Board of Management

Finance & Physical Resources Committee

Date of Meeting	Wednesday 26 September 2018
Paper No.	FPRC1-E
Agenda Item	7
Subject of Paper	Strategic Risk Review
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning
Date of production	18 September 2018
Action	For Discussion/Decision

1. Recommendations

1. To consider and approve the review of Finance and Physical Resources Risks as detailed in the attached Risk Management Action Plans

2. To note the revised Risk Register dated 14 September 2018.

2. Purpose of report

2.1 The purpose of this report is to provide the Committee with an update on the Senior Management review of strategic organisational risks, in particular those risks related to the Committee's areas of responsibility via the related Risk Management Actions Plans (MAPs) and Risk Register.

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 Strategic Priority 6:

> "6. To be efficient, effective, innovating, and vigilant".

3.2 The risks listed on the Risk Register have been identified by SMT and the Audit Committee, as the current strategic risks faced by the College. The risks are aligned within the same framework of strategic themes as the College Strategic Plan, and those included in the Risk Register have potential impacts on all of the College's Strategic Priorities, in particular Priorities 7 and 8:

> "7. To maintain our long-term financial stability"
>
> "8.To secure diversity of income and sustainable development"

3.3 The strategic Risks included in this report are:

- Risks 15, 16, 20, 22, 23 under the Finance Strategic Theme (NB former Risks 17 and 18 have been combined into Risk 23; Risk 19 re ONS implications has been reduced to a level 2 risk).
- Risk 25 relating to IT security.

The Risk MAPs for these risks are attached. These risk scores have been agreed by the Audit Committee (12th September 2018).

3.4 A full review of strategic risks is ongoing as at September 2018, involving senior Risk "owners", and Risk MAPs have been updated accordingly.

3.6 A revised Risk Register is included in the appendices.

3.7 Following a major revision of the College Risk Management Policy and Procedure, in late 2016, to include an analysis of Risk Tolerance, the Risk MAPs have been redesigned to include categorisation and scoring of Risks in relation to Risk Tolerance.

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 and specific duties.

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" and to expand and develop sustainably via diversity of income.

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

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

Appendices:

Appendix 1: Highlighted Risk MAPs

Appendix 2: Current Risk Register

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: Sept 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. The College made no transfer to the College Foundation in March 2017.

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 £332k. 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 future Credit target.
- 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 fee income target.
- 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 income target.
- 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 income target.
- 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 staff cost budget.
- 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 operating expenses budget.
- 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 confirming the reduction of the risk score to 3x3 = 9. Audit Committee agreed to refer

this proposed change to the FPRC – 23 May 2018 (noted by BoM March 2018) and confirmed by the FPRC May 2018.	
Current Risk Score:	**Gross Risk Score** **(assuming no treatment)**
Likelihood 3/5 Impact 3/5 Risk Score 9/25 RAG Rating (Overall): AMBER **Target Score: 4** (Risk Score changed from 4x5 = 20 RED; FPRC May 2018) Target score increased from 2 (FPRC May 2018) **Target Score: 4**	Likelihood 5/5 Impact 5/5 Risk Score 25/25
Risk Appetite **(Willing to accept):**	**Risk Tolerance** **(Able to accept):**
<u>Low</u> Medium High	Category: Finance Low **<u>Medium</u>** 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				

