Audit Committee – 29 September 2009

Risk Register Update

Executive summary and recommendations

Introduction

The Risk Register is the HPC document that identifies the risks that the Health Professions Council is exposed to. The Risk Register is published twice yearly, following a review by the risk owners.

The format of the Risk Register has recently been updated to allow information to be illustrated more easily. (Audit Committee agreed to adopt the updated Risk Register format, at their meeting on 26 February - refer minutes Item 15.09/15.)

Decision
The committee is invited to discuss and approve the updated Risk Register.

Background information
HPC's Risk Register was redesigned to allow more information to be illustrated more easily, using the calculation of a Risk Score, and a colour coding (traffic light) system.

Risk Scores are categorised as follows;

Low Risk = <5
Medium Risk = 6-10
High Risk = >12

The coloured column "Risk Score" running down the centre of the page indicates the unmitigated risk. The penultimate coloured column on the right illustrates the current mitigated risk score. The ultimate coloured column on the right illustrates the mitigated risk score six months prior. Where new items have been added to the register the mitigated risk score six months prior is marked as New.

Over the medium term small changes in Risk Score can be tracked, whilst still maintaining the current three levels of risk.

Note the term "Likelihood" is used here as equivalent to "Probability", and "Impact as equivalent to "Significance".

Resource implications
None

Financial implications
None

Appendices
Risk Register – September 2009

Date of paper
17th August 2009

Risk Register

Marc Seale, Chief Executive & Registrar
Report to Finance & Resources, 15th September 2009

Date: 2009-07-29
Ver: d
Dept/Cmte: ADT

Doc Type: STRAT
Title: RiskRegisterSept2009

Status: Draft
Security: Public

Health Professions Council Risk Register
September 2009 Risk Assessment

Contents

HPC RISK MATRIX

		Negligible 1	Rare 2	Unlikely 3	Possible 4	Probable 5
Catastrophic 5		5	10	15	20	25
Significant 4		4	8	12	16	20
Moderate 3		3	6	9	12	15
Minor 2		2	4	6	8	10
Insignificant 1		1	2	3	4	5

IMPACT

LIKELIHOOD

Key

>11		High Risk: Urgent action required
6 - 10		Medium Risk: Some action required
<5		Low Risk: ongoing monitoring required

Overview of Risk Management process

Throughout the year exisiting risks are continually monitored and assessed by Risk Owners against Likelihood, and Impact on HPC, the effectiveness of mitigations and the levels of residual risk.

Future risks are also documented, evaluated and monitored against the same criteria.

Every six months these changes and additions to risks are updated in the risk register and formally documented by the Director of Operations or Head of Business Process Improvement, and presented to the Finance & Resources Committee.

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THE HEALTH PROFESSIONS COUNCIL

	Top Risks

	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Mitigation I	Mitigation II	Mitigation III	RISK SCORE
2.7	Interuption to electricity supply	Facilities Manager	Relocate to other buildings on site	If site wide longer than 24 hours invoke DR Plan		High
13.3	Tribunal exceptional costs, FTP, Registrations and CPD Appeals	FTP Director	Quality of legal advice	Quality of operational processes	Legal insurance cover for lawyer costs (rather than tribunals) costing between £125k and £250k	High

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Strategic

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
1	Strategic	1.1	HPC fails to deliver Order in Council (OIC)	Council	5	1	5	Delivery of HPC Strategy	Publication of Annual Report	-	Low	Low
			Links to 7.1-7.4, 18.1, 8.1-8.3, 10.4, 10.5, 11.4, 15.9									
		1.2	Unexpected change in UK legislation	Chief Executive	5	2	10	Relationship with Government depts	Lobbying	-	Low	Low
			Links to 2.2, 15.14									
		1.3	Incompatible OIC and EU legislation	Chief Executive	1	3	3	Monitoring of EU directives e.g. Professional Qualifications Directive	Membership of Alliance of UK Health Regulators on Europe (lobby group)	-	Low	Low
		1.4	CHRE conflict	Chief Executive	5	1	5	HPC Chair and Chief Executive relationship with CHRE	Communications	-	Low	Low
		1.5	Loss of reputation	Chief Executive	5	4	20	Quality of Operational procedures	Dynamism and quality of Comms strategy		Medium	NEW
		1.6	Failure to abide by current Equality & Diversity legislation	Chief Executive	4	2	8	Equality & Diversity scheme	Implimentation of scheme for employees Implimentation of scheme for partners	Equality & Diversity working group	Low	Low

