CITY OF GLASGOW COLLEGE

Board of Management
Audit Committee

Date of Meeting	**Wednesday 21 February 2018**
Paper No.	**AC3-C**
Agenda Item	**6**
Subject of Paper	**Strategic Risk Review v2**
FOISA Status	**Disclosable**
Primary Contact	**Paul Clark, College Secretary/Planning**
Date of production	**15th February 2018**
Action	**For Discussion and Decision**

1. Recommendations

1. To consider the review of risk scores, with proposed changes, and to review high scoring risks.

2. To approve associated Risk Management Action Plans (MAPs).

2. Purpose of report

2.1 The purpose of this report is to provide the Board, through the Audit Committee, with an update on the Senior Management review of strategic organisational risks, via the Risk Management Actions Plans (MAPs) for high-scoring risks, and any risks with proposed risk score alterations or other recent changes. Also included is the Risk Register, each highlighting any recent alterations to risk scores.

3. Context

3.1 Risk Management is a key component of the College's internal control and governance arrangements, and as such is an important responsibility of the Senior Management Team, Audit Committee, and the Board of Management. This responsibility is highlighted in the College Strategic Plan at Priority 6. "To be efficient, effective, innovating, and vigilant".

3.2 The current strategic risks have been identified by SMT and the Audit Committee, as the primary strategic risks currently faced by the College. The risks are aligned within the same framework of strategic themes as the College Strategic Plan. The risks included in the Risk Register have potential impacts on one or more of the College's strategic priorities.

3.3 All strategic risks have been reviewed in the current review cycle to February 2018, involving senior Risk "owners. The full review will be considered and approved by the full Board of Management on March 14th.

3.4 In the light of the potential financial impact of the **unresolved claim for repayment of historic ESF funding** by the Scottish Government, the Risk Management Action Plan for Risk 15 (Failure to achieve operating surplus…") has been highlighted by the Board as of particular importance, given the very high financial impact of this claim against the College being successful. However would only affect the 2016-17 operating position.

3.5 The undernoted Risk Management Action Plans (MAPs) are presented with updated mitigations, commentary and scores within the relevant Risk Management Action Plans (MAPs).

- Risk 11 Failure of Corporate Governance – **propose change** from 2x5 AMBER to 1x5 GREEN

- Risk 12 Failure of Business Continuity – **propose change** from 4x5 (20) RED to 3x5 (15) RED

- Risk 15 Failure to achieve operating surplus – **propose change** from 4x5 (20) RED to 3x3 (9) AMBER

- Risk 16 Failure to maximise income via diversification – **review change by Development Committee** from 3x3 (9) AMBER to 2x3 (6) AMBER, in the light of the financial context review at Board Planning Day 14 February 2018.

- Risk 21 Failure of the College's Duty of Care to Students – **propose change** from 2x5 (10) AMBER to 1x5 (5) GREEN

- Risk 23 - Failure to agree a sustainable model and level of grant funding within Glasgow Region (RED)

- Risk 24 – Failure of compliance with the General Data Protection Regulations (2x5 AMBER)

4. Impact and implications

4.1 The effective management and control of risks is essential to the on-going stability and future growth of the College, with clear implications in terms of potential impact upon College students and staff, as well as the College's wider reputation. All strategic risks have potential strategic impact upon the College. The College Risk Register includes matters relating to legal compliance.

4.2 Several strategic risks are financial in nature, and potentially constitute a threat to the College's stated strategic priority to "Maintain our long-term financial stability".

4.3 Risk 16 (above) specifically addresses the new key strategic aim of the College to: "Secure diversity of income and sustainable development".

4.4 Performance management and improving performance are identified as areas of strategic risk, due to the potential impact on reputation, the student experience, and funding.

4.5 Regional and sectoral considerations are included in the process of risk management, and are reflected in the risk documentation.

Appendices:

Appendix 1: Risk Register

Appendix 2: Highlighted Risk MAPs

Risk Register: 9 February 2018

RISK DETAIL						CURRENT EVALUATION OF RISK*			AIM and PROGRESS			RISK TREATMENT ACTIONS AND UPDATE	
Strategic Theme	Risk Name	Risk ID	Level	Risk Owner		Likelihood	Impact	Net Risk Score	Gross Risk Score	Target Risk Score	Risk Movement	Hyperlink to Risk Management Action Plan (MAP)	Date of last review
Students	Failure to support successful student outcomes	1	1	VPSE		2	5	10	25	5		Risk 1 MAP.docx	Jan '18
Students	Failure to establish optimal pedagogical model	2	1	VPSE		1	5	5	20	5		Risk 2 MAP.docx	Jan '18
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE		2	5	10	15	5		Risk 3 MAP.docx	Jan '18
Students	Failure of the College's Duty of Care to Students	21	1	VPSE		2	5	10	20	4	Propose change to 1x5=5	Risk 21 MAP.docx	Jan '18
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	Pr/DPr		3	3	9	20	3		Risk 4 MAP.docx	Feb '18
Growth and Development	Failure to complete project programme to schedule	5	1	VPI		1	5	5	25	5		Risk 5 MAP.docx	Jan '18
Growth and Development	Negative impact upon College reputation	6	1	EDCD		2	5	10	25	5		Risk 6 MAP.docx	Jan '18
Growth and Development	Failure to achieve improved business development performance with stakeholders	7	1	EDCD		2	5	10	25	5		Risk 7 MAP.docx	Jan '18
Growth and Development	Failure to achieve improved performance	8	1	VPSE/DirP		2	5	10	20	5		Risk 8 MAP.docx	Jan '18
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	VPFHR		2	2	4	20	3		Risk 9 MAP.docx	Feb '18
Processes and Performance	Negative impact of statutory compliance failure	10	1	CSP/DCP		2	5	10	20	5		Risk 10 MAP.docx	Jan '18
Processes and Performance	Failure of Compliance with the General Data Protection Regulations (GDPR)	24	1	DCS/CSP		2	5	10	25	5		Risk 24 MAP.docx	Jan '18
Processes and Performance	Failure of Corporate Governance	11	1	Pr/CSP		2	5	10	20	5	Propose change to 1x5=5	Risk 11 MAP.docx	Jan '18
Processes and Performance	Failure of Business Continuity	12	1	VPI/CSP		4	5	20	25	4	Propose change to 3x5=15	Risk 12 MAP.docx	Jan '18
Processes and Performance	Failure of IT system security	25	1	VPI		1	5	5	25	5		Risk 25 MAP.docx	Jan '18
Processes and Performance	Failure to manage performance	13	1	VPSE/DirP		1	4	4	20	4		Risk 13 MAP.docx	Jan '18
Processes and Performance	Negative impact of Industrial Action	14	1	VPFHR		3	4	12	25	4		Risk 14 MAP.docx	Feb '18
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	VPFHR		4	5	20	25	2	Propose change to 3x3=15	Risk 15 MAP.docx	Feb '18
Finance	Failure to maximise income via diversification	16	1	VPFHR/EDCD		2	3	6	20	4	From 9 to 6 Devt Cttee 17/11	Risk 16 MAP.docx	Feb '18
Finance	Impact of ONS reclassification on the status of colleges	19	1	VPFHR		2	3	6	16	3		Risk 19 MAP.docx	Feb '18
Finance	Failure to obtain funds from College Foundation	20	1	VPFHR		1	4	4	20	3		Risk 20 MAP.docx	Feb '18
Finance	Negative impact of Brexit	22	1	VPFHR		5	2	10	tbc	5		Risk 22 MAP.docx	Feb '18
Finance	Failure to agree a sustainable model and level of grant funding within Glasgow Region	23	1	VPFHR		3	5	15	25	5		Risk 23 MAP.docx	Feb '18

Recent/Proposed movement or change

Key:
Pr - Principal
DPr - Depute Principal
VPSE - Vice Principal Student Experience
VPFHR -Vice Principal Finance & HR
VPI -Vice Principal Infrastructure
EDCD - Executive Director Corporate Development
FD - Faculty Director
CSP - College Secretary/Planning
DHR - Director of Human Resources
DirP- Director of Performance
DCS - Director of Corporate Support

x	Likelihood				
Impact 5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

Current Net Risk Totals (+/-since last rvw.)			Net Risk Totals at June 2017		
GREEN	AMBER	RED	GREEN	AMBER	RED
6	14	3	6	14	1

Tolerance vs Risk Score	Acceptable Risk Score		Acceptable Risk Score		Acceptable Risk Score	
	1-3	4-5	6-9	10-12	15-16	20-25
Risk Management Level of Tolerance (Able to Accept)	1	2	3	4	5	6
	Low		Medium		High	

1

Risk Management Action Plan

Risk Description: Failure of Corporate Governance

Risk ID: 11

Owned by: Pr/College Secretary   Review Date: January 2018

Update

Full Description:

Breach of Code of Conduct; breach of Code of Good Governance; failure of formal procedures; lack of robust/ failure of monitoring/management processes etc; breakdown of effective Board/ELT relationships.

Impact of failure would be high, but likelihood without mitigation is medium and reduces to low with mitigation. Because of the seriousness of failure, and the low tolerance of failure relating to compliance and reputation, the risk appetite is low.

Treatment:
- Maintenance and monitoring of sound governance procedures and processes
- Regular meetings of Board Audit Committee
- Regular Internal and External Audit review and reportage to Board of Management Board development activities and self-evaluation process.
- External Board Effectiveness Review
- College Secretary Training and Development

Commentary (Update):

1. Internal Audit review of governance and risk (March-May 2014) found "Substantial" levels of assurance in both the design and operational effectiveness of Governance and Risk Management. Internal Audit recommendations for improvement accepted and implementation timetable agreed.

