed and will be incorporated into the budget processes for 2017-18.

Action owner: VP Finance & College Systems

Due date: June 2017

**Grade 2
(Design)**

Control Objective 3: Budgets were developed with input from relevant department heads and budget holders as required



3.1 Budget holder sign off

Each of the budget holder templates are consolidated into an overall draft budget to be approved by the EMT. In some cases, the EMT may request that budget holders identify savings or other adjustments, and thus the budget is amended from its initially submitted form. Amendments are discussed and agreed between the budget holder and the relevant Vice Principal, prior to final submission to EMT.

However, we identified that budget holders do not formally sign off their final version of the budget as evidence that they agree to the final budget position.

Risk

There is a risk that budget holders cannot be held accountable for their budgets, where amendments have been imposed without evidence of agreement.

Recommendation

As best practice, we recommend that budget holders formally sign off the final version of their budget as evidence of their agreement.

Management Action

Grade 1
(Design)

Recommendation agreed and will be incorporated into the budget processes for 2017-18.

Action owner: VP Finance & College Systems

Due date: June 2017

Control Objective 4: Budgets are subject to scrutiny prior to the start of the year and authorisation by senior management and the board



No weaknesses identified

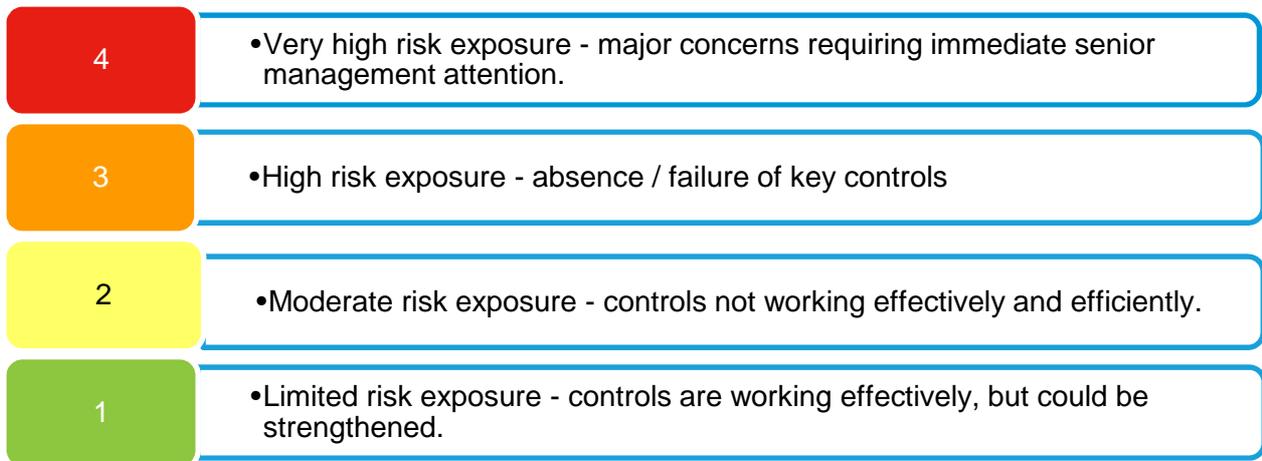
Draft budgets compiled by budget holders are subject to review by Finance, the EMT, and ultimately the Finance Committee and the Board. The budget setting process is carried out in accordance with a defined timetable which ensures that budgets are prepared and reviewed in sufficient time for the final budget to be approved by the Board prior to the start of the financial year.

Appendix A – Definitions

Control assessments



Management action grades



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Ayrshire College

Internal Audit Progress Report

March 2017



Scott-Moncrieff
business advisers and accountants

Ayrshire College

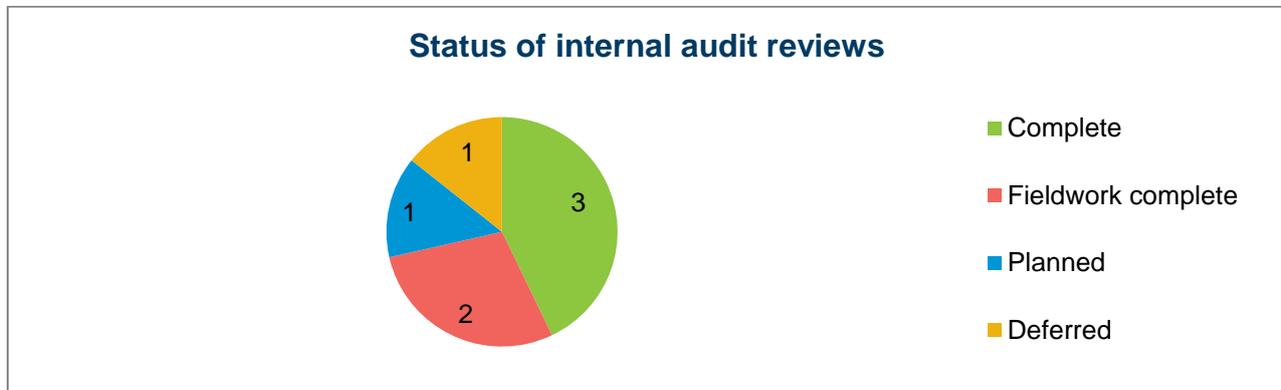
Internal Audit Progress Report

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Summary of Progress

This paper provides the Audit Committee with a summary of internal audit activity since its last meeting and confirms the reviews planned for the coming quarter, identifying any changes to the original annual plan.

Progress against annual audit plan



As at March 2017, three audits have been completed so far in 2016/17; key financial systems, student support and student sums. We have completed the fieldwork for two audits, corporate governance and student experience (student voice).

We were due to conduct a business continuity plan review in March 2017 but management have asked the review to be deferred until September 2017 and be carried forward to the 2017/18 internal audit plan. This will allow management to finalise and approve business continuity plan arrangements prior to our audit commencing.

All reviews scheduled for the next Audit Committee meeting in June 2017 have been planned and, with the exception of the business continuity plan review, we remain on track to deliver the full programme of audit days on time.

Appendix 1 sets out the status of the 2016/17 internal audit programme.

Plan for next quarter

We will present the following reports to the June 2017 Audit Committee:

- Corporate Governance;
- SFC Return;
- Student Experience (Student Voice)

Action for Audit Committee

The Audit Committee is asked to note the contents of this report and to approve the plan for the next quarter. We also invite any comments on the format or content of this report. Contact details are as follows:

Chris Brown, Audit Partner

chris.brown@scott-moncrieff.com

0131 473 3500

Elizabeth Young, Senior Manager

elizabeth.young@scott-moncrieff.com

0141 567 4500

Appendix 1 – Progress against 2016/17 internal audit plan

Ref and Name of report	Audit Sponsor	Status	Quarter	Planned Audit C'ttee	Actual Audit C'ttee
A1. Corporate Governance	Board Secretary	Draft Report	Q3	Mar 17	
B1. Key Financial Systems	Director - Finance and Student Funding	Completed	Q2	Mar 17	Mar 17
B2. SFC Return	Director - Finance and Student Funding	Planned	Q3	June 17	
C1. Student Experience (Student Voice)	Vice Principal - Strategy, Planning & Performance)	Fieldwork Complete	Q3	June 17	
D1. Business Continuity Plan	Director – ICT and MIS	Deferred	2017/18		
E1. Student Support	Director - Finance and Student Funding	Completed	Q1	N/A	Dec 16
E2. Student Sums	Director - Finance and Student Funding	Completed	Q1	N/A	Dec 16

Key:	
Complete	Audit work complete and report has been agreed and finalised
Draft Report	A draft report has been issued
Fieldwork complete	The audit work is complete but the draft report has not yet been issued.
Fieldwork in progress	The audit work is in progress.
Planned	The scope and timing have been agreed with management
Planning	The scope of the audit has yet to be agreed with management

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Audit Committee Meeting**20 March 2017****Subject:** Rolling Internal Audit Action Plan at February 2017**Purpose:** To provide an update on the Rolling Internal Audit Action Plan at February 2017**Recommendation:** The Audit Committee notes the contents of this report.**1 Background**

The Rolling Internal Audit Action Plan was last presented to the Audit Committee at their meeting on 8 December 2016. The Plan has since been updated on an exceptions basis for actions which are now beyond their agreed completion dates.

2 Current Situation**(A) 2013-14 to 2015-16**

Table 1 below lists all remaining points from the internal audits from 2013-14 to 2015-16.

Table 1

Ref	Audit Year	Audit Area	Remaining Points
1	2013-14	Risk Management	1
2	2014-15	Asset Management	1
3	2014-15	Education Contracts	1
4	2015-16	Key Financial Systems	1
5	2015-16	Extended Learning Support	1
6	2015-16	Health & Safety	3
Total			8

1. Risk Management

The action relates to the alignment of operational Risk Registers to the overall corporate Risk Register. This action will be rolled out in full at operational level for AY 2017-18. The feedback on the new approach from Committee members has been positive and as such we are now able to start preparatory work with pilot teams from April 2017 onwards.

