Audit Committee
Tuesday, 4 June 2019

hcpc health & care professions council

Strategic Risk Register

Executive Summary

This paper provides an update on the strategic risks set out in the Register. It highlights work undertaken to date against the planned actions, incorporates the transfer of social workers into strategic risk 1 and sets out updated planned actions to reflect proposed work in 2019-20. There are no changes to the residual or expected risk scores.

Previous consideration	The Strategic Risk Register was discussed by SMT at its bi-monthly meeting on Tuesday 21 May 2019. A previous update was also included in the performance report considered by Council at their March meeting.
Decision	The Audit Committee is asked to discuss and note the changes.
Next steps	The strategic risks will be next discussed by the SMT at an upcoming meeting in Q2, 2019.
Strategic priority	All
Risk	All
Financial and resource implications	Not applicable
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HCPC Strategic Risks
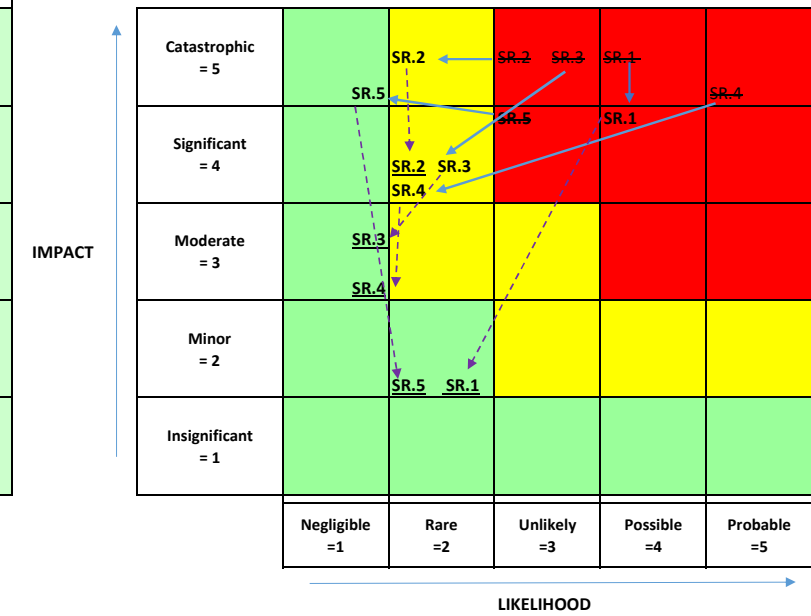
2018-19 to 2022-23

Relationship with strategic priorities

SP1 Perf	SP2 Com	SP3 Adapt	SP4 Evid
■			
		■	■
	■		
		■	
		■	■

Summary of strategic risks

Strategic Risks - High Level	Risk Description	INHERENT RISK	RESIDUAL RISK	EXPECTED RISK*
1. Failure to deliver effective regulatory functions	This includes the inability to fulfill our statutory obligations set out in the Health and Social Work Professions Order and the failure to meet the PSA's Good Standards of Regulation.	20	16	4
2. Failure to anticipate and respond to changes in the external environment	This includes the ability to respond and influence external drivers for change, like the impact of Brexit, devolution or a change in government as well as issues like workforce development, new and emerging professions or government policies affecting professional regulation. It also includes awareness and responsiveness to advances in technology and systems.	15	10	5
3. Failure to be a trusted regulator and meet stakeholder expectations	This risk includes the management of stakeholder engagement and key relationships as well as reputation management.	15	8	5
4. Failure to be an efficient regulator	This risk includes the operational failure of processes, or the inability to manage data efficiently as well the vulnerability of IT security. It also includes financial security, timely and accurate reporting and the recruitment, retention and training of Partners, Council and employees.	25	8	5
5. Failure of leadership, governance or culture	This risk includes the effectiveness of Council, strategy setting and oversight, risk management and business planning. It also covers organsitional culture including the existence of relevant policies for whistleblowing or anti-bribery for example and processes for performance development.	12	5	4