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Operations

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
2	Operations	2.1	Inability to occupy premises or use interior equipment	Facilities Manager	4	2	8	Invoke Disaster Recovery/Business Continuity plan	Commercial combined insurance cover (fire, contents, terrorism etc)	-	Low	Low
		2.2	Rapid increase in registrant numbers	Chief Executive and EMT	3	5	15	Scaleable business processes and scalable IT systems to support them	Influence the rate at which new professions are regulated		Low	Low
			Links to 1.2, 13.4									
		2.3	Unacceptable service standards	Director of Operations	5	4	20	ISO 9001 Registration, process maps, well documented procedures & BSI audits	Hire temporary staff to clear service backlogs		Low	Low
			Links to 9.1, 10.4									
		2.4	Inability to communicate via postal services (e.g. Postal strikes)	Facilities Manager	4	4	16	Use of other media including Website, newsletter & email and courier services	Invoke Disaster Recovery Plan	Collection of >80% income fees by DD	Medium	Low
		2.5	Public transport disruption leading to inability to use Park House	Facilities Manager & Hd Bus Proc	4	5	20	Contact staff via Disaster Recovery Plan process	Make arrangements for staff to work at home if possible	-	Low	Low
		2.6	Inability to accommodate HPC employees	Facilities Manager	4	3	12	Ongoing Space planning	Additional premises purchase or rented		Low	Low
			Links to 5.2									
		2.7	Interruption to electricity supply	Facilities Manager	4	4	16	Relocate to other buildings on site	If site wide longer than 24 hours invoke DR Plan		High	High
		2.8	Interruption to gas supply	Facilities Manager	1	2	2	Temporary heaters to impacted areas			Low	Low
		2.9	Interruption to water supply	Facilities Manager	2	2	4	Reduce consumption	Temporarily reduce headcount to align with legislation	Invoke DR plan if over 24 hrs	Low	Low
		2.10	Telephone system failure causing protracted service outage	Director of IT	4	3	12	Support and maintenance contract for hardware and software of the ACD and PABX	Backup of the configuration for both the ACD and PABX	Diverse routing for the physical telephone lines from the two exchanges with different media types	Low	New
		2.11	Basement flooding	Facilities Manager	4	4	16	Flood barrier protection to prevent ingress			Medium	New

Date: 2009-08-04
Ver: e
Dept/Cmte: ADT

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Communications

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
3	Communications	3.1	Failure to inform public Article 3 (13)	Director of Comms	5	1	5	Delivery of communications strategy, including campaigns, advertising, media work	Publications	-	Low	Low
		3.2	Loss of support from Key Stake holders including professional bodies, employers or government	Director of Comms	5	3	15	Delivery of communications strategy	Delivery of HPC strategy	Quality of Operation procedures	Low	Low
			Links to 1.5									
		3.3	Inability to inform stakeholders following crisis	Director of Comms	4	1	4	Invoke Disaster Recovery Plan	Up to date Comms DR plan available	-	Low	Low
		3.4	Failure to inform Registrants Article 3 (13)	Director of Comms	5	1	5	Delivery of communications strategy	Listening events, campaigns, Infocs, Profesional Press, Conference attendance and exhibitions. Publications		Low	New

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Corporate Governance

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
4	Corporate Governance	4.1	Council inability to make decisions	Secretary to Council	3	1	3	Regular meetings, agendas and clear lines of accountability between Council and committees	Well researched and drafted decision papers at meetings	Attendance by external professionals as required	Low	Low
			Links to 4.4									
		4.2	Council members conflict of interest	Chair	4	4	16	Disclosure of members' interests to the Secretariat and ongoing Council & committee agenda item	Disclosure of conflict of interest in the Annual Report & on the HPC website	Member induction and training	Low	Low
		4.3	Poor decision-making eg conflicting advice or conflicting advice and decisions	Chair	4	1	4	Well-researched & drafted decision papers, Clear lines of accountability and scheme of delegation	Chair's involvement in the appointments process for lay members, induction and relevant training	Attendance by external professionals, as required.	Low	Low
		4.4	Failure to meet Council/Committee quorums	Secretary to Council	4	3	12	Clear communication of expectations of Council members' duties upfront	Adequate processes notifying Council & committee members of forthcoming meetings prior to meeting icluding confirmation of attendance	Committee secretaries and chairmen advised that inquorate meetings must not proceed	Low	Low
			Links to 4.1									
		4.5	Members' poor performance	Chair	4	1	4	Chair's annual appraisal of Council members	Training & support at Away Days and Inductions	Removal under Sch 1, Para 9(1)(f) of the HPO 2001	Low	Low
		4.6	Poor performance by the Chair	Council	5	1	5	Appointment against competencies	Power to remove the Chair under Sch 1, Article 12(1) C of the HPO 2001	-	Low	Low
		4.7	Poor performance by Chief Executive	Chair	5	1	5	Performance reviews and regular "one to ones" with the Chair	Contract of Employment	-	Low	Low
		4.8	Improper financial incentives offered to Council members/employees	Chair and Chief Executive	4	2	8	Gifts & Inducements policy	Council member code of conduct	Induction training re:adherence to Nolan principles	Low	Low
		4.9	Failure to insure the Health & Safety of Council Members	Secretary to Council & Facilities Manager	4	2	8	Safety briefing at start of each Council or Committee meeting. H&S information on Council Extranet	Road safety policy (for vehicle drivers)	Personal Injury and Travel insurance	Low	Low
			Links to 6.3, 11.5									
		4.10	Member recruitment problem (with the requisite skills)	Chair	4	2	8	Maintenance of a detailed role description for these positional applicants on to HPC or its committees	Use of the Appointments Commission or Commissioner to recruit new members	Use of the Office of Public Appointments for advice (on recruitment of the requisite skills)	Low	Low
			Links to 6.1, 11.13									
		4.11	Expense claim abuse by members	Secretary to Council	4	2	8	Members Code of Conduct (public office)	Clear and comprehensive policies posted on the Council member Extranet and made clear during induction	Budget holder review and authorisation procedures	Low	Low
		4.12	Operationalise Section 60 legislation	Council	5	2	10	Scheme of delegation	MIS	EMT & CDT	Low	Low