2. Review of governance processes in respect of communication and Board papers undertaken by College Secretary, and reported to full Board in June 2014. New Code of Conduct approved (June 2014) and reported to Scottish Government. New Sector Code of Governance adopted by the Board of Management in December 2014 (revised Code adopted in 2016).

3. New Recruitment and Appointments procedure for the Board of Management with accompanying documents developed in February 2015, with emphasis upon Good Governance. Revised procedures adopted for 2016 recruitment, in consultation with GCRB. Process shared with other Glasgow Colleges/GCRB.

4. Board Committees self-evaluation developed in August 2014 and rolled out October/November, with all 6 Board Committees receiving reports in Feb-March 2015. Summary review of Board Committees presented to Board in February 2015, and reported in Annual Report 2014-15.

5. Board of Management Self-evaluation process based on the International Framework for Good Governance, developed and rolled out (March-May 2015). Board development planned from June 2015 in the light of evaluation findings.

6. Board evaluation questionnaire revised to align more closely with the Code of Good Governance (March 2016) and implemented with Board Evaluation Report to Board of Management in June 2016.

7. College Secretary has completed CIPFA Certificate in Corporate Governance (2016). College Secretary chairs the CDN Secretary to the Board Steering Group.

8. The Board of Management has undertaken an External Review of Board Effectiveness/Governance as per the Code of Good Governance and ministerial direction. The Report was completed to schedule (March 31 2017) and is published on the College Website. The Report states that:

- "There is substantial evidence of adherence to the Code of Good Governance."
- "(There is) Strong evidence of systematic strategic planning, showing alignment through associated supporting strategies, success measures, benchmarking and targets."
- "Considerable evidence of strong governance processes."

(Ref: External Review of Governance Report 2017; p1).

9. It should be noted that the Code of Good Governance states that:

"D.25 The board must ensure all board members are subject to appraisal of their performance, conducted at least annually, normally by the chair of the board. ". Board members were reminded of the requirement to complete individual appraisals at the Board planning event in October 2017. This process is ongoing and as yet incomplete at January 23 2018.

10. A full Self-evaluation of Board Committees and Conveners was undertaken in 2017, and reported to the Performance Remuneration and Nominations Committee in January 2018.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 5/5 Risk Score 10/25 RAG Rating: AMBER Propose reduction of likelihood to 1 with total risk score reduced for 10 AMBER to 5 GREEN. **Target Score: 5**	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite (Willing to accept):	**Risk Tolerance (Able to accept):**
Low Medium High	Category: Reputation/ Compliance **Low** Medium High **1 2** 3 4 5 6

x	Likelihood				
	5	10	15	20	25
	4	8	12	16	20
Impact 3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5

Risk Management Action Plan

Risk Description: Failure of Business Continuity

Risk ID: 12

Owned by: VPI/CSP   **Review Date: January 2018**

Update

Full Description:

1. Severe Fire/Flood
2. Terrorist attack
3. IT Systems Failure (incl Cybercrime) - See Risk MAP 25.
4. Other emergency circumstances resulting in main service failure, and threatening the operation of the College as described in Business Continuity Plan v3.9.

Treatment:
1. Maintain current operational controls.
2. Create and regularly review Business Continuity Plan (BCP).
3. Communicate plan to all senior staff.
4. Ensure that local recovery plans are developed and reviewed.
5. Test and Review at local and College level.

Commentary (Update):

1. Current operational controls are in place with responsibility transferred to GLQ via the NPD contract. Responsibility for communication remains with the College.

2. The BCP emergency incident procedure is currently under review to include recent government guidelines outlined by the CONTEST statutory duty. The BCP has been reviewed with a revised disaster recover plan for all technology systems, and the College has also revised all fire evacuation procedures and identification of incident control rooms at City and Riverside (hard copy BCP located at these locations and at Reception Desks). The BCP has been revised (as at January 2018) in consultation with VP Infrastructure and Head of Facilities Management, with updated contact details of contractors, senior staff etc. and located on Connected (BCP v3.9). The BCP has recently been successfully invoked (7[th and] 21st November 2017) and found to be effective (see incident report below). SMT has subsequently reviewed and approved the latest version (v3.9) of the BCP.

3. GLQ has an extensive business continuity plan to which the College BCP refers, given that the knowledge of all business critical systems lies with GLQ. These systems are subject to a 25 year maintenance agreement/project agreement. As our operational relationship with the onside contractors continues to develop, we will further refine our BC planning to reflect detailed responsibilities. All heating, cooling, power, air conditioning etc is part of the NPD contract with all risk transferred to GLQ, with commensurate business continuity responsibility. GLQ would therefore be responsible for repurposing space disrupted by systems failure. The College remains responsible for re scheduling of activity affected by disruption.

<u>4. IT Disaster Recovery Plan (See Risk MAP 25 for updates from October 2017).</u>

Cybercrime: The network infrastructure designed as part of the new build meets the latest filtering and access control technical requirements. In order to test the College's infrastructure, this will be included in the Internal Audit of infrastructure (brought forward to 2016-17 in the light of this priority) This included IT security and was completed as "Satisfactory". It should be noted that this threat is largely related to business disruption, as the college business can be maintained in alternative modes.