* Expected risk score post planned actions

STRATEGIC PRIORITIES DEFINTIONS

Strategic priority 1 = Performance = (SP1) Improve our performance to achieve the Professional Standards Authority's Standards of Good Regulation

Strategic priority 2 = Communication = (SP2) Ensure our communication and engagement activities are proactive, effective and informed by the views and expectations of our stakeholders

Strategic priority 3 = Adaptability = (SP3) Ensure the organisation is fit for the future and is agile in anticipating and adapting to changes in the external environment

Strategic priority 4 = Evidence = (SP4) Make better use of data, intelligence and research evidence to drive improvement and engagement

Heat map of strategic risks

IMPACT

	Negligible =1	Rare =2	Unlikely =3	Possible =4	Probable =5
Catastrophic = 5		SR.2 / SR.5	SR.2 SR.3	SR.1	SR.4
Significant = 4			SR.2 SR.3 / SR.4 / SR.5	SR.1	
Moderate = 3		SR.3 / SR.4			
Minor = 2		SR.5 SR.1			
Insignificant = 1					

LIKELIHOOD

Key

Risk = Impact x Likelihood

Inherent Risk	SR.x	That level of risk existing before any mitigations were put in place.
Residual Risk	SR.x	That level of risk that the organisation has currently mitigated down to.
Expected Risk	SR.x	That level of risk that the organisation finds desirable but may not have yet attained.

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Simple Heat Map&RiskDefnFINAL

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STRATEGIC RISK	RISK OWNER		Review Date
1. Failure to deliver effective regulatory functions	SMT		May-19

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2019-20	Expected risk
This includes the inability to fulfill our statutory obligations set out in the Health and Social Work Professions Order and the failure to meet the PSA's Good Standards of Regulation. Specifically, Delivery of statutory obligations Breakdown of regulatory functions Failure to meet PSA standards Transfer of social workers to Social Work England (SWE)	5	4	20	1) Adherence to operational processes and legal powers set out in statutory legislation 2) Regular review of resourcing requirements to ensure they are adequate 3) Regular training for Partners and employees 4) Scheduled Quality assurance and auditing processes 5) Delivery of workplans and monitoring through reporting/metrics 6) Information sharing through Memoranda of understanding 7) Learning through review of PSA performance reviews of other regulators and commissioned reviews within the sector	4	4	16	1) Embedding FtP improvement plan deliverables into business as usual (FtP, ongoing to Q4) 2) Monitoring performance through performance report and KPIs (All, ongoing) 3) Review of education quality assurance arrangements (Education, from Q2 to Q4) 4) Execution of the budget & 5 year plan investment model (Finance, ongoing to Q4) 5) Project management delivery of social workers transfer of regulation (Projects, ongoing to Q3)	4

RELEVANT STRATEGIC PRIORITIES

Strategic Priority 1: Improve our performance to achieve the Professional Standards Authority's Standards of Good Regulation

COMMENTS ON PROGRESS

Update May 2019: The FtP improvement plan project has now completed and the FtP workplan 2019-20 contains actions relating to the monitoring of activities and ensuring the changes have been embedded. The number of new FtP cases continues to increase and is being monitored with performance reported to the SMT and Council. Members of the Executive continue to meet with the PSA's Director of Scrutiny and Quality on a quarterly basis, and have also met with their Performance Review team to explain our data, evidence submission, and describe the changes made during the FTP Improvement Project. Recommendations from the Education QA review working group will be considered by ETC in early June, and the next stage of engagement being carried out between June 2019 and March 2020.