CITY OF GLASGOW COLLEGE
INCOME AND EXPENDITURE ACCOUNT

APPENDIX A

	2018/19 12-month Budget @ May 18 £000s	2017/18 12-month Projection @ May 18 £000s	2016/17 12-month Actual £000s	2015/16 12-month Actual Audited £000s		2018/19 Movement 2018/19 v 2017/18 £000s
Income						
SFC Grants	66,356	62,756	59,019	40,187	**1**	3,600
Tuition fees and education contracts	18,327	18,064	18,248	17,098	**2**	263
Other income	5,607	5,641	4,955	3,852	**3**	(33)
Other income - Sale of Buildings	0	0	0	0	**4**	0
Grant from Foundation	500	3,598	2,410	6,515	**3**	(3,098)
Investment income	25	25	34	59	**5**	0
Total income	**90,816**	**90,084**	**84,666**	**67,711**		**732**
Expenditure						
Staff Costs	49,523	46,438	44,847	41,517	**6**	3,085
Other operating expenses	32,340	32,192	32,514	17,410	**7**	148
Other operating expenses - Sale of Buildings	0	0	0	0	**8**	0
Depreciation	10,244	10,011	9,957	4,316	**9**	233
Voluntary Severance	0	2,420	0	1,837	**10**	(2,420)
Total expenditure	**92,107**	**91,061**	**87,318**	**65,080**		**1,046**
Operating Surplus / (Deficit)	**(1,291)**	**(977)**	**(2,652)**	**2,631**		**(314)**
Loss on sale of fixed asset	0	0	(843)	0		0
Operating Surplus / (Deficit) after loss on sale of fixed asset	**(1,291)**	**(977)**	**(3,495)**	**2,631**		**(314)**
STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS FOR THE YEAR ENDED 31 JULY						
Operating Surplus / (Deficit)	(1,291)	(977)	(3,495)	2,631		(314)
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	128	128	652	249		0
Historical cost Surplus/(Deficit) for the period	**(1,163)**	**(849)**	**(2,843)**	**2,880**		**(314)**
Pension Adjustments	0	0	1,419	1,335		0
Foundation Adjustments	785	(205)	(1,437)	(5,833)		990
NPD	901	1,224	2,488	158		(323)
Loss on sale of fixed assets	0	0	843	0		0
Grant Release from fixed asset sale	0	0	0	0		0
Building valuation write down	0	0	0	1,837		0
Revalutaion reserve	(128)	(128)	(652)	(249)		0
Net Depn (now excluded SFC guidance)	**237**	**290**	**524**	**1,221**		(53)
Underlying Operating Surplus	**632**	**332**	**342**	**1,349**		**300**

Risk Management Action Plan
Risk Description: Failure to maximise income via diversification
Risk ID: 16
Owned by: VPFHR/ EDCD **Review Date: Sept 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. Update: The College set a conservative 2017-18 target for Non SFC Fundable course fee based on the 2016-17 actual. The 2017-18 budget for non SFC Fundable course fees was agreed at a higher income target of £8.1m incorporating a proportion of the new Flexible Workforce Development Fund (FWDF) activity (£500k). The initial Non SFC Fundable course fee income target also incorporated an anticipated reduction in overseas income of £147k. There was a significant challenge for the Corporate Development Team and Faculties to deliver the new FWDF activity therefore the target was set at £500k rather than the full £894k we have only delivered £110,000 of training at 31st July 2018. The College will be well below the 2017-18 annual target (appendix 1). The majority of the shortfall is commercial course delivery in City Enterprise and the Faculties. The estimated income for 2017-18 is £614k below the actual income for 2016-17.

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 2018-19 the SFC grant is estimated as 73% of the College income (includes the NPD funding & National Bargaining funding).

The Non SFC Fundable course fee target for 2018-19 was again set conservatively at the same level of 2017-18 (excl FWDF of £650,000). The College has ambitious plans and should greatly exceed the income target used in the approved budget.

The Risk Score is recommended to increase based on the actual income delivered over the past 2 years however still remains at Amber. Agreed by Audit Committee 12 September 2018.