2. Asset Management

The item above relates to the development of a long term capital plan. A draft plan has now been developed which will be aligned to the emerging Outcome Agreement for 2017-20. This is scheduled for Summer 2017.

3. Education Contract

The action remaining requires SDS to first upgrade their database. SDS eventually completed this in November 2016. The College is now working to integrate with the SDS updates and this action will be completed by mid 2017.

4. Key Financial Systems

The point relates to updating the finance procedures manual. The Finance team is currently updating elements of the procedures manual and this will be finalised once the College receives the updated financial memorandum from SFC which will allow the College to update its overall financial regulations.

5. Extended Learning Support

The Extended Learning Support/ Access & Inclusion Strategy will be completed by March 2017 as part of the Outcome Agreement with SFC. It was considered that the incorporation within the Outcome Agreement was a more integrated approach than a separate strategy document.

6. Health & Safety

Three points remain in the area in respect of Health & Safety Audit Evidence, Audit Action Plan and Audit Action Reporting. All action areas concern the local audit process carried out by the HSW team. The process and procedure have been updated in relation to the recommendations. However, no local audits have been carried out to date and therefore the College will not be able to complete the action until later in 2017.

(B) 2016/17

This section covers all new reports up to December 2016 and Table 2 below lists all remaining points from the internal audits from 2016-17.

Table 2

Report	Audit Areas Covered	Audit Points Raised	Actioned	Remaining Points
1	AY 2015-16 Credits	1	1	-
2	AY 2015-16 Student Funding returns	1	1	-
Total		2	2	-

3 Proposals

No further proposals are contained in this report.

4 Consultation

No formal consultation is required to be completed given the subject matter of this report.

5 Resource Implications

There are no resource implications to be noted in this paper.

6 Risks

An effective and challenging Internal Audit service is a key element in the management of risk within the college.

7 Equality Impact Assessment

An impact assessment is not applicable to this paper given the subject matter.

8 Conclusion

The Audit Committee notes the contents of this report.

Michael Breen
Vice Principal, Finance and ICT
14 March 2017

[Alistair Gordon, Director of Finance and Student Funding]

Audit Committee Meeting

20 March 2017

- Subject:** 2016-17 Ayrshire College Risk Register (V3) at February 2017
- Purpose:** To present the AY 2016-17 Risk Register (V3) to the Audit Committee for discussion, comment and approval.
- Recommendation:** The Audit Committee, subject to review and any amendments, approve the 2016-17 Ayrshire College Risk Register (V3) at February 2017

The risks extracts (excluding those owned by the Board of Management) have been reviewed by each Committee as part of the current meeting cycle.

The Board of Management risk extract is included for discussion, comment and approval.

1 Background

The management of risk is a key Strategic priority for the Audit Committee, Board of Management and both the Executive and Senior Management Teams.

Under its Terms of Reference, the Audit Committee have the duty to:

“Ensure a system of risk management has been established and is being maintained”.

Therefore, the Risk Register is a standing agenda item for each meeting of the Audit Committee and thereafter the Board of Management. In addition, the relevant extracts from the Risk Register are presented to each Committee for their discussion, comment and approval.

2 Current Situation

Each Committee has reviewed their own risk extracts in the current cycle of meetings. This included an assessment of Risk Appetite. The Board of Management will be asked to review the Risk Appetite assessments within the overall risk register.

Risks have been assessed using the updated Risk Methodology previously approved by the Audit Committee and Board of Management. This sets out:

- Risk Assessment Methodology
- Risk Scoring: Likelihood and Impact Assessment
- Risk Appetite: now setting out the five options with indicative categorisation

Twenty one current strategic risks are now noted in the Risk Register. These risks are clustered into the following areas:

Board of Management	4
Estates and New Campus Development Committee	3
Finance Committee	6
HR and OW Committee	3
Learning and Teaching Committee	5
Total	21

The individual Committee Risk Registers are attached as follows: -

Appendix 1 – Board of Management

Appendix 2 – Estates and New Campus Development Committee

Appendix 3 – Finance Committee

Appendix 4 – HR and OW Committee

Appendix 5 – Learning and Teaching Committee

For ease of reference the **Addendum** to this paper details the risk references and risk descriptions.

Change in Risks since previous (V2) version

New Risks

None.

Risks Deleted/To be Amended

None.

Risk Scores

Risk Classification	BOM	E&NCD	Finance	HR &OW	L&T	Total
Very Low	0	0	1	0	0	1
Low	2	1	2	1	2	8
Moderate	1	1	2	1	3	8
Medium	1	0	1	1	0	3
High	0	1	0	0	0	1
Total	4	3	6	3	5	21

Change in Risk Scores since previous version

Increased risks

No risks have been increased.

Decreased risks

No risks have been decreased

Risk Appetite Assessment

Risk Classification	BOM	E&NCD	Finance	HR &OW	L&T	Total
Averse	0	0	1	0	0	1
Minimal	2	1	4	1	1	9
Cautious	2	1	1	2	4	10
Open	0	0	0	0	0	0
Hungry	0	0	0	0	0	0
Total	4	2 *	6	3	5	20

* E&NCD – Given that ENC3 refers to the new campus project, an overall risk appetite has not been assessed.

Risk Scores outwith 'Risk Appetite Zone'

	BOM	E&NCD	Finance	HR &OW	L&T	Total
Number	1	0	2	1	0	4
Risk Ref	BOM1		FIN1 FIN2	HRW1		

The Audit Committee and Board of Management will want to review the position on these particular risks and ensure that the current control environment and actions proposed by Management are appropriate in the circumstances.

3 Proposals

No further proposals are contained in this paper.

4 Consultation

No formal consultation is required. However, the overall approach to risk was reviewed by the Board of Management on 5 November 2015 and the updated Risk Registers has been reviewed by the Executive Management Team and the relevant Board Committees, including the Audit Committee.

5 Resource Implications

No resource issues require to be noted in this paper.

6 Risks

The management of strategic risks is a key responsibility for the Audit Committee, Board of Management and both the Executive and Senior Management Team. The key elements and management of strategic risk faced by Ayrshire College are included in a Risk Register.

7 Equality Impact Assessment

An impact assessment is not applicable to this paper given the subject.

8 Recommendation

The Audit Committee, subject to review and any amendments, approve the 2016-17 Ayrshire College Risk Register (V3) at February 2017.

Michael Breen
Vice Principal, Finance and College Systems
14 March 2017

[Alistair Gordon, Director of Finance and Student Funding]

Addendum: as at February 2017

Ref	Risk Description
BOM1	The College's reputation could be impacted adversely due to both internal and external factors
BOM2	The College could fail to achieve high standards of Corporate Governance through the lack of a formal governance structure resulting in poor oversight of the College's strategic direction, performance and resources.
BOM3	The College could fail to engage with key internal and external stakeholders because of poor communication methods resulting in the failure to achieve strategic partnership targets.
BOM4	The College does not develop a new culture because of a failure to create a single Ayrshire College identity resulting in inconsistent service delivery across all campuses.
ENC1	There is a risk that Ayrshire College is unable to fully invest in its estate due to capital funding restrictions, resulting in the failure to develop and maintain an integrated and high quality estate.
ENC2	There is risk that facilities will be unavailable due to estate-related matters such as the loss of power, resulting in an inability to deliver services to students and staff.
ENC3	There is a risk that the College does not achieve the objectives of the new campus development because of inadequate project management resulting in reduced service and course quality.
FIN1	External funding pressures adversely impact on future College financial sustainability and/ or the delivery of the Curriculum
FIN2	Changes in financial reporting due to the ONS reclassification will result in a reduced ability to effectively control financial resources.
FIN3	Non-compliance with statutory obligations due to the lack of adequate monitoring arrangements resulting in financial penalties and reputational damage.
FIN4	Key ICT infrastructures do not support key College services because the ICT systems are not robust or fit for purpose resulting in poor quality service delivery.
FIN5	The College fails to comply with procurement regulations because of inadequate policies and processes or lack of staff engagement, resulting in the failure to achieve best value.
FIN6	Without utilising other college funding, the allocated student support funds are insufficient to meet our requirements resulting in inadequate funding to students/students not completing courses, as well as potentially not meeting Credit activity targets.
HRW1	Risk that an adverse outcome to National Bargaining will result in failure in service delivery and damage to employee relations.