Information Technology

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
5	IT	5.1	Software Virus damage	Director of IT	4	5	20	Anti-virus software deployed at several key points. Perimeter controls enabled.	Adherence to IT policy, procedures and training	Regular externally run security penetration tests.	Low	Low
			Links to 2.3, 10.2									
		5.2	Technology obsolescence, (Hard/SoftWare)	Director of IT	2	2	4	Delivery of the IT strategy including the refresh of technology.	Employ small core of mainstream technology with recognised support and maintenance agreements	Accurately record technology assets.	Low	Low
			Links to 2.6, 10.2									
		5.3	IT fraud or error	Director of IT	3	3	9	Adequate access control procedures maintained. System audit trails.	Regular, enforced strong password changes.	Regular externally run security tests.	Low	Low
			Links to 10.2 and 17.1									
		5.4	Failure of IT Continuity Provision	Director of IT	4	3	12	Annual IT continuity tests	IT continuity plan is reviewed when a service changes or a new service is added	Appropriate and proportionate technical solutions are employed. IT technical staff appropriately trained.	Low	New
		5.5	Malicious damage from unauthorised access	Director of IT	4	2	8	Security is designed into the IT architecture, using external expert consultancy	Regular externally run security penetration tests.	Periodic and systematic proactive security reviews of the infrastructure. Application of security patches in a timely manner. Physical access to the IT infrastructure restricted and controlled.	Low	New

Partners

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
6	Partners	6.1	Inability to recruit and/or retain suitable Partners	Partner Manager	4	4	16	Sound recruitment strategy. Training	HR Strategy: Appropriate compensation package in place.	Regular appraisal system	Low	Low
			Links to 4.10, 11.3, 7.3, 18.1									
		6.2	Incorrect interpretation of law and/or SI's resulting in CHRE review	Director of FTP, Director of Education, Head of Registration, Partner Manager	5	2	10	Training	Legal Assessors advice availability	Regular appraisal system	Low	Low
		6.3	Health & Safety of Partners	Partner Manager	4	2	8	H&S briefing at start of any HPC sponsored event.	Road Safety policy (for vehicle drivers).	Personal Injury and Travel insurance. Liability Insurance	Low	Low
			Links to 4.9, 11.5									
		6.4	Partners poor performance	Director of FTP, Director of Education, Head of Registration, Partner Manager	4	4	16	Regular appraisal system	Regular training		Low	New
		6.5	Incorrect interpretation of HPO in use of Partners	Director of FTP, Director of Education, Head of Registration, Partner Manager	3	2	6	Accurate and up-to-date Partner list	Correct (robust) selection process and use of qualified partners	Effective process allocating partners to specific functions; Visits, Hearings etc	Low	New

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Education

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
7	Education	7.1	Failure to detect low education providers standards	Director of Education	4	2	8	Approvals & Monitoring processes	Regular training of employees and visitors	Complaints about an approved programme process	Low	Low
			Links to 1.1 , 4.3, 6.4									
		7.2	Education providers refusing visits or not submitting data	Director of Education	3	1	3	Legal powers (HPO 2001)	Delivery of Education Dpt supporting activities as documented in regular work plan	-	Low	Low
			Links to 1.1									
		7.3	Inability to conduct visits and monitoring tasks	Director of Education	4	2	8	Adequate resourcing, training and visit scheduling	Approvals & monitoring processes	Temporary staff hire to backfill or clear work backlogs	Low	Low
			Links to 1.1, 6.1, 11.2 & 11.3									
		7.4	Loss of support from Education Provider	Chief Executive or Director of Education	5	1	5	Delivery of Education strategy as documented in regular work plan	Partnerships with Visitors and professional groups.	Publications, Newsletters, website content, inclusion in consultations and relevant PLGs, consultations with education providers	Low	Low
			Links to 1.1, 14.2									
		7.5	Education database failure	Director of IT	3	2	6	Effective backup and recovery processes	In house skills to support system	DR/BC tests	Low	New