Current Risk Score:	**Gross Risk Score** **(assuming no treatment)**
Likelihood 4/5 Impact 3/5 Risk Score 12/5 RAG Rating: AMBER **Target Score: 9**	Likelihood 5/5 Impact 4/5 Risk Score 20/25
Risk Appetite **(Willing to accept):**	**Risk Tolerance** **(Able to accept):**
Low Medium High	Category: Change and Development/ Financial 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				

Appendix 1

Student Recruitment Planning
Commercial Fee Income Summary

Faculty	Commercial Fees Target 17/18	Commercial Fees Proj 17/182	Educational Contract Fees Target 17/18	Educational Contract Fees Proj 17/18	HE Articulation Fees Target 17/18	HE Articulation Fees Proj 17/18	Overseas Fees Target 17/18	Overseas Fees Proj 17/18	TOTAL NON FUNDABLE Fees Target 17/18	TOTAL NON FUNDABLE Fees Proj 17/18	TOTAL NON FUNDABLE Fees Actual 16/17	Compare 17/18 to 16/17	TOTAL NON FUNDABLE Fees Target 18/19	Compare 18/19 to 17/18
Business	£354,270	£319,374	£341,695	£316,687	£392,243	£369,017	£12,700	£435	£1,100,908	£1,005,514	£1,080,354	-£74,840	£962,975	-£42,539
Creative Industries	£13,076	£23,028	£146,300	£196,600	£0	£13,035	£6,350	£6,350	£165,726	£239,013	£199,875	£39,138	£189,988	-£49,025
Building, Engineering & Energy	£219,222	£91,423	£0	£0	£456,646	£393,090	£6,350	£13,135	£682,218	£497,648	£759,613	-£261,965	£462,110	-£35,537
Leisure and Lifestyle	£57,855	£63,685	£168,147	£207,722	£190,338	£258,127	£0	£6,785	£416,340	£536,319	£580,037	-£43,718	£513,801	-£22,519
Nautical	£2,583,325	£2,328,255	£0	£0	£0	£0	£1,829,997	£1,808,669	£4,413,322	£4,136,924	£4,464,795	-£327,871	£4,302,859	£165,935
Education and Society	£434,801	£437,908	£0	£83,377	£0	£13,036	£19,230	£27,100	£454,031	£561,422	£396,246	£165,176	£546,125	-£15,297
City Ents	£369,370	£186,460	£0	£0	£0	£0	£0	£0	£369,370	£186,460	£307,288	-£120,828	£209,591	£23,131
World Skills	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Organisational Development	£0	£11,072	£0	£0	£0	£0	£0	£0	£0	£11,072	£0	£11,072	£3,928	-£7,145
Total	**£4,031,919**	**£3,461,206**	**£656,142**	**£804,387**	**£1,039,227**	**£1,046,306**	**£1,874,627**	**£1,862,474**	**£7,601,915**	**£7,174,372**	**£7,788,208**	**-£613,836**	**£7,191,376**	**£17,003**
FWDF	£0	£0	£500,000	£110,000	£0	£0	£0	£0	£500,000	£110,000	£0	£110,000	£650,000	£540,000
Grand Total	**£4,031,919**	**£3,461,206**	**£1,156,142**	**£914,387**	**£1,039,227**	**£1,046,306**	**£1,874,627**	**£1,862,474**	**£8,101,915**	**£7,284,372**	**£7,788,208**	**-£503,836**	**£7,841,376**	**£557,003**

Risk Management Action Plan	
Risk Description:	**Failure to obtain funds from College Foundations**
Risk ID: 20	
Owned by: VPFHR	**Review Date: Sept 2018**

Update
Full Description: The risk is that applications by the College to access Foundation funds are unsuccessful, leading to under-resourcing of planned initiatives/improvements. **Treatment:** Mitigation consists of a careful framing of the terms of reference of the College Foundation, within the limits of Foundation independence, for which professional legal counsel was sourced externally. The College should ensure that all applications follow the terms of reference and are carefully prepared and managed.
Commentary (Update): **Retention of/ access to accumulated reserves** **The Scottish College Foundation** The sector Foundation has been established and has been granted charitable status. The Foundation is be known as; "The Scottish Colleges Foundation". The College donated £11.7m to the Foundation before the end of March 2014. A meeting has been held with the trustees to discuss the College's application to fund the new campus project. The outcome of the meeting was positive with initial approval of the single full application for the overall new campus project costs and to pay the related grant by a single annual payment per financial year over the following 3 years. The College has applied and received funding of £11.7m, all the £11.7m of funding was linked to the new campus. **City of Glasgow College Foundation** The City of Glasgow College Foundation was formed as a private company limited. The Foundation has achieved charitable status and currently has the maximum of seven trustees. None of the current trustees are members of the College's Board of

Management or College employees. The external auditors are satisfied that the structure and Governance of the Foundation provide independence. The College donated £10m to the Foundation in March 2014 and £3.1m in March 2015.