Ref	Risk Description
HRW2	Risk that external market forces will adversely affect staff retention and recruitment resulting in failure in service delivery
HRW3	There is a risk that the College does not maintain its HSW culture or comply with statutory Health and Safety requirements due to lack of staff engagement / understanding / training, resulting in danger and harm to staff and students and reputational damage.
LT1	There is a risk that the College will fail to achieve its SFC activity target because of low student numbers or inadequate planning systems which could result in the claw-back of funding.
LT2	There is a risk that the College fails to develop a demand-led curriculum because of disengagement with key stakeholders or lack of focus on Government objectives, resulting in the College not meeting the needs of the economy and wider society.
LT3	There is a risk that the College does not provide a high quality learning experience due to a poor alignment of staff and other resources, resulting in reduced attainment scores for students and reputational damage.
LT4	The College does not engage effectively with students due to inadequate or ineffective communication, resulting in a poor student experience.
LT5	There is a risk that the College does not deliver on its SDS education contracts / Business solutions portfolio due to its assessment of the market, insufficient resources, ineffective performance monitoring resulting in loss of learning opportunities and reputational damage

BOARD OF MANAGEMENT RISKS

**AY 2016-17 Risk Register
DETAIL
(V3)**

February 2017

**(Draft for discussion, comment, amendment if
required and approval)**

<p>Ref: BOM1</p> <p>Lead Committee: Board of Management</p> <p>Risk Owner(s): Principal</p> <p>Risk Manager(s): All Vice Principals</p> <p>Risk: The College's reputation could be impacted adversely due to both internal and external factors</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> ○ Reputational damage arising from issues associated with the College ○ Reputational damage due to National Bargaining impacting on employee relations ○ Reputational damage arising from decisions taken due to funding cuts 	<p>Risk Category(s):</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td></td> </tr> <tr> <td>Political</td> <td>✓</td> <td>Learning and Teaching</td> <td>✓</td> </tr> <tr> <td>Financial</td> <td>✓</td> <td>Other College Services</td> <td>✓</td> </tr> </table> <p>Risk Appetite- Cautious</p> <p>Preference for safe delivery options. Willing to accept medium risk but recognise this may limit the potential for reward</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>The Board places the highest importance on the College having a good reputation both locally and nationally. However, the Board understands well the external environment in which the College currently operates. In relation to National Bargaining, the College has signed the NRPA and is a member of the Employers' Association who have the overall responsibility for delivering on this policy. The Board is focused on maintaining good employee relations while minimising potential local reputational and financial damage. The Board in its decision making capacity considers both the service and financial impact of decisions made and is fully committed to maintaining a high quality learning experience for Students.</p>	Reputational	✓	Compliance / Regulatory		Political	✓	Learning and Teaching	✓	Financial	✓	Other College Services	✓
Reputational	✓	Compliance / Regulatory											
Political	✓	Learning and Teaching	✓										
Financial	✓	Other College Services	✓										

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	X
	4	8	12	16	20		4	8	12	16	20		
	3	6	9	12	15		3	6	9	12	15		
	2	4	6	8	10		2	4	6	8	10	Current position acceptable	
	1	2	3	4	5		1	2	3	4	5	Current position can be relaxed	
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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<p>Existing Controls /Actions taken</p> <p>Staff, stakeholders and partners updated regularly on key College issues including separate events with community partners and local employers</p> <p>Proactive communication and media strategies are in place e.g. Principal's weekly update to all Staff</p> <p>The College signed the NRPA in June 2015 and is a voting member of the Employers Association. The College has implemented locally the outcomes of national bargaining to date.</p> <p>The Principal and the Chair through various informal and formal channels continue to lobby for investment in both the College Sector and Ayrshire College</p>
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<p>Other Controls Planned / Further Actions to be taken to move towards desired position</p> <p>Continuation of engagement strategies with staff, stakeholders and partners</p> <p>Where appropriate the College will continue to support the work of the Employers Association</p> <p>Staff will be kept up to date with National Bargaining developments</p> <p>Further opportunities will be taken as appropriate to lobby for increases in sector funding at both local and national levels</p>
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<p>Ref: BOM2</p> <p>Lead Committee: Board of Management</p> <p>Risk Owner(s): Principal</p> <p>Risk Manager(s): All Vice Principals</p> <p>Risk: The College could fail to achieve high standards of Corporate Governance through the lack of a formal governance structure resulting in poor oversight of the College's strategic direction, performance and resources.</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> ○ Ayrshire College Board and Committee Governance Structure ○ Board of Management Training and Development Opportunities ○ Robust and Relevant Board and Committee information for challenge, decision making and setting the strategic direction 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td>✓</td> </tr> <tr> <td>Political</td> <td>✓</td> <td>Learning and Teaching</td> <td></td> </tr> <tr> <td>Financial</td> <td>✓</td> <td>Other College Services</td> <td></td> </tr> </table> <p>Risk Appetite- Minimal</p> <p>Preference for ultra-safe business delivery options. Willing to accept low risk but recognise that this limits the potential for reward</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>The Board of Management places the highest priority on good and effective Governance and the reputation of the College. The Board is aware of the political environment in which it operates and the importance placed by key stakeholders on demonstrating good Corporate Governance. The Board accepts that decisions made can have wider implications and the management of risk is a key consideration.</p> <p>The Board understands the challenging financial environment in which the College operates and structures are in place to manage performance and resources.</p>	Reputational	✓	Compliance / Regulatory	✓	Political	✓	Learning and Teaching		Financial	✓	Other College Services	
Reputational	✓	Compliance / Regulatory	✓										
Political	✓	Learning and Teaching											
Financial	✓	Other College Services											

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	
	4	8	12	16	20		4	8	12	16	20	Current position acceptable	X
	3	6	9	12	15		3	6	9	12	15	Current position can be relaxed	
	2	4	6	8	10		2	4	6	8	10		
	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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<p>Existing Controls /Actions taken</p> <p>Constitution and strong Governance Arrangements in place including a Code of Conduct for Board Members.</p> <p>Relevant and timely information presented to the Board of Management in an appropriate format</p> <p>Board Members (including appointment of new Board Members) recruited with a wide variety of skills, knowledge and experience. Board Committee membership refreshed for AY 2016-17.</p> <p>Board undertakes self-evaluation processes and individual training plans are agreed between the Chair and Board Members.</p>
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<p>Other Controls Planned / Further Actions to be taken to move towards desired position</p> <p>Keep Board Members up to date with developments in the College sector and the wider public sector</p> <p>Board development programme for AY 2016-17</p> <p>New 3-year strategic plan being developed for 2017-2020 (in line with the three year SFC Outcome Agreement process)</p>
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<p>Ref: BOM3</p> <p>Lead Committee: Board of Management</p> <p>Risk Owner(s): Principal</p> <p>Risk Manager(s): All Vice Principals</p> <p>Risk: The College could fail to engage with key internal and external stakeholders because of poor communication methods resulting in the failure to achieve strategic partnership targets.</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> Failure to address and engage with key internal and external stakeholders/partner organisations. Failure to make Ayrshire College a provider of choice for its communities, employers and stakeholders/partners. Failure to influence the strategic direction of key external stakeholders/partners e.g. Community Planning Partnerships. Adverse impact from review of national skills and enterprise agencies. 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td>✓</td> </tr> <tr> <td>Political</td> <td>✓</td> <td>Learning and Teaching</td> <td>✓</td> </tr> <tr> <td>Financial</td> <td></td> <td>Other College Services</td> <td></td> </tr> </table> <p>Risk Appetite- Minimal</p> <p>Preference for ultra-safe business delivery options. Willing to accept low risk but recognise that this limits the potential for reward.</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>The Board of Management places great importance on the College working effectively with stakeholders to achieve its key strategic objectives. The current strategic plan (2014-17) is aligned to the themes of the three Ayrshire Community Planning Partnerships.</p> <p>The Board notes that the College is well represented on a number of strategic planning forums and groups at both a local and national level including the three Ayrshire CPPs and economic / skills development forums.</p>	Reputational	✓	Compliance / Regulatory	✓	Political	✓	Learning and Teaching	✓	Financial		Other College Services	
Reputational	✓	Compliance / Regulatory	✓										
Political	✓	Learning and Teaching	✓										
Financial		Other College Services											