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Project Management

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
8	**Project Management**	8.1	Fee change processes not operational by April 2011	Director of Finance Project Portfolio Manager	3	3	9	Project is managed as part of major projects portfolio	Project progress monitored by EMT & stakeholders		Low	Low
			Links to 1.1, 15.3									
		8.2	Failure to regulate a new profession or a post-registration qualification as stipulated by legislation	Project Lead Project Portfolio Manager	5	1	5	Project is managed as part of major projects portfolio	Project progress monitored by EMT & stakeholders		Low	Low
			Links to 1.1, 15.3									
		8.5	Stannary St project - Phase Two	Facilities Manager	3	1	3	Detailed planning, design and quantity surveying of costs	Project progress monitored by EMT		Low	Low
		86	Failure to successfully deliver Online Renewals Project	Director of Operations, Project Portfolio Manager	4	4	16	Project is managed as part of major projects portfolio	Project progress monitored by EMT & stakeholders	Engagement of experts in usability, scalability and security	Med	Low
	COMPLETED To be removed Feb 2010	8.7	Failure to successfully open the Practitioner Psychologists register	Director of Operations, Project Portfolio Manager	5	3	15	Project is managed as part of major projects portfolio	Project progress monitored by EMT & stakeholders		Low	Low
		8.8	Failure to deliver the requirements of the Vetting & Barring Scheme	Director of Fitness to Practise, Project Portfolio Manager	5	2	10	Project is managed as part of major projects portfolio	Project progress monitored by EMT & stakeholders		Low	Low
		8.9	Failure to deliver a strategic view of FTP Case Management	Director of FTP Project Portfolio Manager	3	3	9	Conduct Research project	Project is managed as part of major projects portfolio	Project progress monitored by EMT & stakeholders	Low	New
		8.10	Failure to successfully open the Hearing Aid Practitioner register	Director of Operations, Project Portfolio Manager	5	3	15	Project is managed as part of major projects portfolio	Project progress monitored by EMT & stakeholders		Low	New
		8.11	Failure to successfully open the Counsellors & Psychotherapist register	Director of Operations, Project Portfolio Manager	5	3	15	Project is managed as part of major projects portfolio	Project progress monitored by EMT & stakeholders		Low	New

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Quality Management

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
9	Quality Management	9.1	Loss of ISO 9001:2008 Certification	Director of Operations, Head of Business Improvement	4	3	12	Regular & internal audits	QMS standards applied across HPC	Management buy - in	Low	Low
			Links to 2.3, 10.3									

Registrations

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
10	Registration	10.1	Customer service failures	Director of Operations, Head of Registration	5	5	25	Accurate staffing level forecasts	Adequate staff resourcing & training	Supporting automation infrastructure eg call centre systems, LISA system enhancements, registration re-structure	Low	Low
			Links to 11.1, 11.2									
		10.2	Protracted service outage following a NetRegulate Registration system failure	Director of IT	5	3	15	Effective backup and recovery procedures	Maintenance and support contracts for core system elements.	Annual IT Continuity tests	Low	Low
			Links to 5.1-5.3 and 17.1									
		10.3	Inability to detect fraudulent applications	Director of Operations, Head of Registration	5	2	10	Financial audits, system audit trails	Policy and procedures supported by internal quality audits & specialized external Risk Management guidance	Regular, automatic password changes	Low	Low
			Links to 9.1, 17.1 and 17.2									
		10.4	Backlogs of registration and GP applns	Director of Operations, Head of Registration	4	3	12	Adequate staffing levels maintained to clear backlogs, based on accurate demand-forecasting	Process streamlining	-	Low	Low
			Links to 1.1									
		10.5	Mistake in the Registration process leading to liability for compensation to Registrant or Applicant	Director of Operations, Head of Registration	5	2	10	Financial audits, system audit trails	Professional indemnity insurance. Excess £2.5K. Limit £1M. (Doesn't cover misappropriation of funds)	Policy and procedures supported by ISO quality audits and process controls/checks	Low	Low