In May 2017, following the cyber attacks affecting the Scottish NHS, the Infrastructure section was involved in an IT Network Arrangements/Security audit, and timeous on-going work on our Business Continuity strategy and Disaster Recovery Plans. This was presented to the full Board in June 2017, and included the following detail of the mitigations taken:

- Patching around 9% of our end-user devices which were considered potentially vulnerable. Consideration that a percentage of these are in Staff and Students own hands and not physically present in College.
- Patching many of our critical servers whilst still providing continuous service.
- Proactive monitoring of network services and network traffic.

The general malware attack knows as WCry/WarCry, is not the only malware/security threat that the College is attending to at this time. Furthermore, Industry researchers are anticipating the techniques discovered and hoarded by the NSA, of which Wcry was one, will be used with malicious intent in the near future. The College remains diligent to potential threats.

In May 2018, the Audit Committee agreed to increase both the likelihood and impact score of this risk from 3 to 4 and from 4 to 5 respectively, resulting in a risk score of 20 (RED). This review (January 2018) proposes a reduction in likelihood from 4 to 3, and consequent risk score reduction from 20 to 15.

Incident Reports
1. On November 7th 2017 there was an incident - loss of water supply at City Campus - involving the invocation of the Business Continuity Plan by VP Infrastructure in agreement with VP Student Experience. The incident was due to a failure of a water valve restricting water supply. The Emergency Response Team met immediately upon the incident being reported, and followed the appropriate BCP checklists and processes including Team Leader Emergency Response and Loss of Water checklists. The Emergency Response Team undertook an assessment of the incident level (Level 2, BCP P16), and management of the incident. The incident was assessed as critical to ongoing business at City Campus, and the Emergency Response Team decided to curtail the majority of College activity for the day, while maintaining a reduced staff complement.

2. On Tuesday 21 November 2017, a suspicious unattended package was identified on College premises at City Campus at 19.45hrs. The Duty Manager called the emergency services, and a special disposal unit was consequently in attendance to control the incident. Some evening classes were in progress at that time, and staff and students were safely evacuated from the building. The item was found to be harmless, and was identified as a custom-built device left by an employee of FES during a routine window battery installation.
The incident was followed up with FES by the VP Infrastructure and the Principal to

ensure that no similar incidents happen in future.

3. On Wednesday 22 November, there was a temporary loss of electrical supply at Riverside Campus, due to an external power outage. There were no injuries, and no requirement for the emergency services. As a consequence, the operation of lifts management was reviewed, and FES staff training for release of lifts was implemented.

These incidents were reviewed and recorded on the appropriate BCP Incident Report form, including lessons learned and improvement actions implemented.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 4/5 (proposed reduction to 3) Impact 5/5 Risk Score 20/25 (proposed reduction to 15) RAG Rating: RED **Target Score: 5** Propose Review of Risk Score downwards as above, in the light of creation of new IT Failure Risk MAP 25, and successful invocation of BCP.	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite (Willing to accept):	**Risk Tolerance (Able to accept):**
Low Medium High	Category: Business Continuity **Low** Medium High **1** 2 3 4 5 6

Impact	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
x			Likelihood		

Risk Management Action Plan

Risk Description: Failure to achieve operating surplus via control of costs and achievement of income targets

Risk ID: 15

Owned by: VPFHR   **Review Date: February 2018**

Update

Full Description:

Failure of the College's Strategic Priority 7, and associated Strategic Aims: To maintain our long-term financial stability.

The College's aim is to produce at least a balanced budget annually at 31st March and an underlying operating surplus annually at 31st July.

Commentary (Update):

The current Income & Expenditure current projections are shown in (Appendix 1).

Operating Surplus/Deficit

The College achieved an operating surplus in the Resource Return at 31st March 2017 and delivered an underlying operating surplus in the 2016-17 annual accounts (subject to the outstanding ESF issue referred to below). The College made no transfer to the College Foundation in March 2017.

An issue arose in Sept 2017 relating to a Scottish Government request to repay the full ESF funding (£1.25m) for the full ESF programmes delivered by Glasgow Metropolitan College in 2008, 2009 & 2010. There were issues at the time relating to the recording and eligibility of staff costs. The College fully recalculated the project claims based on the requests and guidance of the managing authority and resubmitted these revised claims. We received confirmation of acceptance and final payments were made in December 2015. The College has appealed the unilateral and unfair decision with the appeal hearing scheduled to meet in January 2018. The accounts are external audit report are currently draft until there is further clarification on the requirement to repay the £1.25m. Please note that this would only affect the 2016-17 operating position, and not the 2017-18 operating position.