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	
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	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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<p>Existing Controls /Actions taken</p> <p>Regular and effective communication with internal and external stakeholders/partners through a variety of mediums e.g. CONNECT magazine, face to face briefings on key issues and College staff are members of a number of key strategic forums.</p> <p>Effective engagement with employers through various structures, industry sector workshops and supporting local authority economic development teams in their engagement with employers.</p> <p>Effective engagement with Local Authorities and schools through various structures e.g. School/College partnership meetings.</p> <p>Active and proactive engagement by the Principal, Vice Principals and Directors in the East, North and South Ayrshire CPP Boards and supporting structures.</p> <p>College response to first phase of Skills and Enterprise Agency Review and working with key partners regarding possible regional implications.</p>
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<p>Other Controls Planned / Further Actions to be taken to move towards desired position</p> <p>Continue to proactively engage with internal/external stakeholders, employers and partners.</p> <p>Continue to implement a proactive external communications strategy using a wide range of media and targeting positive news coverage in the regional press.</p> <p>College to input into second phase of Agency Review.</p>
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<p>Ref: BOM4</p> <p>Lead Committee: Board of Management</p> <p>Risk Owner(s): Principal</p> <p>Risk Manager(s): All Vice Principals</p> <p>Risk: The College does not develop a new culture because of a failure to create a single Ayrshire College identity resulting in inconsistent service delivery across all campuses.</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> ○ Failure to address the findings of the culture study undertaken at the three predecessor Colleges (updated for Ayrshire College in Autumn 2015) ○ Failure to create a single Ayrshire College identity with consistent values across all campuses. ○ Failure to provide opportunities for the staff voice to be heard. 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td></td> </tr> <tr> <td>Political</td> <td></td> <td>Learning and Teaching</td> <td>✓</td> </tr> <tr> <td>Financial</td> <td></td> <td>Other College Services</td> <td>✓</td> </tr> </table> <p>Risk Appetite- Cautious</p> <p>Preference for safe delivery options. Willing to accept medium risk but recognise this may limit the potential for reward.</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>The Board acknowledges the work undertaken and completed to date to establish a single Ayrshire College identity and culture following the merger in August 2013. Much has been achieved and this was evident from the follow up Culture Study undertaken in Autumn 2015.</p> <p>The Board also acknowledges the context in which the College now operates and the increasing national focus of key areas of responsibility such as national bargaining and we understand that the outcomes could impact on the local College culture.</p>	Reputational	✓	Compliance / Regulatory		Political		Learning and Teaching	✓	Financial		Other College Services	✓
Reputational	✓	Compliance / Regulatory											
Political		Learning and Teaching	✓										
Financial		Other College Services	✓										

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	
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	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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<p>Existing Controls /Actions taken</p> <p>Series of all Staff Events held at Ayr Racecourse (eight to date) to engage with staff around key issues and reinforce the Ayrshire College vision and culture. In August 2016, Staff conferences were held on each main campus with a session focused on refreshing the College's values for AY 2016-17 and a further all staff meeting in February 2017</p> <p>Visibility of Principal, EMT and SMT members throughout the Ayrshire campuses e.g. both formal and informal e.g. welcome meetings.</p> <p>Ayrshire College brand identity: common signage, documentation and approach taken throughout all campuses.</p> <p>Culture study follow-up report finalised and issued to staff in May 2016.</p>
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<p>Other Controls Planned / Further Actions to be taken to move towards desired position</p> <p>Further all staff meetings scheduled for AY 2016-17. Actions to be taken forward from culture study.</p> <p>Continuation of highly visible Principal, EMT and SMT including informal breakfast and afternoon tea drop-in sessions.</p> <p>Engagement with all staff through consultation process and provide feedback.</p> <p>JNCs with both Unions representing staff.</p>
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**ESTATES & NEW CAMPUS DEVELOPMENT
COMMITTEE RISKS**

**AY 2016-17 Risk Register
DETAIL
(V3)**

February 2017

**As considered at the Estates & New Campus Development
Committee meeting on 16 February 2017**

<p>Ref: ENC1</p> <p>Lead Committee: Estates & New Campus Development</p> <p>Risk Owner(s): Vice Principal, College Estates & New Campus Development</p> <p>Risk Manager(s): Head of Estates</p> <p>Risk: There is a risk that Ayrshire College is unable to fully invest in its estate due to capital funding restrictions, resulting in the failure to develop and maintain an integrated and high quality estate.</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> ○ Failure of the Estate and its facilities to support the aspirations for the Ayrshire College. ○ Failure to invest in the Ayrshire College Estate due to capital funding restrictions. ○ Failure to manage the PFI Contract for the Kilwinning Campus. ○ Failure to attract and retain students due to ageing facilities and resources 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td>✓</td> </tr> <tr> <td>Political</td> <td></td> <td>Learning and Teaching</td> <td>✓</td> </tr> <tr> <td>Financial</td> <td>✓</td> <td>Other College Services</td> <td>✓</td> </tr> </table> <p>Risk Appetite- Cautious</p> <p>Preference for safe delivery options. Willing to accept medium risk but recognise this may limit the potential for reward.</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>The Committee has agreed a capital programme for 2016-17 which addresses the key requirements for the year. Revenue budgets are also provided to cover day to day estates related costs within the overall College budget.</p> <p>The Committee notes that investment decisions taken focus on both price and quality and the achievement of best value within the overall funding available.</p> <p>The College actively manages the PFI contract to ensure that services provided are in line with the contract obligations.</p>	Reputational	✓	Compliance / Regulatory	✓	Political		Learning and Teaching	✓	Financial	✓	Other College Services	✓
Reputational	✓	Compliance / Regulatory	✓										
Political		Learning and Teaching	✓										
Financial	✓	Other College Services	✓										

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	
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	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken
2016/17 Capital Programme and revenue budgets for Estates approved
Conditions surveys and dilapidation surveys completed
On-going engagement with Students and Staff
Regular contract meetings with Kilwinning PFI operator and FM provider

Other Controls Planned / Further Actions to be taken to move towards desired position
Infrastructure Strategy to be developed linked to the new College strategic plan (2017-2020)
Estates improvements/ requirements to be integrated within the 2017-18 CDP
College applications where relevant to ACF to fund student resources and upgrade of existing facilities

<p>Ref: ENC2</p> <p>Lead Committee: Estates & New Campus Development</p> <p>Risk Owner(s): Vice Principal, College Estates & New Campus Development</p> <p>Risk Manager(s): Head of Estates</p> <p>Risk: There is risk that facilities will be unavailable due to estate-related matters such as the loss of power, resulting in an inability to deliver services to students and staff.</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> Short term unavailability of facilities (full or partial) due to Estates related matters such as loss of utility services. Long term unavailability of facilities (full or partial) due to Estates related matters which would require the College to access alternative accommodation. 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td>✓</td> </tr> <tr> <td>Political</td> <td></td> <td>Learning and Teaching</td> <td>✓</td> </tr> <tr> <td>Financial</td> <td>✓</td> <td>Other College Services</td> <td>✓</td> </tr> </table> <p>Risk Appetite- Minimal</p> <p>Preference for ultra-safe business delivery options. Willing to accept low risk but recognise that this limits the potential for reward.</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>The Committee places the highest importance on ensuring facilities are available to students and staff. The Committee also recognises that further risk reduction in these key areas of risk would result in significant additional costs and be disproportionate to the benefits received.</p> <p>The College holds commercial insurance to protect its property assets as well as business interruption insurance.</p>	Reputational	✓	Compliance / Regulatory	✓	Political		Learning and Teaching	✓	Financial	✓	Other College Services	✓
Reputational	✓	Compliance / Regulatory	✓										
Political		Learning and Teaching	✓										
Financial	✓	Other College Services	✓										

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	
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	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken
Appropriate Insurances are in place for Ayrshire College
Experienced Staff in place across all Campuses of Ayrshire College to address Estates related matters.
Business Continuity Plan (including Disaster Recovery) in place
Approved service providers in place for provision of temporary services

Other Controls Planned / Further Actions to be taken to move towards desired position
Business Continuity Plan to be updated for presentation to the Audit Committee
Rolling estates improvement plan to maintain estate
Phased roof replacement programme for Ayr Campus (Dam Park building)

Ref: ENC3

Lead Committee: Estates & New Campus Development

Risk Owner(s): Principal

Risk Manager(s): Vice Principal, College Estates & New Campus Development

Risk: There is a risk that the College does not achieve the objectives of the new campus development because of inadequate project management resulting in reduced service and course quality.

Key Areas of Risk:

The new Campus Project does not deliver the objectives set

Please note a separate detailed Risk Register is completed for the New Campus Development Project and is presented to each Project Board and Committees of the Board of Management

Risk Categories:

Reputational	✓	Compliance / Regulatory	
Political	✓	Learning and Teaching	✓
Financial		Other College Services	✓

Risk Appetite- not applicable

It was agreed previously that the New Campus Risk Register would remain in place under the current structure and methodology

Therefore, no Risk Appetite has been set.

Previous Risk Assessment						Risk Assessment						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	X
	4	8	12	16	20		4	8	12	16	20	Current position acceptable	
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Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken

A strong and effective Governance structure is in place for the New Campus Development with key external scrutiny by both the Scottish Funding Council and Scottish Futures Trust.

Other Controls Planned / Further Actions to be taken to move towards desired position

Continuation of current strategies and processes and in particular close liaison with the Scottish Futures Trust and Scottish Funding Council in relation to any potential delay event.