HR

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
11	HR	11.1	Loss of key HPC employees	Chair, Chief Executive and EMT	4	4	16	Chief Executive succession plan held by HR Director. Succession planning generally.	Departmental cross training (partial or full) and process documentation		Low	Low
		11.2	High turnover of employees	HR Director	3	2	6	Remuneration and HR strategy	Regular performance reviews	Exit interview analysis	Low	Low
			Links to 11.3									
		11.3	Inability to recruit suitable employees	HR Director	2	2	4	HR Strategy and adequate resourcing of the HR dept	Careful specification of recruitment adverts and interview panel selection	Hire skilled temporary staff in the interim	Low	Low
			Links to 4.10, 6.1, 11.2, 11.8									
		11.4	Lack of technical and managerial skills to delivery the strategy	Chief Executive	4	3	12	HR strategy and goals and objectives (buy in the skills v staff upskilling on the job v training)	Training needs analysis & training delivery.	Some projects or work initiatives delayed or outsourced	Low	Low
			Links to 1.1									
		11.5	Health & Safety of employees	Chief Executive & Facilities Manager	5	4	20	Health & Safety Training, policies and procedures	H&S Assessments (Lawrence, Webster Forrest).	Personal Injury & Travel insurance	Low	Low
			Links to 4.9, 6.3									
		11.6	High sick leave levels	EMT	2	3	6	Adequate staff (volume and type) including hiring temporary staff	Return to work interviews and sick leave monitoring	Regular progess reviews	Low	Low
		11.7	Employee and ex-employee litigation	HR Director	4	3	12	Regular one on one sessions between manager and employee and regular performance reviews.	HR legislation and HR disciplinary policies	Employee surveys, Exit Interviews	Low	Low
		11.8	Employer/employee inappropriate behaviour	HR Director	4	4	16	Whistle blowing policy, Code of Conduct & Behaviour	Other HR policy and procedures	Employee Assistance programme	Low	Low
			Links to 11.3									
		11.9	Non Compliance with Employment legislation	HR Director	5	2	10	HR Strategy	Obtain legislation updates and legal advice	HR policies and Manager training	Low	Low

Legal

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
12	Legal	12.1	Judicial review of HPC's implimentation of HPO including Rules, Standards & Guidance	Chief Executive	5	3	15	Consultation. Stds determined by PLG's. Agreement by Council.	Appropriate legal advice sought	-	Medium	Medium
			Links to 1.2, 14.1, 14.2									
		12.2	Legal challenge to HPC operations	Chief Executive	4	4	16	Legal advice and ISO	Communications	-	Low	Low

Fitness to Practise

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
13	Fitness to Practise	13.1	Legal cost over-runs	FTP Director	4	4	16	Processes and strict arrangements with law firm suppliers	Professional Indemnity Insurance	Good process management for arranging hearings	Low	Low
			Links to 13.4, 15.2									
		13.3	Tribunal exceptional costs, FTP, Registrations and CPD Appeals	FTP Director	5	5	25	Quality of operational processes	Quality of legal advice	Legal insurance	High	High
		13.4	Rapid increase in the number of tribunals and resultant legal costs	FTP Director	3	3	9	Accurate and realistic budgeting	Resource planning	-	Low	Low
			Links to 13.1									
		13.5	Witness non-attendance	FTP Director	4	2	8	Vulnerable witness provisions in the legislation	Witness support programme	Witness summons	Low	Low
		13.6	Employee/Partner physical assault by Hearing attendees	FTP Director	5	5	25	Advice sought from the Police	Adequate facilities security	Periodic use of security contractors and other steps	Low	Low
		13.7	High Number of Registration Appeals	FTP Director & Director of Operations, Head of Registrations	3	5	15	Training and selection of Registration Assessors, so reasoned decisions are generated	Quality of operational processes	-	Low	Low

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Policy & Standards

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
14	Policy & Standards	14.1	Incorrect process followed to establish stds/guidance/policy eg no relevant Council decision	Policy & Stds Director	4	2	8	Legal advice sought on processes	Appropriately experienced and trained members of Policy team.	Quality mgt system & processes	Low	Low
			Links to 12.1									
		14.2	Inappropriate stds/guidance published eg stds are set at inappropriate level, are too confusing or are conflicting	Council/committees	4	1	4	Use of professional liaison groups, and Council and committees including members with appropriate expertise	Appropriately experienced and trained members of Policy team.	Consultation with stakeholders & legal advice sought	Low	Low
		14.3	Changing/evolving legal advice rendering previous work inappropriate	Policy & Stds Director	4	2	8	Use of well-qualified legal professionals. Regular reviews.	Legal advice obtained in writing.	Appropriately experienced and trained members of Policy team and others eg HR.	Low	Low
		14.4	Inadequate preparation for a change in legislation (Health Professions Order, or other legislation affecting HPC)	EMT	3	1	3	EMT responsible for remaining up to date relationships with governemnt depts and agencies.	HPC's 5 year planning process	Legal advice sought	Low	Low
		14.5	PLG member recruitment without requisit skills and knowledge	Policy & Stds Director HPC Chair, Secretary to Council(?)	4	1	4	Skills and knowledge identified in work plan	Recruitment policy	Council Scrutiny of PLG result	Low	NEW
			Lnks to 4.10									