In the 2017-18 financial plan the College will budget for a small underlying operating surplus (£111k) which means a relatively small adverse change to expenditure or income budgets will push the College into an underlying operating deficit. The current

Income & Expenditure current projections (Appendix 1) shows an improved underlying operating surplus of £341k. The most significant challenges will be in the subsequent years of the 5 year financial planning with increasing deficits projected due to the impact of the following risks:

Income: SFC Grant

The key risks are;

- Failure to achieve the 2017-18 Credit target of 182,649.
- Future SFC regional funding not sufficient to meet increased costs.
- GCRB teaching grant allocation to the College not sufficient to meet increased costs.
- Future reduction in SFC ESF funding.
- GCRB capital maintenance grant allocation to the College not sufficient to meet investment requirements.

Income: Course Fees

The key risks are;

- Failure to achieve the 2017-18 income target of £11.1m.
- Failure to deliver future years income growth.
- Future changes to the population demographics.

Income: Non SFC Fundable Course Fees

The key risks are;

- Failure to achieve the 2017-18 income target of £8.1m.
- Failure to deliver future years income growth.
- Failure to meet industry demands and expectations.

Income: Other Income:

The key risks are;

- Failure to achieve the 2017-18 income target of £5.2m.
- Failure to deliver future years income growth.
- Wider UK & international economic pressure and performance.
- Failure to meet industry demands and expectations.
- Student accommodation performance and potential increased competition.

Expenditure: Staff Costs:

The key risks are;

- Failure to effectively control the 2017-18 staff cost budget, £47.5m.
- Managing staff absence levels and temporary staff contracts.
- Increasing costs from national bargaining agreements.

- Delivering a staff structure that improves service and performance while minimising the staff cost budget.
- Future impact of inflation and union demand for higher annual cost of living pay awards.
- Impact of ongoing staff industrial relations issues.

Expenditure: Operating Expenses

The key risks are;

- Failure to effectively control the 2017-18 cost budget, £31.8m.
- Managing the NPD contract costs and performance.
- Future impact of potentially higher inflation.

Given the improved underlying operating surplus projection, the VP Finance and HR is recommending reducing the risk score to 3x3 = 9. (As stated above the outstanding ESF issue only affects the 2016-17 operating position).

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 4/5 Impact 5/5 Risk Score 20/25 (Propose change to 3x3 = 9 GREEN) RAG Rating (Overall): RED **Target Score: 2**	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite **(Willing to accept):**	**Risk Tolerance** **(Able to accept):**
Low Medium High	Category: Finance Low **Medium** High 1 2 **3** 4 5 6

CITY OF GLASGOW COLLEGE
INCOME AND EXPENDITURE ACCOUNT

	2017/18	2017/18	2017/18	2017/18	2017/18	2016/17
	Actual 6 months to 31 Jan 18	Budget 6 months to 31 Jan 18	12-month Projection @ live	12-month Projection @ Nov 17	12-month Budget	12-month Actual @ Nov 17
	£000s	£000s	£000s	£000s	£000s	£000s
Income						
SFC Grants	15,696	30,706	62,447	62,682	63,642	59,076
Tuition fees and education contracts	2,227	13,737	18,128	18,609	19,177	18,248
Other income	1,515	2,541	5,491	5,246	5,226	4,955
Other income - Sale of Buildings	0	0	0	0	20,800	0
Grant from Foundation	536	148	1,498	1,000	1,000	2,410
Investment income	11	11	25	25	25	34
Total income	**19,985**	**47,143**	**87,589**	**87,562**	**109,870**	**84,723**
Expenditure						
Staff Costs	10,892	22,863	46,368	47,002	47,473	44,712
Other operating expenses	10,421	17,755	32,196	31,854	31,855	32,514
Other operating expenses - Sale of Buildings	0	0	0	0	20,800	0
Depreciation	5,042	5,014	10,083	10,028	10,028	9,957
Grant to Foundation	0	0	0	0	0	0
Building valuation write down	0	0	0	0	0	0
Total expenditure	**26,355**	**45,632**	**88,647**	**88,884**	**110,156**	**87,183**
Operating Surplus / (Deficit)	**(6,370)**	**1,511**	**(1,057)**	**(1,322)**	**(286)**	**(2,460)**
Loss on sale of fixed asset	0	0	0	0	(5,607)	(843)
Operating Surplus / (Deficit) after loss on sale of fixed asset	**(6,370)**	**1,511**	**(1,057)**	**(1,322)**	**(5,893)**	**(3,303)**
STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS FOR THE YEAR ENDED 31 JULY						
Operating Surplus / (Deficit)	(6,370)	1,511	(1,057)	(1,322)	(5,893)	(3,303)
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	64	64	128	128	2,875	652
Historical cost Surplus/(Deficit) for the period	**(6,306)**	**1,575**	**(929)**	**(1,194)**	**(3,018)**	**(2,651)**
Pension Adjustments			0	0	0	1,419
Foundation Adjustments			(115)	63	63	(1,437)
NPD			1,223	1,163	1,163	2,488
Loss on sale of fixed assets			0	0	5,607	843
Grant Release from fixed asset sale			0	0	(1,121)	0
Building valuation write down			0	0	0	0
Revalutaion reserve			(128)	(128)	(2,875)	(652)
Net Depn (now excluded SFC guidance)			**290**	**207**	**207**	**524**
Underlying Operating Surplus			**341**	**111**	**26**	**534**

Risk Management Action Plan

Risk Description: **Failure to maximise income via diversification**

Risk ID: 16

Owned by: VPFHR/ EDCD   Review Date: February 2018

Update

Full Description:

Failure to optimise income opportunities via existing and potential markets and partners.