FINANCE COMMITTEE RISKS

AY 2016-17 Risk Register DETAIL (V3)

February 2017

As considered at the Finance Committee meeting on 8 March 2017

<p>Ref: FIN1</p> <p>Lead Committee: Finance</p> <p>Risk Owner(s): Vice Principal, Finance and College Systems</p> <p>Risk Manager(s): Director of Finance and Student Funding</p> <p>Risk: External funding pressures adversely impact on future College financial sustainability and/ or the delivery of the Curriculum</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> ○ Failure to deliver a financially sustainable College in a time of change and uncertainty. ○ Failure to address and adapt to the financial changes imposed by the ONS reclassification. The most recent emerging issue is “net depreciation” to be used to fund SSF and Regional Pressures. ○ Failure of financial planning systems and processes including monitoring and control. 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td>✓</td> </tr> <tr> <td>Political</td> <td>✓</td> <td>Learning and Teaching</td> <td>✓</td> </tr> <tr> <td>Financial</td> <td>✓</td> <td>Other College Services</td> <td>✓</td> </tr> </table> <p>Risk Appetite: Minimal</p> <p>Preference for ultra-safe business delivery options. Willing to accept low risk but recognise that this limits the potential for reward.</p> <p>Key Elements of Board’s Risk Appetite position based on Risk Categories</p> <p>For 2016-17, based on agreed budget, there is no going concern or curriculum risk.</p> <p>Beyond 2016-17, and given the uncertainty over long term funding from Government and use of ‘net depreciation’, we remain concerned regarding the ongoing financial health of the College.</p>	Reputational	✓	Compliance / Regulatory	✓	Political	✓	Learning and Teaching	✓	Financial	✓	Other College Services	✓
Reputational	✓	Compliance / Regulatory	✓										
Political	✓	Learning and Teaching	✓										
Financial	✓	Other College Services	✓										

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	X
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	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken
Strong financial governance by the BOM and Committees.
Budget to July 2017 (AY 2016-17) approved by Finance Committee and Board in June 2016. Budget shows College is financially sustainable and protects services to students in AY 2016-17.
The AY 2016-17 activity target and associated core funding allocation, capital/maintenance grant and student funding budgets was announced by SFC on 9 May 2016. The financial position has been analysed to determine the financial impacts affecting the College’s financial strategy considered by the Finance Committee for AY 2016-17.
Single and robust Ayrshire College Financial System in place together with comprehensive Ayrshire College Financial Regulations. Robust and timely system generated financial reports for review and monitoring purposes.

Other Controls Planned / Further Actions to be taken to move towards desired position
Regular monitoring of budgets by Finance Team, Budget holders, EMT and Finance Committee.
Continued lobbying by Principal and Chair with SFC, Government and Colleges Scotland over various points of financial concern.
Financial Rebudget for AY 2016-17 to be reviewed and approved in March 2017.
Budget for AY 2017-18 to be prepared as from March 2017, taking account of Scottish Government budget

Ref: FIN2

Lead Committee: Finance

Risk Owner(s): Vice Principal, Finance and College Systems

Risk Manager(s): Director of Finance and Student Funding

Risk: Changes in financial reporting due to the ONS reclassification will result in a reduced ability to effectively control financial resources.

Key Areas of Risk:

- o Failure to embed appropriate financial decision making based on the requirements of the Scottish Public Finance Manual.
- o Scottish Government budget year is different from the College's financial reporting year and this could lead to issues arising in terms of presentation/interpretation of different financial statements, timing of income and expenditure and the requirement to meet Scottish Government expenditure limits.
- o Scottish Government reporting requirements are different from the College's own accounting requirements in respect of Board of Management financial statements.

Risk Categories:

Reputational	✓	Compliance / Regulatory	✓
Political	✓	Learning and Teaching	
Financial	✓	Other College Services	

Risk Appetite: Minimal

Preference for ultra-safe business delivery options. Willing to accept low risk but recognise that this limits the potential for reward.

Key Elements of Board's Risk Appetite position based on Risk Categories

Adherence to all ONS reporting and accounting requirements remains a priority.

Ensuring that the College has a sufficient number of trained and knowledgeable staff to meet these requirements is key.

We will continue to challenge SFC and others where their understanding of requirement does not match our own.

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	X
	4	8	12	16	20		4	8	12	16	20	Current position acceptable	
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	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken

Appropriate Finance Team staffing structure in place to meet ONS obligations.
Ongoing dialogue and review of rules with SFC.

Other Controls Planned / Further Actions to be taken to move towards desired position

Further detailed engagement with SFC on their use of "net depreciation" to address Student Funding and specific Regional pressures in 2016-17 and 2017-18.
Continued Finance Staff development programme where required to further improve understanding of Scottish Government requirements e.g. Scottish Public Finance Manual.
College, as instructed by SFC, now moving to a centrally procured banking contract with Royal Bank of Scotland
College reviewing potential move towards commercial insurance derogiation from 2018-19

<p>Ref: FIN3</p> <p>Lead Committee: Finance</p> <p>Risk Owner(s): Vice Principal, Finance and College Systems</p> <p>Risk Manager(s): Director of Finance and Student Funding</p> <p>Risk: Non-compliance with statutory obligations due to the lack of adequate monitoring arrangements resulting in financial penalties and reputational damage.</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> ○ Failure to comply with Ayrshire College Financial Regulations, Financial Policies and Procedures. ○ Failure to comply with Statutory Obligations including HMRC, Health and Safety and SFC reporting. ○ Failure to comply with key Governance obligations. 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td>✓</td> </tr> <tr> <td>Political</td> <td>✓</td> <td>Learning and Teaching</td> <td></td> </tr> <tr> <td>Financial</td> <td>✓</td> <td>Other College Services</td> <td></td> </tr> </table> <p>Risk Appetite: Averse</p> <p>Avoidance of risk and uncertainty is a key organisational objective. Willing to accept no risk, or at most, very low risk.</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>The systems and processes of the College are designed to ensure ongoing compliance with all external and internal regulations and policies.</p> <p>The College will continue to remain vigilant in this area.</p>	Reputational	✓	Compliance / Regulatory	✓	Political	✓	Learning and Teaching		Financial	✓	Other College Services	
Reputational	✓	Compliance / Regulatory	✓										
Political	✓	Learning and Teaching											
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Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
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	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken
Comprehensive Ayrshire College Financial Regulations in place including Procurement Strategy (approved by Board of Management in December 2014).
Updated Procurement Policy agreed in September 2016.
Approved three year internal audit plan agreed based on risk profile / Comprehensive annual external audits.
Experienced and qualified Finance staff in place who as required undertake CDP activities.

Other Controls Planned / Further Actions to be taken to move towards desired position
Continued review of statutory obligations including access to specialist advice e.g. Scott Moncrieff provide specialist VAT advice.
Completion of the agreed 2016-17 Internal Audit Programme.
Updated Procurement Strategy to be approved in March 2017
The Financial Regulations will be reviewed/updated and presented to the Finance Committee early in 2017 for approval, once the content of the new Financial Memorandum with SFC is known.

<p>Ref: FIN4</p> <p>Lead Committee: Finance</p> <p>Risk Owner(s): Vice Principal, Finance and College Systems</p> <p>Risk Manager(s): Director of ICT</p> <p>Risk: Key ICT infrastructures do not support key College services because the ICT systems are not robust or fit for purpose resulting in poor quality service delivery or compromised security of data.</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> ICT Infrastructure is not robust or appropriately scaled to support Ayrshire College activities over multiple campuses. College business systems are not fit for purpose to support Ayrshire College services (includes fragmented and/or legacy systems). Failure to invest in infrastructure and key College systems. College data is accessed by non authorised users. 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td>✓</td> </tr> <tr> <td>Political</td> <td></td> <td>Learning and Teaching</td> <td>✓</td> </tr> <tr> <td>Financial</td> <td>✓</td> <td>Other College Services</td> <td>✓</td> </tr> </table> <p>Risk Appetite: Cautious</p> <p>Preference for safe delivery options. Willing to accept medium risk but recognise this may limit the potential for reward.</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>We have invested heavily in recent years and have a robust implementation plan for the new campus at Kilmarnock.</p> <p>We will continue to look for opportunities to innovate in support of our curriculum delivery.</p>	Reputational	✓	Compliance / Regulatory	✓	Political		Learning and Teaching	✓	Financial	✓	Other College Services	✓
Reputational	✓	Compliance / Regulatory	✓										
Political		Learning and Teaching	✓										
Financial	✓	Other College Services	✓										

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	
	4	8	12	16	20		4	8	12	16	20	Current position acceptable	X
	3	6	9	12	15		3	6	9	12	15	Current position can be relaxed	
	2	4	6	8	10		2	4	6	8	10		
	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken
Robust networks and infrastructure to meet the business needs of Ayrshire College.
Robust specialist systems in place to support e.g. UniteE, Finance and HR/ Payroll.
Appropriate ICT team in place with the required key skills which are supplemented by specialist maintenance contracts or Consultants.
Robust system security including restricted access to hardware, secure passwords and restrictions on system and hardware permissions to safeguard college data. Regular backup of data and safe custody.
Robust Business Continuity Plan in place (approved by Audit Committee in November 2014).
Detailed Project Plans in place and specialist Consultants appointed to deliver the ICT objectives for the new campus in Kilmarnock.

Other Controls Planned / Further Actions to be taken to move towards desired position
Business Continuity Plan to be updated in 2017 for Audit Committee consideration.
New HR/Payroll system now being installed which will improve key requirements such as efficiency and reporting.
A curriculum timetabling system has been procured which, as from 2017-18, will improve key requirements such as efficiency, utilisation of resources and removal of current part manual systems.