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Finance

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
15	Finance	15.1	Insufficient cash to meet commitments	Finance Director	5	1	5	Maintain an appropriate level of cash reserves to meet ongoing needs and comply with the Reserves policy. Effective management of collections and payments processes.	Regular cash forecasts and reviews	Annual and Five Year Plan forecasting of income (volumes & fees) and costs. Fee rises an DoH grant applications as required.	Low	Low
		Links to 15.5, 15.6, 15.17, 16.1, 16.2, 16.3										
		15.2	Unexpected rise in operating expenses	EMT	3	1	3	Budget holder accountability for setting budgets and managing them. Timely monthly reporting and regular budget holder reviews held. Finance & Resources Committee review of the monthly variances year to date.	Six and nine month reforecasts with spending plan revisions as feasible and appropriate.	Legal cost insurance for FTP cases. Capped FTP legal case costs.	Low	Low
		Link to 13.1										
		15.3	Major Project Cost Over-runs	Project Lead / EMT	4	2	8	Effective project specification including creating decision points. Effective project management and timely project progress reporting (financial and non financial).	Creation of a project capex contingency budget. Project exception reports including revised funding proposal is presented to EMT for approval.	Finance & Resources Committee review of the project spendng variances to date	Low	Low
		Links to 8.1-8.4										
		15.4	Loss in value of investment fund portfolio	Finance Director	2	5	10	Professional funds management involving diversification (by asset class, market, sector) and "lower risk side of neutral" investments	Adherence to the HPC Investments policy. Long run investment view.	Relatively small balances held in the investment portfolio (£1.4M), compared to money market (£5M) and property investments held (£3M). Approx 10% of Annual income value.	Low	Low
		Links to 15.17										
		15.5	Inability to pay creditors	Finance Director	5	2	10	Effective payment process management with regular review of aged creditors listing and supplier statements	Effective cash-flow forecasting. Registrant creditors policy compliance.	Extensive use of preferred suppliers with bank account details and payment terms loaded into Sage.	Low	Low
		Links to 15.1										
		15.6	Inability to collect from debtors	Finance Director	5	2	10	Collection via Direct Debit instruction for approximately 80% of renewal fees value	Registrant debtors policy compliance	Prompt actioning of rejected DD's. Periodic reviews and actioning of Misc Debtors.	Low	Low
		Links to 15.1										
		15.7	Registrant Credit Card record fraud/theft	Finance Director	3	1	3	Daily credit card payment reconciliation's in Finance dept - Streamline to Netregulate and bank statements.	Tight procedures to retrieve sensitive paper records from archive, rationalise records kept and retain sensitive current year records with security tagging.	Compliance with credit card record storage standards.	Low	Low
		Links to 5.3										
		15.8	Receipt of fee income as per collection schedule	Finance Director	3	3	9	Netregulate processes & controls in place (charging & receipts) including person cover	Monthly revenue reconciliation's between Netregulate and SAGE systems	-	Low	Low
		15.9	Mismatch between Council goals & approved financial budgets	Chief Executive	4	2	8	Close and regular communication between the Executive, Council and its Committees.	Adequate quantification of the budgetary implications of proposed new initiatives	Use of spending prioritisation criteria during the budget process with capex contingency amount held in reserve	Low	Low
		Links to 1.1										
		15.10	Unauthorised payments to organisations	Finance Director	3	2	6	Requirement for the relevant signed PO's and invoices to support payments to preferred and one off suppliers. Regular audits. Pro-forma invoice register. Segregation of duties.	Maintenance of the aproved purchase order and invoice signatory list. PRS PO's have system pre-set approval routes. Regular audits. Whistleblowing policy.	Professional Indemnity & fidelity (fraud) insurance for first £100k of loss	Low	Low
		Links to 5.3						**Page 19**				
		15.11	Unauthorised payments to personnel	Finance Director	3	3	9	Effective expense claim and payroll authorisation processes. Segregation of duties.	Regular audits. Whistleblowing policy.	Professional Indemnity & fidelity (fraud) insurance for first £100k of loss	Low	Low
		Links to 5.3										
		15.12	Unauthorised removal of assets (custody issue)	Facilities Manager	3	2	6	IT asset labeling & asset logging (issuance to employees)	Fixed Asset register itemising assets. Job exit procedures (to recover HPC laptops, blackberries, mobile phones etc). Regular audits. Whistleblowing policy.	Professional Indemnity & fidelity (fraud) insurance for first £100k of loss. Computer asset insurance.	Low	Low