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RISK1 detail

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STRATEGIC RISK	RISK OWNER	Review Date
2. Failure to anticipate and respond to changes in the external environment	SMT	May-19

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2019-20	Expected risk
This includes the ability to respond and influence external drivers for change, like the impact of Brexit, devolution or a change in government as well as issues like workforce development, new and emerging professions or government policies affecting professional regulation. It also includes awareness and responsiveness to advances in technology and systems.	5	3	15	1) SMT relationship building and liaison with key stakeholders particularly Government Departments, professional bodies, other regulators and suppliers 2) Horizon scanning and intelligence gathering including from relationship building to be aware of external drivers and influencers 3) Continued investment through major project process for the development of business processes and systems 4) Publication of FtP, Education and Registration information and datasets through annual reports and FOI requests	5	2	10	1) Delivery of Communications & Engagement Strategy and communications workplan (Comms, ongoing to Q4) 2) Delivery of research programme set out in Policy & Standards workplan (Policy, ongoing to Q4) 3) Continued collaboration with other regulators, for example MOUs or joint statements (FtP/Policy, ongoing to Q4)	5

RELEVANT STRATEGIC PRIORITIES

Strategic priority 3: Ensure the organisation is fit for the future and is agile in anticipating and adapting to changes in the external environment
Strategic priority 4: Make better use of data, intelligence and research evidence to drive improvement and engagement.

COMMENTS

May 2019 update: The Communications workplan for 2019-20 has been agreed. This includes actions identified from the ComRes findings on awarness and perceptions of our stakeholders, and a more detailed stakeholder engagement plan which will be completed in Q2 identifying frequency, type of contact, engagement opportunities for HCPC spokespeople to develop relationships further with influential stakeholders. The Policy & Standards 2019-20 workplan has been agreed. This includes our commitment to continuing research which supports the 'prevention' agenda, for example ftp impact, registrant health & wellbeing and supervision in the workplace. It also sets out how we will develop our approach to scoping and developing the Data & Intelligence team. The Policy & Standards team will be compiling a paper for Council later this year which will focus on operationalising the MOUs we have. The team are also collaborating with other regulators on a joint statement on reflective practise.

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RISK2 detail

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STRATEGIC RISK	RISK OWNER	Review Date
3. Failure to be a trusted regulator and meet stakeholder expectations	SMT	May-19

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2019-20	Expected risk
This risk includes the management of stakeholder engagement and key relationships as well as reputation management. Specifically, Communication and stakeholder management Intelligence gathering Transparency/openness Stakeholder research PSA relationship and engagement External reporting Data breaches High quality Partners and suppliers Reputation	5	3	15	1) Communications Strategy, underpinned by stakeholder communications and engagement plan with clear deliverables and milestones 2) Adherence to agreed processes and organisational values of transparency, collaboration, responsiveness, high quality service and value for money 3) Regular stakeholder opinion polling to understand needs and expectations 4) Management and response to complaints handling, including Freedom of Infomration and Subect Access Requests 5) Engagement with appropriate organisations including for example other regulators, Government, professional bodies, trade unions and service user organsiations 6) Analysis and action planning from feedback mechanisms including corporate complaints, FtP stakeholder surveys, stakeholder opinion polling and education provider survey	4	2	8	1) Delivery of Communications & Engagement strategy and stakeholder workplan (Comms, Q2 to Q4) 2) Initial planning and development of prevention agenda (Comms/Policy, ongoing to Q3)	5

RELEVANT STRATEGIC PRIORITIES

Strategic priority 2: ensure our communications and engagement activities are proactive, effective and informed by the views and expectations of our stakeholders
Strategic priority 3: Ensure the organisation is fit for the future and is agile in anticipating and adapting to changes in the external environment

COMMENTS

May 2019 update: The Policy team presented the findings of the stakeholder perceptions research to Council in March. As per SR 2, the Communications workplan for 2019-20 has been agreed. This includes actions identified from the ComRes findings on awarness and perceptions of our stakeholders, and a more detailed stakeholder engagement plan which will be completed in Q2 identifying frequency, type of contact, engagement opportunities for HCPC spokespeople to develop relationships further with influential stakeholders. The Communications team will be begin the scoping and development work for the professional liaison team in early June following the appointment to the fixed term contract role.