The College has successfully answered all the trustees' questions and the funding was been agreed. A protocol has also been agreed for accessing the project contingency funding that the College transferred to the Foundation.

A further application of approximately £2.8m was submitted at the end of June 2016 and £2.7m approved. The College has applied and will receive funding of £5.2m by 2017; all this funding is linked to the new campus.

In August 2017 an application of £2.2m for specialist equipment was submitted, approved and paid.

In March 2018 an application of £2.1m for funding towards the voluntary severance linked to the leadership reorganisation was submitted, approved and £1.8m paid to date. We estimate that the Foundation currently holds a balance of approx.£4m.

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

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:	**Negative Impact of Brexit**
Risk ID: 22	
Owned by: VPFHR	**Review Date: Sept 2018**

Update

Full Description:

The key sub risks of Brexit for the College are identified as follows:

1. Loss of European grant funding. The College will receive ESF grant funding of £2.4m in 2018/19.
2. Loss of European Programme funding (Erasmus+, Leonardo, Marco Polo) Skills Development Scotland manage funds, which are partly supported by European Union money, and which Colleges access, for example, Modern Apprenticeships. Any reduction in funding such as this will impact on Region activity.
3. Loss of European contracts where our partner is EU funded (previous Malta contract)
4. Impact on shipping industry
5. CoGC EU Students – numbers in 17/18 were 1,588 from 30,403
6. CoGC EU Staff – very few EU staff (3.25% of total headcount)

Treatment:

1. The Scottish Funding Council has responsibility for managing the European Social Fund (ESF) and the Youth Employment Initiative (YEI). SFC has said that they will work with the Scottish Government, colleges and universities to assess the impact of the outcome of the referendum and to manage that impact, with its priority being to reduce uncertainty for students and institutions in both the short term and the longer term.
2. UK's participation in most of these is assured for at least the next two years and the funding available in many of these programmes is about to increase significantly between now and Programmes' end dates in 2020. It is not clear at this early stage what the impact of Brexit will be on the Erasmus Programme longer term.
3. Securing new partnerships or contracts on EU funded projects will become more

challenging. 4. As a leading provider of Maritime Education in the UK, we are actively engaged in discussion with the UK Chamber of Shipping to ensure that we can contribute, where appropriate, and take advantage, where new opportunities are emerging 5. We will monitor this minor risk in light of wider national developments 6. Given the current staff profile any change linked to Brexit will have a minor impact.	
Commentary (Update): The College stands to lose a significant amount of EU funding. At the current time it is unclear how or whether this gap will be filled. We will continue to monitor the implications of BREXIT for the College and, as more detail emerges, ensure that we carry out analyses of the implications for students and the potential impact on income streams and overall strategic direction for the College, Region and for the sector.	
Current Risk Score:	**Gross Risk Score (assuming no treatment)**
Likelihood 5/5 Impact 2/5 Risk Score 10 /25 RAG Rating: AMBER **Target Score: 5**	Likelihood 5/5 Impact 3 /5 Risk Score 15/25
Risk Appetite (Willing to accept):	**Risk Tolerance (Able to accept):**
Low Medium High	Category: Finance? Low **Medium** High 1 2 **3** 4 5 6

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: Sept 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 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 announces annually the initial regional funding allocations following which GCRB allocate 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 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 Regional funding allocation for 2017-18 ensured that City exceed the agreed activity level of 180,000+ Credits.