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Ver: d
Dept/Cmte: AUD

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Title: RiskRegisterSept2009

Status: Draft
Security: Public

Finance

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		15.13	Mis-signing of cheques (forgery)	Finance Director	4	3	12	Minimal use of manual chqs. Segregation of duties (preparation and signing). Two signatories required on all cheques.	Photocopies of one off supplier cheques held on file. Monthly bank reconciliations. Whistleblowing policy.	Professional Indemnity & fidelity (fraud) insurance for first £100k of loss	Low	Low
			Links to 5.3									
		15.14	Non compliance with FReM reporting	Finance Director	3	1	3	Periodic reviews of HM Treasury and NAO information updates. Technical updates from CA firms. Clarifications sought, as required.	Employee training	Auditor feedback early in Annual Report preparation process.	Low	Low
			Links to 1.2									
		15.15	Qualified opinion received by the Auditors on the Statutory Financial Statements	Finance Director	5	1	5	Timely accrual postings supported by source documentation. Internal control compliance (regularity of spending). Audit findings compliance.	FReM compliance & timely expert valuations eg investment funds, land and buildings	Reliable financial systems. Income, Expense & Balance Sheet Reconciliation's. Matching Sage TB to Mgt Accs & Mgt Accs to Statutory Financial Statements	Low	Low
		15.16	Late submission of the Annual Report, beyond sector standards	Secretary to Council	3	1	3	Upfront agreement on the Year End and Annual Report reporting process dates. Committee approval of the Audit Plan(s).	Effective process management	-	Low	Low
			Links to 15.1									
		15.17	Professional Fund Manager insolvency or fraud	Finance Director	2	1	2	Client monies (HPC) contractually separated from fund manager own holdings. Monthly itemised valuations for all investments held, bought and sold.	Periodic credit rating checks of fund manager firms used	Professional Indemnity & fidelity (fraud) insurance for first £100k of loss by supplier acting on HPC's behalf.	Low	Low
		15.18	PAYE/NI compliance	Finance Director	3	2	6	Effective payroll process management. Payroll system tax deductions set up using valid tax codes. Tax provisions made and tax returns filed on a timely basis.	Signed disclosure forms indicating tax category status for all Council and Committee members. Professional tax advice sought, including status of CCM's and partners	Tax Provisions maintained for legacy PAYE/NI payable relating to Council and Committee members. PAYE Settlement Agreement also being sought from HMRC relating to Category One Council and Committee members.	Low	Low
		15.19	Corporate tax compliance (tax due on investment income only)	Finance Director	3	1	3	Preparation and filing of the Corporation Tax return (CT600 form) following determination of Corporate tax liability during Annual Report process.	Professional tax advice sought e.g. Corporate Tax Return preparation (including capital allowance claims) and filing.		Low	Low
		15.20	Money market provider insolvency or fraud	Finance Director	5	2	10	Funds diversification - money market funds spread across three mainstream UK money market institutions, independently owned with at least an 'AA minus' credit rating	FSA insurance for proven financial loss of up to £50k of funds held per UK financial institution.	Professional Indemnity & fidelity (fraud) insurance for first £100k of loss by supplier acting on HPC's behalf.	Low	Low
		15.21	Financial distress of trade suppliers causes loss of service	Finance Director	4	4	16	Financial monitoring of key suppliers via Dun & Bradstreet	Escrow agreements	Alternative suppliers	Medium	Medium
		15.22	Payroll process delay or failure	Finance Director	5	2	10	Agreed monthly payroll process timetable (with slack built in). Person cover for the payroll administrator (system access and documented procedures). If process delayed, payment may be made by CHAPS (same day payment), cash or cheque.	Restoration of overnight backup files for Sage Payroll system (software application and transactions)	Hard copy records held securely. Restricted system access.	Low	New

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Pensions

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
16	Pensions	16.1	CPSM scheme funding liability resulting from scheme valuation deficit	Finance Director	2	3	6	If an employer shortfall crystalises, finance the HPC liability from money market deposits, or from £1.4M of managed funds. Scheme assets are under Scottish Life professional funds management involving diversification until conversion into beneficiary annuities. Scheme benefits are secured by insurance policies issued by the Scottish Life Assurance.	Work with the trustees to update the actuarial valuation of the fund to identify whether pension assets will cover pension liabilities. Make financial provisions where a shortfall is indicated generating an employer liability.	Monitor the winding up schedule with the scheme trustees and administrators. Seek secialist pensions legal advice as required	Low	Low
			Links to 15.1, 15.5									
		16.2	Non compliance with pensions legislation	Finance Director	4	2	8	Notional membership by six scheme members to avoid triggering s75 liability before scheme closure	Liaision with with scheme trustees and administrators.	Seek specialist pensions legal advice as required.	Low	Low
			Links to 15.1, 15.5									
		16.3	Capita Flexiplan funding liability resulting from scheme valuation deficiency	Finance Director	4	4	16	If an employer shortfall crystalises, finance the HPC liability from money market deposits, or from £1.4M of managed funds. Scheme assets are under professional funds management involving diversification until conversion into beneficiary annuities.	Work with the trustees to update the actuarial valuation of the fund to identify whether pension assets will cover pension liabilities. Make a financial provision where a shortfall is indicated and the HPC's portion of the shortfall is subsequently identified.	Monitor actions of the Employers' Consultative Group in working with the scheme trustees and administrators to wind up the Flexiplan scheme. Seek specialist pensions legal advice as required.	Low	Low