Treatment:

Develop of Corporate Development Plan to deliver the College Corporate Development Strategy. Manage and monitor the delivery of the plan.

Commentary (Update):

The Corporate Development Strategy was approved by the Board of Management Development Committee and contains plans, initiatives and targets to meet the overall College strategic priorities.

Commercial and International Teams, as well as Academic Faculties, have reviewed all aspects of income diversification. This is now reflected within the new Corporate Development Strategy as well as Financial and Operational Plans. Income generation from Industry Academies included in Faculty planning.

Regular reportage on growth and development in relation to targets is now a standing item on the Development Committee agenda. The Corporate Development Team and Faculties undertake ongoing reviews of Commercial and International targets, and progress. The College performance reviews has been undertaken and reviewed the delivery of Non SFC Fundable course fee income.

The College set the 2017-18 target for Non SFC Fundable course fee income in June 2017. The 2017-18 budget for non SFC Fundable course fees is agreed at a higher income target of £8.1m an increase of £317k (4.1%).

There is a significant challenge for the Corporate Development Team and Faculties to

deliver this income growth in 2017-18. <mark>The College is currently below the 2017-18 annual target (appendix 1).</mark> The majority of the shortfall is the current under delivery of the Flexible Workforce Development Fund (FWDF) activity. The Risk Score remains at Amber as <mark>the Corporate Development team believe that with additional activity especially FWDF will be delivered before July 2018 and income will be close to the targets for 2017-18.</mark>

The future years challenge is to significantly increase the College income from non SFC funding sources and effectively reduce the proportion of SFC grant. In 2017-18 the SFC grant is estimated as 70% of the College income (includes the NPD funding).

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 3/5 Risk Score 6/25 RAG Rating: AMBER **Target Score: 4**	Likelihood 5/5 Impact 4/5 Risk Score 20/25
Risk Appetite **(Willing to accept):**	**Risk Tolerance** **(Able to accept):**
<u>**Low**</u> Medium High	Category: Change and Development/ Financial Low **Medium** High 1 2 **3** 4 5 6

Risk Management Action Plan

Risk Description: Failure of the College's Duty of Care to Students

Risk ID: 21

Owned by: VPSE   **Review Date: January 2018**

Update

Full Description and Treatment:
The College has specific statutory duties related to the care of students. These are outlined below.

College Prevent Duty - The counter-terrorism act imposes a duty on FE colleges to 'have due regard to the need to prevent people from being drawn into terrorism'. (College Lead College Secretary)

- Develop appropriate Policy and Procedures.
- Create an action plan.
- Raise staff and student awareness of the Duty.
- Provide appropriate training and regular updating of training for all staff in the College.
- Active engagement from college principals and the senior management of the institution with the range of Prevent partners including police.
- Appointment at a senior level of a single Prevent point of contact for each college.
- Engagement with the Scottish FE Prevent network at a senior level through Regional Chairs and Principals. A national strategic Prevent lead from both will represent the sector at the Prevent subgroup.
- Participate in local CONTEST or Prevent multi-agency groups. As well as any action plans agreed by each institution, these multi-agency groups will monitor delivery against the wider Prevent implementation plan.
- IT Acceptable Use Policy, appropriate filtering and reporting on internet access.
- Appropriate risk assessment related to events, speakers, clubs and societies.

College Safeguarding Duty - Every adult in Scotland has a role in ensuring all our children, young people and adults at risk live safely and can reach their potential. The College is committed to collaboratively safeguarding the safety and wellbeing of children, young people and adults at risk who undertake study or employment with the College and takes all reasonable steps to safeguard students and staff. (College Lead Gillian Plunkett; Director, Student Experience)

- Develop appropriate Policy and Procedures.
- Create an action plan.

- Ensure College membership of the Prevention of Vulnerable Groups (PVG) Scheme and that all staff have PVG disclosure.
- Raise staff and student awareness of the Duty.
- Provide appropriate training and regular updating of training for all staff in the College.
- Appoint Safeguarding Coordinators and provide appropriate training though OD.

College Corporate Parenting Duty - The Children and Young People Act 2014 has passed new legislation relating to Care Leavers in Scotland. Under the Act, Post-16 Education Bodies are considered to be 'corporate parents' from 1 April 2015. (College Lead Gillian Plunkett ; Director, Student Experience)

- Develop appropriate Policy and Procedures.
- Create an action plan.
- Impact assess services.
- Raise staff and student awareness of the Duty.
- Provide appropriate training and regular updating of training for all staff in the College.
- Report on performance
- Collaborate with other Corporate Parents.