The 2018-19 GCRB funding allocation means that City has the lowest grant per Credit in the sector at £219 per Credit compared to the Glasgow Regional average of £240 and the sector average of £248.

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 £6.3m and City's proportionate share should have been £2.6m 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 level of uncertainty regarding the value of future funding is still high with significant risk linked to SFC and GCRB funding methodology. Significant issues for the future GCRB College funding allocations 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 4/5 Risk Score 12/25 RAG Rating: AMBER **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

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 of IT Security

Risk ID: 25

Owned by: VPI **Review Date: August 2018**

Update

Full Description:

1. Cybercrime
2. 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. Review Business Continuity Plan (BCP).
3. Ensure that IT Disaster Recovery plans are developed and reviewed.
4. Test and Review at local and College level.
5. Planning for introduction of GDPR.
6. Adoption and compliance with UK Government Cyber Essentials Plus recommendations.
7. Enhance security cyber defence and response capability within college IT services.

Commentary (Update):

Cybercrime: The college network infrastructure remains effective in utilising defensive and detection measures to mitigate the risk of cyber attacks. However, the persistent and constantly evolving threat of criminal and malicious activity, along with emerging vulnerabilities, new technologies and the rise of nation state actors in this arena, require an ongoing programme to maintain a diligent defence to potential threats.

- Antivirus software to counter malware / ransom ware
- Centralised management and configuration of devices
- Active network monitoring tools
- Web and email filters to quarantine suspicious material
- Intruder prevention / detection measures to counter active hackers
- Port filtering and automated defence measures against network attacks (e.g. Distributed Denial of Service)
- Protection against data & web vectors (e.g. SQL injection)
- Awareness raising programmes, policy and guides to counter social engineering / Phishing
- Role based permissions and segregation of access to minimise risk of accidental damage and internal attacks
- Encryption to defend against data loss / theft.

To reduce the likelihood of a failure the college has taken the following additional measures:

- The College has renewed subscriptions for two of the leading antivirus providers (Bitdefender and Sophos). This means that the College benefits from a multi-vendor approach to security across campus.

- The College physical IT estate (classroom and staff PCs) has been refreshed with the latest version with an improved management platform for Sophos to enable quicker alerting to incidents.

- The College VDI platform has been updated to use Bitdefender due to better "on demand" scanning for VDI.

- The College is configuring servers to scan central file storage using both versions of AV to ensure that any zero day exploit risk is minimised.

- The College continues to monitor and apply security patches to desktop machines, network devices and server infrastructure.

- The College has a clear plan for implementing GDPR including a review of data and systems with associated recommendations for improvements. (There is a standalone risk plan for Data Protection – Risk MAP 24).

- The College will ensure that effective IT Disaster Recovery plans and preventative measures are in place.

- The College is reviewing and updating our Information Security policy to reflect changing requirements.

- The College will pursue adoption of UK Government Cyber Essentials Plus to demonstrate high standards of security governance.

The following measures are also proposed to enhance the depth and scope of our cyber resilience capability:

- The College will seek to identify IT security competencies within existing staff and consolidate to share best practice. We will also seek to formally identify specialist IT security responsibilities to be assigned to specific posts as part of the current Leadership restructure.

- The College will develop and extend our Cyber Essentials programme towards the adoption of ISO 27001 IT Security standards (existing strategic target to evaluate options by 2020).

- Improvements to incident response / reporting through Operations Desk to reduce the impact of potential breaches.

- Alignment of the college capital investment programme with security infrastructure lifecycles to maintain a viable cyber resilience environment.