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Data Security

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17	Data Security	17.1	Electronic data is removed inappropriately by an employee	Director of IT	5	3	15	Employment contract includes Data Protection and Confidentiality Agreement	Adequate access control procedures maintained. System audit trails.	Laptop encryption. Remote access to our infrastructure using a VPN . Documented file encryption procedure	Low	Low
			Links to 5.3									
		17.2	Paper record Data Security	Head of Business Improvement	5	3	15	Use of locked document destruction bins in each dept. Use of shredder machines for confidential record destruction in some depts e.g. Finance.	Data Protection agreements signed by the relevant suppliers. Dept files stored onsite in locked cabinets.	Regarding Reg Appln forms processing, employment contract includes Data Protection Agreement	Low	Low
			Links to 15.7									
		17.3	Loss of electronic data held by third party suppliers in the delivery of their services	Director of IT	5	3	15	Data Protection/Controller agreements signed by the relevant suppliers. Use of electronic firewalls by suppliers.	Data transfer using file level encryption. Physical transfer of back up tapes using specialist company with locked boxes and sign out procedure.	Remote access to our infrastructure using a VPN. Access to third party infrastructure using agreed secure methods.	Low	Low
		17.4	Data received from third parties	Director of Ops, and Director of FTP	5	2	10	Read only, password protected access by a restricted no of FTP employees to electronic KN data.	Registrant payments taken in compliance with Payment Card Industry (PCI) Security standards ie with quarterly PCI testing.	Ensure third party data providers e.g. professional bodies provide the data password protected/encrypted/door to door courier/registered mail/sign in sign out as appropriate.	Low	Low
		17.5	Loss of physical data despatched to and held by third parties for the delivery of their services	Director of Ops and Hd of Business Process Improv	5	3	15	Data Protection/Controller agreements signed by the relevant suppliers. Use of electronic firewalls by suppliers.	Use of transit cases for archive boxes sent for scanning or copying and sign out procedures.		Low	Low

Continuing Professional Development

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations September 2009	Likelihood before mitigations September 2009	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation September 2009	RISK score after Mitigation February 2009
18	CPD	18.1 (7.5)	CPD processes not effective	Director of Operations, Head of Registrations	4	2	8	Well documented processes	Appropriately trained members of the registrations team	Monitor and regulator feedback to the Education & Training Committee	Low	Low
		Links to 1.1										

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Glossary & Abbreviations

Term	Meaning
AGM	Annual General Meeting
CDT	Cross Directorate Team (formerly HPC's Middle Management Group)
CHRE	Council for Healthcare Regulatory Excellence
CPD	Continuing Professional Development
EEA	European Economic Area, = European Economic Union, plus Norway, Iceland, plus for our purposes Switzerland
EMT	HPC's Executive Management Team
EU	European Economic Union (formerly known as the "Common Market")
FReM	Financial Reporting Manual
FTP	Fitness to Practise
GP	Grandparenting
HPO	Health Professions Order
HR	Human Resources
HW	Abbreviation for computer hardware
Impact	The result of a particular event, threat or opportunity occuring. Scored between 1 least effect on HPC and 5 maximum effect on HPC.
ISO	International Standards Organisation (the global governing body for the Quality standards used by HPC)
ISO 9001:2008	The ISO Quality Management Standard used by HPC.
IT	Information Technology
Likelihood	Used to mean Probability of the event or issue occurring within the next 12 months
MIS	Management Information System
NetRegulate	The bespoke computer application used to manage the application, registration and renewal processes, and publish the online register
OIC	Order in Council
Onboarding	The process of bringing a new profession into statuatory regulation from HPC's viewpoint
OPS	Operations
PLG	Professional Liason Group
Print UK	A supplier of printing and insertion/mailing services to HPC
Probability	Likelihood, chance of occurring. Not the "mathematical" probability. Scored between 1 least likely and 5 most likely to occur within the next year.
QMS	Quality Management System, used to record and publish HPC's agreed management processes
Risk	An uncertain event/s that could occur and have an impact on the achievement of objectives
Risk Score	Likelihood x Impact or Probability x Significance
SI	Statutory Instrument
Significance	Broadly similar to Impact
SSFS	Scheme Specific Funding Standard, a set of standards relating to pensions services
STDS	Standards
SW	Abbreviation for computer software
VPN	Virtual Private Network, a method of securely accessing computer systems via the public internet

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