Commentary (Update):

The College Prevent Duty and Corporate Parenting Duty came in to force in 2015. As a result the College is developing an overarching Corporate Caring Responsibilities Policy and has appointed an overseeing group to develop this further. Furthermore, Who Cares Scotland? have undertaken staff development with BoM, SMT and Curriculum Heads. Feedback from Who Cares Scotland? will be considered within the Corporate Parenting Strategy. The Corporate Caring Group have developed a College Corporate Parenting action plan to ensure we are adhering to our statutory duties. This plan was approved by the Student Staff and Equalities Committee in May 2017.

A Corporate Care short life working group (SLWG) was established in May 2017 to review the current policy position, identify leads for each of the statutory duties, develop an overarching college action plan with leads for each area, establish staff training requirements and finally reporting of KPIs. This group has now established a baseline and have an action plan which is review on a bi annual basis. KPIs are now reported at SMT and Board committees throughout the year.

Training for safeguarding and Prevent is currently underway and is being rolled out college – wide. A new Prevent training module is under development. A draft Prevent Policy has been reviewed by the Corporate Care SLWG (Dec 2017).

Risk Owners: VP Student Experience/Director Student Experience/VP Infrastructure (Prevent – College Secretary)

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 2/5 Impact 5/5 Risk Score 10/25 RAG Rating: AMBER (Proposed change from 2x5=10 AMBER) to 1x5= GREEN **Target Score: 4**	Likelihood 5/5 Impact 4/5 Risk Score 20/25
Risk Appetite (Willing to accept):	**Risk Tolerance (Able to accept):**
Low Medium High	Category: Compliance/ Student Experience **Low** Medium High **1 2** 3 4 5 6

Impact					
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
x	Likelihood			

Risk Management Action Plan

Risk Description: Failure to agree a sustainable model and level of grant funding within Glasgow Region

Risk ID: 23

Owned by: VPFHR   **Review Date: February 2018**

Update

Full Description:

Context:

While approving the new campus development and funding, the Scottish Funding Council (SFC) also confirmed their commitment to 210,000 WSUMs (subsequently referred to as 180,000+ Credits) of funded activity once the campus was complete.

In February 2015 the Scottish Government, SFC, Glasgow Colleges Regional Board (GCRB), and the three College Boards agreed a Curriculum and Estates Strategy for Glasgow, and in doing so, ensured that the City of Glasgow College receives the equivalent of 210,000 WSUMs within an agreed timeframe. Within the agreed 2015-2020 Curriculum and Estates Plan for the Glasgow Region, a transitional move of funded activity from Kelvin and Clyde Colleges was agreed, as well as additional growth at City, to ensure that the grant-funded activity level target for City is achieved. Although the annual total volume of funded activity has been agreed, the value of the funding is still subject to annual discussion and agreement.

SFC implemented a new funding methodology for the sector for the 2015-16 grant allocation. There was a move away from WSUMs to a new Credit based approach. SFC are still in a transition period moving to full implementation of the Credit funding model and this will continue to negatively impact the level of grant funding allocated to the Glasgow Region in future years.

SFC announced the initial regional funding allocations following which GCRB allocated funding to the three Glasgow Colleges.

Commentary (Update):

In 2015-16 & 2016-17, 26 staff were TUPE transferred from Kelvin to City; no further staff transfers are required. The transfer of Credits within the region agreed in the Curriculum and Estates Plan for the Glasgow Region was completed in 2016-17.

SFC announced the 2017-18 initial regional funding allocation on 10th Feb 2017. This again incorporated a transitional adjustment to reduce the impact from the introduction of the new funding methodology. The transitional adjustment for Glasgow is a negative £1.1m and is by far the largest adjustment of any Region.

The total funding allocated to Glasgow is £105.4m - up only 0.4% on 2016-17. However the teaching grant has increased by 2.8% (£2.2m). GCRB have reserved £381k of the regional SFC funding to support their discrete running costs, and as a consequence only £1.8m of the additional funding is being allocated to the Colleges. The Regional funding allocation for 2017-18 will ensure that City exceed the agreed activity level of 180,000+ Credits, however there remains ongoing uncertainty regarding the value of the grant funding for this volume of Credits. Within the allocation for 2017-18 City will deliver 2,920 additional efficiency Credits, 1,330 additional SFC funded Credits and 2,315 additional SFC ESF funded Credits.

City has previously expressed concern regarding the GCRB funding methodology especially the following funding:
- SIMD grant allocation
- ESF grant allocation
- Capital Maintenance grant allocation

The 2017-18 GCRB funding allocation means that City has the lowest grant per Credit in the sector at £196 per Credit compared to the Glasgow Regional average of £222 and the sector average of £244.