- The College will evaluate measures for the effective management and remote

support of external assets such as mobile devices and laptops to improve standardisation of security measures and reduce risk from theft or loss. Revised Risk Score to be confirmed.	
Current Risk Score:	**Gross Risk Score (assuming no treatment)**
Likelihood 2/5 Impact 5/5 Risk Score 10 /25 RAG Rating: AMBER Agreed change to 2x5 = 10 AMBER due to the need for formal adoption of some measures as above, and additional measures required. (Audit Committee & FPRC May 2018) **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: 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 Register: 14 September 2018

RISK DETAIL					CURRENT EVALUATION			AIM and PROGRESS			RISK TREATMENT	
Strategic Theme	Risk Name	Risk ID	Level	Risk Owner	Likelihood	Impact	Net Risk Score	Gross Risk Score	Target Risk Score	Risk Movement	Link to Risk Mgt 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	Aug '18
Students	Failure to establish optimal pedagogical model	2	1	VPSE	1	5	5	20	5		Risk 2 MAP.docx	Apr '18
Students	Failure to achieve good student outcome/progression levels	3	1	VPSE	2	5	10	15	5		Risk 3 MAP.docx	Aug '18
Students	Failure of the College's Duty of Care to Students	21	1	VPSE	1	5	5	20	4		Risk 21 MAP.docx	Aug '18
Growth and Development	Failure to realise planned benefits of Regionalisation	4	1	Pr/DPr	3	3	9	20	3		Risk 4 MAP.docx	Sept '18
Growth and Development	Negative impact upon College reputation	6	1	EDCD	2	5	10	25	5		Risk 6 MAP.docx	Apr '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	Apr '18
Growth and Development	Failure to achieve improved performance	8	1	VPSE/DirP	2	5	10	20	5		Risk 8 MAP.docx	Aug '18
Growth and Development	Failure to attract, engage, and retain suitable staff	9	1	VPFHR	2	2	4	20	3		Risk 9 MAP.docx	May '18
Processes and Performance	Negative impact of statutory compliance failure	10	1	CSP/DCS	2	5	10	20	5		Risk 10 MAP.docx	Aug '18
Processes and Performance	Failure of Compliance with the General Data Protection Regulations (GDPR)	24	1	DCS/CSP	2	4	8	25	5		Risk 24 MAP.docx	Sept '18
Processes and Performance	Failure of Corporate Governance	11	1	Pr/CSP	1	5	5	20	5		Risk 11 MAP.docx	Aug '18
Processes and Performance	Failure of Business Continuity	12	1	VPI/CSP	3	5	15	25	4		Risk 12 MAP.docx	Aug '18
Processes and Performance	Failure of IT system security	25	1	VPI	2	5	10	25	5		Risk 25 MAP.docx	Aug '18
Processes and Performance	Failure to manage performance	13	1	VPSE/DirP	1	4	4	20	4		Risk 13 MAP.docx	Aug '18
Processes and Performance	Negative impact of Industrial Action	14	1	VPFHR	3	4	12	25	4		Risk 14 MAP.docx	Sept '18
Finance	Failure to achieve operating surplus via control of costs and achievement of income targets.	15	1	VPFHR	3	3	9	25	4		Risk 15 MAP.docx	Sept '18
Finance	Failure to maximise income via diversification	16	1	VPFHR/EDCD	4	3	12	20	4	Change 9 to 12: Audit 09/18	Risk 16 MAP.docx	Sept '18
Finance	Failure to obtain funds from College Foundation	20	1	VPFHR	1	4	4	20	4		Risk 20 MAP.docx	Sept '18
Finance	Negative impact of Brexit	22	1	VPFHR	5	2	10	tbc	5		Risk 22 MAP.docx	Sept '18
Finance	Failure to agree a sustainable model and level of grant funding within Glasgow Region	23	1	VPFHR	3	4	12	25	5	Change 15 to 12: Audit 09/18	Risk 23 MAP.docx	Sept '18

Recent/Proposed 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
- DirP- Director of Performance

x	Likelihood				
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

2017-18 Trend							
Date	Jun-17	Aug 17	Oct-17	Dec-17	Feb-18	Apr-18	Jun-18
Average Risk Score	10	10	9.76	9.56	9.50	9	9

N.B. Closure of low-scoring Risk 5 will impact upon average risk score (upwards).

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	