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RISK3 detail

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STRATEGIC RISK	RISK OWNER	Review Date
4. Failure to be an efficient regulator	SMT	May-19

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2019-20	Expected risk
This risk includes the operational failure of processes, or the inability to manage data efficiently as well as the vulnerability of IT security. It also includes financial security, timely and accurate reporting and the recruitment, retention and training of Partners, Council and employees. Specifically, Operational failure Data management Cyber security Use of technology Financial sustainability Timely and accurate reporting Recruitment/retention/training including partners, employees, Council	5	5	25	1) Adherence to operational processes and policies which are subject to internal and external audit eg ISO 2) Adherence to budgetting and financial management and reporting processes which are subject to internal and external audit eg NAO 3) Adherence to HR processes in relation to recruitment, annual performance development review and and learning and development for Partners and employees 4) Effective IT system design maintaining confidentiality, integrity and availability of data 5) Maintenance of ISO27001 Information Security standard which is subject to external audit 6) Regular independent security assessments of key IT infrastructure 7) Continuous quality improvement quality assurance audits 8) Development and implementation of a corporate strategy 9) Maintenance of business continuity infrastructure and processes	4	2	8	1) Delivery of culture & engagement action plan (HR/Comms, ongoing to Q4) 2) Delivery of systems projects, including FtP CMS and registration transformation (Projects, ongoing to Q4) 3) Ensure financial sustainability (Finance/SMT, ongoing to Q4) 4) Delivery of agreed Quality Assurance frameworks and audits (Quality Assurance, ongoing to Q4)	5

RELEVANT STRATEGIC PRIORITIES

Strategic priority 3: Ensure the organisation is fit for the future and is agile in anticipating and adapting to changes in the external environment

COMMENTS

May 2019 update: An update on the Culture & Engagement action plan was considered by the SMT in May and will be presented to Council at their 22 May meeting. We achieved recertification for the ISO27001 Information Security standard. All desktops have now been upgraded as has the HR system. With the Registration transformation project, the proposal to proceed into phase two was approved at the March Council and the project will formally start once contract negotiations with the preferred supplier have concluded. The Executive continue to monitor parliamentary and stakeholder activity in relation to the fees proposals, with ongoing briefing and discussion with Government officials to support progress through the parliamentary approval process in both Westminster and Scotland. The Chair and Chief Executive will be meeting the Scottish Cabinet Secretary for Health & Sport at the end of May. The Quality Assurance Department workplan for 2019-20 has been agreed. This includes framework agreements and audits to be undertaken for the regulatory departments.

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RISK4 detail

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STRATEGIC RISK	RISK OWNER	Review Date
5. Failure of leadership, governance or culture	Chair and SMT	May-19

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2019-20	Expected risk
This risk includes the effectiveness of Council, strategy setting and oversight, risk management and business planning. It also covers organisational culture including the existence of relevant policies for whistleblowing or anti-bribery for example and processes for performance development. Effectiveness of Council Organisational structure Appraisal process/performance management Adequate planning Foresight Audit Ethics Anti-bribery Whistleblowing Strategic setting and oversight Risk management Vision mission values	4	3	12	1) Robust and effective Council recruitment processes with appointment against competencies and annual appraisal process 2) Well researched and drafted Council & Committee papers with clear, well reasoned decision making 3) Training and internal communications to ensure Partners, Council and employees aware of and sensitive to issues including whistleblowing, anti-bribery, equality and diversity 4) SMT oversight of HR and internal communications work to support the development of our culture and environment as well as delivering continuous improvement through all employee survey 5) Robust audit plans, regular review of risks 6) Strategic intent incorporating drivers, vision and values 7) Adherence to relevant internal policies including for example anti-bribery, whistleblowing and continued engagement with cross-organisational groups including the Employee Consultation Group and Corporate Social Responsibility 8) SMT: meetings held regularly, with well drafted papers and clear decision making communicated; visibility and transparency achieved with meeting papers online and regular round-up on intranet	5	2	10	1) Run appointments process for x3 registrant members of Council (Governance, Q1-2) 2) Delivery of Culture & Engagement action plan (Comms/HR, ongoing to Q4) 3) Develop new corporate strategy with engagement & dissemination to key stakeholders of final plan (Policy, from Q2 to Q4)	4

RELEVANT STRATEGIC PRIORITIES

Strategic priority 3: Ensure the organisation is fit for the future and is agile in anticipating and adapting to changes in the external environment
Strategic priority 4: Make better use of data, intelligence and research evidence to drive improvement and engagement.