<p>Ref: FIN5</p> <p>Lead Committee: Finance</p> <p>Risk Owner(s): Vice Principal, Finance and College Systems</p> <p>Risk Manager(s): Director of Finance and Student Funding</p> <p>Risk: The College fails to comply with procurement regulations because of inadequate policies and processes or lack of staff engagement, resulting in the failure to achieve best value.</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> o Failure of staff to comply with approved Purchasing and Tendering Policies. o Purchasing and Tendering Policies not updated on a regular basis to ensure continued relevance including legislative requirements. o College not achieving best value in terms of procuring goods and services. 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td>✓</td> </tr> <tr> <td>Political</td> <td></td> <td>Learning and Teaching</td> <td></td> </tr> <tr> <td>Financial</td> <td>✓</td> <td>Other College Services</td> <td></td> </tr> </table> <p>Risk Appetite: Minimal</p> <p>Preference for ultra-safe business delivery options. Willing to accept low risk but recognise that this limits the potential for reward.</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>Adherence to procurement regulations and processes remain a key focus within the College.</p> <p>Ongoing compliance in this area is monitored on a regular basis.</p>	Reputational	✓	Compliance / Regulatory	✓	Political		Learning and Teaching		Financial	✓	Other College Services	
Reputational	✓	Compliance / Regulatory	✓										
Political		Learning and Teaching											
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Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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<p>Existing Controls /Actions taken</p> <p>Comprehensive Ayrshire College Financial Regulations in place including Procurement Strategy (approved by Board of Management in December 2014). Updated Procurement Policy agreed in September 2016.</p> <p>A dedicated College Procurement Manager provided through a shared services agreement with APUC. APUC support the College on overall strategic Procurement direction.</p> <p>Staff are aware of College requirements (Purchasing and Tendering Policies and Procedures) and formal processes are in place to ensure compliance.</p> <p>Procurement and Tendering reports presented as a standard EMT item on a monthly basis.</p> <p>Satisfactory 'PCIP' audit review of procurement carried out by APUC in November 2016 with their report issued in January 2017</p>
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<p>Other Controls Planned / Further Actions to be taken to move towards desired position</p> <p>Improved quarterly reporting to EMT and Finance Committee on procurement activities.</p> <p>Updated Procurement Strategy to take account of current requirements agreed by EMT. To be reviewed and approved by Finance Committee and Board in March 2017</p>

<p>Ref: FIN6</p> <p>Lead Committee: Finance</p> <p>Risk Owner(s): Vice Principal, Finance and College Systems</p> <p>Risk Manager(s): Director of Finance and Student Funding</p> <p>Risk: Without utilising other college funding, the allocated student support funds are insufficient to meet our requirements resulting in inadequate funding to students/students not completing courses, as well as potentially not meeting Credit activity targets.</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> ○ Student Funding budgets allocated are not sufficient to meet the demand led need. ○ Reputational damage to the College in relation to Student Funding. ○ Students unable to support themselves financially resulting in course withdrawal. 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td></td> </tr> <tr> <td>Political</td> <td>✓</td> <td>Learning and Teaching</td> <td>✓</td> </tr> <tr> <td>Financial</td> <td>✓</td> <td>Other College Services</td> <td></td> </tr> </table> <p>Risk Appetite: Minimal</p> <p>Preference for ultra-safe business delivery options. Willing to accept low risk but recognise that this limits the potential for reward.</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>Ensuring that student funding is available remains a key requirement and focus for the College.</p> <p>The current budget position is that we are confident that adequate finance is in place for 2016-17.</p> <p>We will continue to monitor developments in this area and projected expenditure.</p>	Reputational	✓	Compliance / Regulatory		Political	✓	Learning and Teaching	✓	Financial	✓	Other College Services	
Reputational	✓	Compliance / Regulatory											
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<p>Previous Risk Assessment</p> <table border="1"> <tr> <td rowspan="5" style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</td> <td>5</td> <td>10</td> <td>15</td> <td>20</td> <td>25</td> </tr> <tr> <td>4</td> <td>8</td> <td>12</td> <td>16</td> <td>20</td> </tr> <tr> <td>3</td> <td>6</td> <td>9</td> <td>12</td> <td>15</td> </tr> <tr> <td>2</td> <td>4</td> <td>6</td> <td>8</td> <td>10</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td colspan="6">Impact</td> </tr> </table>	Likelihood	5	10	15	20	25	4	8	12	16	20	3	6	9	12	15	2	4	6	8	10	1	2	3	4	5	Impact						<p>Risk Assessment v Risk Appetite</p> <table border="1"> <tr> <td rowspan="5" style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</td> <td>5</td> <td>10</td> <td>15</td> <td>20</td> <td>25</td> </tr> <tr> <td>4</td> <td>8</td> <td>12</td> <td>16</td> <td>20</td> </tr> <tr> <td>3</td> <td>6</td> <td>9</td> <td>12</td> <td>15</td> </tr> <tr> <td>2</td> <td>4</td> <td>6</td> <td>8</td> <td>10</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td colspan="6">Impact</td> </tr> </table>	Likelihood	5	10	15	20	25	4	8	12	16	20	3	6	9	12	15	2	4	6	8	10	1	2	3	4	5	Impact						<p>Movement Required</p> <table border="1"> <tr> <td>Mitigating actions to be taken</td> <td></td> </tr> <tr> <td>Current position acceptable</td> <td>X</td> </tr> <tr> <td>Current position can be relaxed</td> <td></td> </tr> </table>	Mitigating actions to be taken		Current position acceptable	X	Current position can be relaxed	
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Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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<p>Existing Controls /Actions taken</p> <p>Comprehensive Policies and Procedures (updated annually) are in place to ensure College Student Funding services are administered in line with both SFC and SAAS requirements.</p> <p>Robust operational systems are in place to monitor Student Funding services including robust and regular financial reporting.</p> <p>Annual audit of Student Funding as part of the approved three year internal audit plan.</p> <p>Student Funding reports and issues brought to the attention of EMT, Learning and Teaching Committee, Finance Committee and Board of Management for discussion.</p> <p>Regular liaison with SFC on Student Funding. Vice Principal-Finance and College Systems is part of national FESSAG group.</p> <p>Bursary spend forecasts reviewed. Agreed that no requirement to make an 'In Year Distribution' request to SFC. Small IYD request made to and approved by SAAS in respect of HE Discretionary funds</p>

<p>Other Controls Planned / Further Actions to be taken to move towards desired position</p> <p>Continued lobbying of SFC/Scottish Government to address the base allocation with further "permanent funding" to meet on-going demand.</p> <p>Engagement with SFC on possible sector changes to EMA/bursary guidance and methodologies.</p>
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HR & ORGANISATIONAL WELLBEING COMMITTEE RISKS

AY 2016-17 Risk Register DETAIL (V3)

February 2017

**As considered at the HR & Organisational Wellbeing Committee
meeting on 2 March 2017**

Ref: HRW1

Lead Committee: HR & OW

Risk Owner(s): Principal

Risk Manager(s): All Vice Principals

Risk: Risk that an adverse outcome to National Bargaining will result in failure in service delivery and damage to employee relations.

Key Areas of Risk:

- Scotland wide developments such as national bargaining
- Disaffected Staff/Loss of Staff resulting in poor learning outcomes or poor services for Students
- Pay settlements agreed through National Bargaining which are not affordable within the current financial environment

Risk Categories:

Reputational	✓	Compliance / Regulatory	
Political	✓	Learning and Teaching	✓
Financial	✓	Other College Services	✓

Risk Appetite- Cautious

Preference for safe delivery options. Willing to accept medium risk but recognise this may limit the potential for reward

Key Elements of Board's Risk Appetite position based on Risk Categories

The Committee understands the challenges around national bargaining. The College has signed the NRPA and is a member of the Employers' Association who have the overall responsibility for delivering on this policy. However, the Committee is focused on maintaining good employee relations while minimising potential local reputational and financial damage. The Committee is fully committed to maintaining a high quality learning experience for Students.

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	X
	4	8	12	16	20		4	8	12	16	20		
	3	6	9	12	15		3	6	9	12	15		
	2	4	6	8	10		2	4	6	8	10	Current position acceptable	
	1	2	3	4	5		1	2	3	4	5	Current position can be relaxed	
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken

- The College signed the NRPA in June 2015 and is a voting member of the Employers Association
- College staff (HR and Finance) are contributing to the work stream structures of the Employers Association and the development of future salaries, terms and conditions.
- The College has implemented locally the outcomes of national bargaining to date
- The College continues to communicate locally with staff through both formal and informal structures including JNC's (with both EIS-FELA and Unison), weekly Principals update and local staff meetings.
- The College has well developed contingency plans and communication strategies to mitigate the impact of the recent Unison continuous/discontinuous industrial action.