The SFC Capital Maintenance grant allocation within the Region is extremely disappointing for City of Glasgow College. The Glasgow allocation based on the regional Credit was £4.5m and City's proportionate share should have been £2m however GCRB have only allocated City £1.3m. In 2016-17, City also received a disproportionately low SFC Capital Maintenance grant and was the only College not to receive any share of the additional £10m SFC Capital Maintenance grant funding.

The increased Glasgow allocation effectively still represents a significant efficiency saving, as agreed within the Glasgow Curriculum Plan. The funding increase for City will assist in funding the additional activity and the new campus annual unitary charge of £2.5m; however efficiencies are still required to deliver the ROA targets and a balanced budget.

The level of uncertainty regarding the value of future funding is still high with significant risk linked to SFC and GCRB funding methodology. Probable significant issues for the 2018-19 GCRB College funding allocation are;

Capital funding

ESF funding

National bargaining funding

IT infrastructure funding

This risk is being mitigated by robust curriculum planning at City and close involvement with GCRB and the other Glasgow Colleges.

Current Risk Score:	Gross Risk Score (assuming no treatment)
Likelihood 3/5 Impact 5/5 Risk Score 15/25 RAG Rating: RED **Target Score: 5**	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite (Willing to accept):	**Risk Tolerance (Able to accept):**
 Low Medium High	Category: Financial Low Medium High 1 **2** 3 4 5 6

	5	**10**	15	20	25
	4	8	12	16	20
Impact	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
x			Likelihood		

Risk Management Action Plan

Risk Description: Failure of Compliance with the General Data Protection Regulations (GDPR)

Risk ID: 24

Owned by: DCS/CSP   **Review Date: February 2018**

Update

Full Description: Failure to be effectively prepared as an organisation to comply with the GDPR from its commencement in May 2018.

Detailed risks:

- Significant fines for non-compliance.
- The GDPR also makes it easier for individuals to bring private claims against organisations.
- Where we fail to comply there are clear reputational risks for the College both with external stakeholders and with our staff and students.

Treatment:

Clear implementation project with embedded linkages to the systems integration project. Extensive and CoGC bespoke training programme for staff to be rolled out. Engagement with JISC to validate and augment internal findings and recommendations.

Commentary (Update):

The Audit Committee noted advice from the External Auditor regarding the Protection of Personal Data Directive from the EU (which the UK Government will extend post-Brexit).

The General Data Protection Regulations (GDPR) will come into force in the UK from 25 May 2018.

Failure to comply with could result in very considerable fines being imposed and the possibility of reputational damage.

A paper has been presented to SMT (August 2017) and was included on the Audit Committee agenda (September 2017).

Many of the GDPR's main concepts and principles are much the same as those in the current Data Protection Act (DPA). The College's current approach to compliance will remain valid under the GDPR and can be the starting point to build from. However, there are new elements and significant enhancements, so we will have to do some things for the first time and some things differently.

The impact of the GDPR is dependent upon the nature of an organisation's

business, the personal data it processes and what it actually does with that data. We are currently carrying out a data audit and mapping exercise. This will ensure that we understand clearly what are doing with both the data of students and employees across the organisation. This exercise is enabling us to prioritise areas for action and identify what aspects of the GDPR will have the greatest impact on the College.

If we as an organisation take the time to properly prepare for and comply with the new Regulation then we will not only avoid the risk of significant fines and reputational damage, but take advantage of the opportunity to improve our data handling and information security systems and our compliance processes and to ensure that our contractual, staff and student relationships are more professional, robust and reliable.

Update as at 19/2/18

A series of audit and legal/practical advice meetings have been carried out by the Director of Corporate Support with teams and staff across a wide range of business areas, selected to ensure coverage of key data sets and processes. This has already significantly raised awareness across the College. A report on findings and recommendations for process improvements has been shared with JISC who are carrying out a validation exercise for us. JISC was appointed via competitive process in January 2018 to support our preparation process and carry out this review and validation exercise.

A project plan is in place and being managed by the Director of Corporate Support.

A training plan is in place which will deliver awareness training to all staff before end May 2018. This will include a bespoke online module and face to face training. The face to face training sessions have already started.

The ICO recognises that the process of complying with the new legislation will not be 'complete' by 25 May 2018 and in fact will probably never be 'complete' since there will always be room for improvements and new data entering and leaving large organisations. However, organisations do need to be able to demonstrate that they are aware of the legal requirements, understand the personal data they hold and how well they are managing it, have a plan to tackle areas where there is room for improvement and have taken all reasonable steps to raise awareness amongst staff. The College's project plan seeks to achieve that.

Current Risk Score:	**Gross Risk Score (assuming no treatment)**
Likelihood 2/5 Impact 5/5	Likelihood 5/5 Impact 5/5
Risk Score 10/25	Risk Score 25/25
RAG Rating: AMBER	
Target Score: 5	

Risk Appetite (Willing to accept):	Risk Tolerance (Able to accept):
Low Medium High	Category: Compliance/ Reputation **Low** Medium High **1** 2 3 4 5 6

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

x   Likelihood