COMMENTS

May 2019 update: The Governance team are currently conducting a recruitment process for 3 registrant Council members. The ED&I policy has been published and information about equality impact assessments has been disseminated across the organisation. An assessment for the fees proposals was completed and noted by the Council at its March meeting. As previously reported, an update to the Culture & Engagement action plan was considered by the SMT in May and will be presented to the Council at their May meeting. Employees will have an opportunity to engage on the organisational values at the all employee development day in July.

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RISK5 detail

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RISK MATRIX DEFINITIONS

IMPACT TYPES

Public Protection	Financial	Reputation
Catastrophic 5	**Catastrophic 5**	**Catastrophic 5**
A systematic failure for which HCPC are ultimately responsible for, exposes the public to serious harm in cases where mitigation was expected.	Unfunded pressures greater than £1 million	Incompetence/ maladministration or other event that will destroy public trust or a key relationship
Significant 4	**Significant 4**	**Significant 4**
A systematic failure for which HCPC are ultimately responsible for, exposes more than 10 people to harm in cases where mitigation was expected.	Unfunded pressures £250k - £1 million	Incompetence/ maladministration that will undermine public trust or a key relationship for a sustained period or at a critical moment.
Moderate 3	**Moderate 3**	**Moderate 3**
A systemic failure for which HCPC are ultimately responsible for exposes more than 2 people to harm in cases when mitigation was expected.	Unfunded pressures £50,000 - £250,000	Incompetence/ maladministration that will undermine public trust or a key relationship for a short period. Example Policy U-turn
Minor 2	**Minor 2**	**Minor 2**
A systemic failure which results in inadequate protection for individuals/individual communities, including failure to resolve celebrity cases.	Unfunded pressures between £20,000-£50,000	Event that will lead to widespread public criticism.
Insignificant 1	**Insignificant 1**	**Insignificant 1**
A systemic failure for which fails to address an operational requirement	Unfunded pressures over £10,000	Event that will lead to public criticism by external stakeholders as anticipated.

IMPACT

LIKELIHOOD AREAS

Strategic	Programme / Project	Operational
Probable 5	**Probable 5**	**Probable 5**
"Clear and present danger", represented by this risk - will probably impact on this initiative - sooner rather than later.	Likely to occur in the life-cycle of the project, probably early on and perhaps more than once.	The threat is likely to happen almost every day.
Possible 4	**Possible 4**	**Possible 4**
Likely to happen at some point during the next one or two years.	Likely to happen in the life-cycle of the programme or project.	May well happen on a weekly basis.
Unlikely 3	**Unlikely 3**	**Unlikely 3**
May well occur during the lifetime of the strategy.	May occur during the life of the programme or project.	May well happen on a monthly basis.
Rare 2	**Rare 2**	**Rare 2**
Only small chance of occurring in the lifetime of the strategy.	Not likely to occur during the lifecycle of the programme of project.	Does not happen often - once every six months.
Negligible1	**Negligible1**	**Negligible1**
Extremely infrequent – unlikely to happen in a strategic environment or occur during a project or programmes lifecycle. May occur once a year or so in an operational environment.	Extremely infrequent – unlikely to happen in a strategic environment or occur during a project or programmes lifecycle. May occur once a year or so in an operational environment.	Extremely infrequent – unlikely to happen in a strategic environment or occur during a project or programmes lifecycle. May occur once a year or so in an operational environment.

LIKELIHOOD

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Risk Matrix Definitions