Other Controls Planned

- Where appropriate the College will continue to support the work of the Employers Association
- Staff are kept up to date with National Bargaining developments. EIS-FELA are now in dispute and currently an indicative ballot is being undertaken which could result in trade union action up to and including strike action.
- Key partners and stakeholders continue to be kept up to date with the ongoing developments.
- Employers Association numbers will be increased to include from each college both executive and board member representation.

<p>Ref: HRW2</p> <p>Lead Committee: HR & OW</p> <p>Risk Owner(s): Vice Principal, HR & OW</p> <p>Risk Manager(s): Director of HR & Organisational Development</p> <p>Risk: Risk that external market forces will adversely affect staff retention and recruitment resulting in failure in service delivery.</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> ○ Loss of key staff resulting in knowledge or service gaps ○ Challenges in recruiting high calibre staff from key industry and service sectors where there is a high demand for skills and experience e.g. engineering ○ Failure to invest in CPD for all staff ○ National issues relating to National Bargaining outcomes 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td></td> </tr> <tr> <td>Political</td> <td></td> <td>Learning and Teaching</td> <td>✓</td> </tr> <tr> <td>Financial</td> <td>✓</td> <td>Other College Services</td> <td>✓</td> </tr> </table> <p>Risk Appetite- Cautious</p> <p>Preference for safe delivery options. Willing to accept medium risk but recognise this may limit the potential for reward</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>The Committee places the highest importance on service delivery. However, the Committee is aware of the public body status and the resulting pay and reward environment in which the College operates. The Committee recognises that pay is only one element of overall job satisfaction and we support continuing investment in CPD, opportunities for staff to progress their careers and engagement strategies to involve staff in the life and work of the College.</p> <p>The College has agreed formal pay structures and terms and conditions which moving forward will be subject to changes through National Bargaining</p>	Reputational	✓	Compliance / Regulatory		Political		Learning and Teaching	✓	Financial	✓	Other College Services	✓
Reputational	✓	Compliance / Regulatory											
Political		Learning and Teaching	✓										
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Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	
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Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken
The Organisational structure is reviewed on a regular basis and EMT consider each job vacancy when it arises
The College has in place robust recruitment and selection processes
The 2016/17 approved budget includes an overall budget to support CDP activities for both Curriculum and Lecturing staff e.g. PDA and TQFE opportunities for Lecturers to increase their qualifications and skill set
Initial work undertaken on workforce planning and identification of at risk areas in terms of succession planning

Other Controls Planned
HR Strategy to be developed linked to the new College strategic plan (2017-2021)
The College is progressing the 2016/17 organisational review following previous approval.
The College is currently planning for PDA and TQFE candidates to undertake their studies during AY 2017-18.
Development of alternative recruitment strategies for key sectors with hard to recruit to posts

Ref: HRW3

Lead Committee: HR & OW

Risk Owner(s): Principal

Risk Manager(s): All Vice Principals

Risk: There is a risk that the College does not maintain its HSW culture or comply with statutory Health and Safety requirements due to lack of staff engagement / understanding / training, resulting in danger and harm to staff and students and reputational damage.

Key Areas of Risk:

- Ayrshire College does not comply with statutory Health and Safety obligations.
- Staff knowledge, awareness and training in Health and Safety is not relevant, appropriate and up to date.

Risk Categories:

Reputational	✓	Compliance / Regulatory	✓
Political	✓	Learning and Teaching	
Financial	✓	Other College Services	

Risk Appetite- Minimal

Preference for ultra-safe business delivery options. Willing to accept low risk but recognise that this limits the potential for reward

Key Elements of Board's Risk Appetite position based on Risk Categories

The Committee places the highest priority on Health and Safety requirements including ensuring the College meets all its statutory obligations. The Committee understands that Health and Safety risks require to be managed in an appropriate financial and regulatory environment.

Adequate training, systems and experienced staff should be in place to ensure that the college operates its services within a safe environment to minimise any danger to students, staff and the general public.

Previous Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	
	4	8	12	16	20		4	8	12	16	20	Current position acceptable	X
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	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken

- Experienced Health, Safety and Wellbeing (HSW) team supporting HSW activities across all campuses
- Ayrshire College HSW committee and campus group structure in place.
- Mandatory HSW training is provided for Ayrshire College Staff
- Regular programmes of fire evacuation tests are being carried out across campuses

Other Controls Planned

- Completion of the recommendations made within the Internal Audit review of Health and Safety
- Health and Safety Team will continue to identify improvements such as increased reporting for Managers, EMT and Committee
- Wellbeing initiatives continue to be devised and promoted to all staff. As one example staff are participating in Yoga classes across all campuses

LEARNING AND TEACHING COMMITTEE RISKS

AY 2016-17 Risk Register DETAIL (V3)

February 2017

**As considered at the Learning & Teaching Committee meeting on
23 February 2017**

Ref: L&T1

Lead Committee: Learning & Teaching

Risk Owner(s): Vice Principals

Risk Manager(s): All Directors of Learning & Skills

Risk: There is a risk that the College will fail to achieve its SFC activity target because of low student numbers or inadequate planning systems which could result in the claw-back of funding.

Key Areas of Risk:

- Reputational damage of not achieving SFC activity and performance targets which could lead to future activity reductions.
- Financial consequences of not achieving SFC activity and performance targets (e.g. claw back of Funding).
- Ayrshire College not meeting the needs of employers, communities, stakeholders or partners.

Risk Categories:

Reputational	✓	Compliance / Regulatory	✓
Political	✓	Learning and Teaching	✓
Financial	✓	Other College Services	

Risk Appetite- Cautious

Preference for safe delivery options. Willing to accept medium risk but recognise this may limit the potential for reward.

Key Elements of Board's Risk Appetite position based on Risk Categories

The Committee recognises that the achievement of the SFC credit activity target is one of the key measures of success within the Outcome Agreement process and the funding attached.

The Committee expects the College to have strong planning systems in place to ensure its Curriculum Delivery Plan (CDP) is relevant and responsive to local needs, and that overall students recruitment targets are met.

However, the Committee understands the financial context in which the College operates. The financial model underpinning the CDP process allows for planning leeway, which must be balanced against over-delivery of the target, as additional resources (e.g. Lecturer FTE) would be committed without attracting additional SFC funding.

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	
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Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken

Robust planning processes in place for agreeing the Curriculum Delivery Plan (CDP) for AY 2016-17 based on employer, stakeholder and student demand.

Regular monitoring throughout the academic year covering applications, enrolments, withdrawals and credits.

Regular reporting of SFC credit activity to Managers, Heads, Directors, EMT and Committees of the Board of Management

Other Controls Planned / Further Actions to be taken to move towards desired position

Weekly monitoring of credit reports by Managers throughout the College

College wide focus on student retention throughout AY 2016-17

Agreement of 2016-17 "one plus" activity levels with Scottish Funding Council

<p>Ref: L&T2</p> <p>Lead Committee: Learning & Teaching</p> <p>Risk Owner(s): Vice Principals</p> <p>Risk Manager(s): All Directors of Learning & Skills</p> <p>Risk: There is a risk that the College fails to develop a demand-led curriculum because of disengagement with key stakeholders or lack of focus on Government objectives, resulting in the College not meeting the needs of the economy and wider society.</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> Failure to develop a demand led curriculum. Failure to understand and respond to student, stakeholder or employer needs. Failure to plan effectively the delivery of the curriculum across Ayrshire through the Curriculum Delivery Plan (CDP) process. 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td>✓</td> </tr> <tr> <td>Political</td> <td>✓</td> <td>Learning and Teaching</td> <td>✓</td> </tr> <tr> <td>Financial</td> <td>✓</td> <td>Other College Services</td> <td></td> </tr> </table> <p>Risk Appetite- Minimal</p> <p>Preference for ultra-safe business delivery options. Willing to accept low risk but recognise that this limits the potential for reward.</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>The Committee recognises that this is a key risk area for the College and acknowledges that the different elements of this risk are subject to formal scrutiny. For example, through the production of the Outcome Agreement between the College and SFC.</p> <p>The Committee expects the College to have strong planning systems in place to ensure its Curriculum Delivery Plan (CDP) is relevant and responsive to local needs. The CDP should also be aligned to other strategic planning documents/ policies such as SDS Regional Skills Assessments and the Developing the Young Workforce Scottish Government Policy.</p>	Reputational	✓	Compliance / Regulatory	✓	Political	✓	Learning and Teaching	✓	Financial	✓	Other College Services	
Reputational	✓	Compliance / Regulatory	✓										
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Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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<p>Existing Controls /Actions taken</p> <p>Finalisation and approval of the Curriculum Delivery Plan for 2016-17 aligned with the College's Outcome Agreement, Strategic Plan and <i>Developing the Young Workforce</i> (the government's youth employment strategy).</p> <p>Ayrshire College curriculum planning was influenced by demands expressed by employers, partners and stakeholders. These demands were tested against the Regional Skills Assessment and industry sector Skills Investment Plans. 2017-18 CDP approved by the Learning and Teaching Committee and applications are now open.</p> <p>Outcome Agreement Addendum 2016-17 agreed.</p> <p>Education Contracts and Business Development solutions staff work closely with employers to identify requirements</p>

<p>Other Controls Planned / Further Actions to be taken to move towards desired position</p> <p>Robust monitoring of the Curriculum Delivery Plan (including recruitment and retention) throughout Academic Year 2016-17.</p> <p>Continued engagement with the economic and skills boards in the three CPPs, with the education departments in the three local authorities, and with employer support structures such as Team North Ayrshire.</p> <p>Currently assessing 2016 Regional Skills Assessment to understand industry sector developments.</p>
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Ref: L&T3

Lead Committee: Learning & Teaching

Risk Owner(s): Vice Principals

Risk Manager(s): All Directors of Learning & Skills

Risk: There is a risk that the College does not provide a high quality learning experience due to a poor alignment of staff and other resources, resulting in reduced attainment scores for students and reputational damage.

Key Areas of Risk:

- o Reputational damage to Ayrshire College.
- o Failure to meet national quality requirements including Education Scotland and relevant awarding bodies.
- o Failure to meet the targets set out in the College's Outcome Agreement.

Risk Categories:

Reputational	✓	Compliance / Regulatory	✓
Political	✓	Learning and Teaching	✓
Financial	✓	Other College Services	

Risk Appetite- Cautious

Preference for safe delivery options. Willing to accept medium risk but recognise this may limit the potential for reward.

Key Elements of Board's Risk Appetite position based on Risk Categories

The core activity of the College is the provision of a high quality learning experience for our students, and the Committee places the highest importance on this aspect.

The Committee notes that the work of the College is subject to a number of formal internal and external quality processes. The Committee through its work monitors these indicators as well as the progress made on the Outcome Agreement with SFC.

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	
	4	8	12	16	20		4	8	12	16	20	Current position acceptable	X
	3	6	9	12	15		3	6	9	12	15	Current position can be relaxed	
	2	4	6	8	10		2	4	6	8	10		
	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken

Learning and Teaching Strategy approved by the Learning and Teaching Committee in December 2015.

Robust monitoring of performance indicators and trend analysis which is part of well-established quality enhancement system within the College

Regular engagement with SQA outwith formal verification visits.

Enhanced the College's quality cycle through progress made on the quality action learning pilot.

Engagement with Education Scotland and Curriculum Team evaluations to review alignment of staffing and resources.

Staff Conference in February 2017 focussing on innovation in Learning and Teaching.

Other Controls Planned / Further Actions to be taken to move towards desired position

Support innovation in learning and teaching by sharing good practice from colleagues in the College and from other partner organisations.

Robust and regular monitoring of performance indicators including reports to EMT and Committees of the Board of Management, as well as focused analysis for Heads of Learning and Skills and Curriculum Managers.

AY 2016-17 Education Scotland, award and industry body visits to the College.

Ref: L&T4

Lead Committee: Learning & Teaching

Risk Owner(s): Vice Principals

Risk Manager(s): All Directors of Learning & Skills

Risk: The College does not engage effectively with students due to inadequate or ineffective communication, resulting in a poor student experience

Key Areas of Risk:

- Failure to engage with students on all aspects of Ayrshire College services.
- Failure to respond to student led feedback (surveys, focus groups).
- Failure to empower students to become involved in the life and work of the College (inside and outside the classroom environment).
- Failure to support the Student Presidents and the Student Association.

Risk Categories:

Reputational	✓	Compliance / Regulatory	✓
Political		Learning and Teaching	✓
Financial		Other College Services	

Risk Appetite- Minimal

Preference for ultra-safe business delivery options. Willing to accept low risk but recognise that this limits the potential for reward.

Key Elements of Board's Risk Appetite position based on Risk Categories

Student Board Members contribute directly to the development of key strategies for the College through their positions on the College Board of Management.

The L&T Committee membership includes Student Board Members and this structure provides an opportunity for direct student feedback to other members of this committee.

The Student President presents regular reports on the work of the Student Association to the Committee.

Students' feedback also influences the work of the College and the services it provides.

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	
	4	8	12	16	20		4	8	12	16	20	Current position acceptable	X
	3	6	9	12	15		3	6	9	12	15	Current position can be relaxed	
	2	4	6	8	10		2	4	6	8	10		
	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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Existing Controls /Actions taken

The Student President and the Student Vice-President are Members of the College Board of Management. Student representatives are also members of other College Committees.

The Principal and Director of Student Services have regular meetings with the Student President and the Student Vice-President .

Effective and resourced Student Association.

Students are actively involved in the life and work of the College and are asked regularly for both formal and informal feedback on learning and teaching as well as other support services provided.

Other Controls Planned / Further Actions to be taken to move towards desired position

Continue to engage with students to influence and shape the College and its services.

Regular meetings with the Student Association throughout AY 2016-17 to ensure the College captures feedback and is able to respond appropriately.

Continue to support the Student President and the Student Vice-President and develop the capacity of Student Association Officers.

Internal audit review to start in late February 2017 on student experience – student voice.

Analysis of student satisfaction survey with a view to addressing issues raised.

<p>Ref: L&T5</p> <p>Lead Committee: Learning & Teaching</p> <p>Risk Owner(s): Vice Principal, Strategy, Planning & Performance</p> <p>Risk Manager(s): Director of Business Development</p> <p>Risk: There is a risk that the College does not deliver on its SDS education contracts / Business solutions portfolio due to its assessment of the market, insufficient resources, ineffective performance monitoring resulting in loss of learning opportunities and reputational damage</p> <p>Key Areas of Risk:</p> <ul style="list-style-type: none"> ○ Ayrshire College does not support employers with required workforce skills development. ○ Reputational damage to Ayrshire College which could result in contracts being cancelled ○ Failure to deliver high quality courses which could result in industry contracts being cancelled, reduced or no take-up of commercial courses. ○ College is unable to deliver on contracts either through capacity or conditions attached. 	<p>Risk Categories:</p> <table border="1"> <tr> <td>Reputational</td> <td>✓</td> <td>Compliance / Regulatory</td> <td></td> </tr> <tr> <td>Political</td> <td>✓</td> <td>Learning and Teaching</td> <td>✓</td> </tr> <tr> <td>Financial</td> <td>✓</td> <td>Other College Services</td> <td></td> </tr> </table> <p>Risk Appetite- Cautious</p> <p>Preference for safe delivery options. Willing to accept medium risk but recognise this may limit the potential for reward.</p> <p>Key Elements of Board's Risk Appetite position based on Risk Categories</p> <p>The Committee notes the importance of this area in terms of the overall activity of the College and the work undertaken in partnership with SDS and other key stakeholders.</p> <p>The College works well with employers and engages effectively but we are aware that reductions in national funding or the ability of employers to provide funds to support the upskilling of their staff may limit the ability of the College to respond to the overall needs.</p>	Reputational	✓	Compliance / Regulatory		Political	✓	Learning and Teaching	✓	Financial	✓	Other College Services	
Reputational	✓	Compliance / Regulatory											
Political	✓	Learning and Teaching	✓										
Financial	✓	Other College Services											

Previous Risk Assessment						Risk Assessment v Risk Appetite						Movement Required	
Likelihood	5	10	15	20	25	Likelihood	5	10	15	20	25	Mitigating actions to be taken	
	4	8	12	16	20		4	8	12	16	20	Current position acceptable	X
	3	6	9	12	15		3	6	9	12	15	Current position can be relaxed	
	2	4	6	8	10		2	4	6	8	10		
	1	2	3	4	5		1	2	3	4	5		
Impact						Impact							

Movement in period:	New Risk	Increased	No Change ✓	Decreased	Closed
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<p>Existing Controls /Actions taken</p> <p>Regular and effective communication with SDS, Job-Centre Plus, Community Planning partnerships and the business community.</p> <p>Education contracts are monitored using well established processes and audited regularly by SDS. Extremely positive Education Scotland review of the management and delivery of engineering Modern Apprenticeships in May 2016.</p> <p>Review and authorisation procedures are in place before entering into contracts.</p> <p>Ayrshire College senior managers, Education Contracts and Business Development directorate and other staff continue to work with employers to support workforce/skills development.</p> <p style="background-color: yellow;">Senior managers engaged in College Scotland and SDS national groups which are considering the new Workforce Development Fund</p>
<p>Other Controls Planned / Further Actions to be taken to move towards desired position</p> <p>Ongoing and enhanced engagement with employers and partners to ensure that Ayrshire College is the training provider of choice.</p> <p>Monitoring and reporting of SDS education contracts and other sources of non-SFC core income.</p> <p>Continued promotion of Modern Apprenticeships to employers. eg, significant campaign during the forthcoming Scottish Apprenticeship Week (6-13 March) and through the DYW Ayrshire regional group.</p>