
Strategic Risk Register & risk management development

Executive Summary

This paper provides an overview of planned development of the HCPC risk management framework.

It includes the latest iteration of the Strategic Risk Register in its new format as well as a roadmap for agreeing new strategic risks and a new risk appetite statement for the organisation, to align with the emerging Corporate Strategy due for Council approval in December 2020.

Previous consideration	The Committee has previously requested that the HCPC's risk appetite be reviewed.
Decision	The Committee is asked to: <ul style="list-style-type: none">• Discuss the plans and provide feedback on the approach• Discuss the Strategic Risk Register
Next steps	The Committee will receive a paper on progress, and the emerging new strategic risks at its November 2020 meeting.
Strategic priority	The strategic priorities set in 2018 are no longer current. We are developing a new strategy that we aim to confirm at the end of 2020.
Risk	All
Financial and resource implications	The cost of consultancy for the operational risk management aspect of the work is included in the current budget.
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Risk management development

This paper sets out current and future developments to the HCPC's strategic and operational risk registers and management frameworks.

Strategic Risk Register development

The latest iteration of the strategic risk register is attached to this paper at appendix 2. The Audit Committee will note that the format has been refreshed, this change has been shaped by previous Audit Committee requests for adaptations and the BDO recommendation to incorporate risk appetite into our assessment of risk (recommendations and actions set out in appendix 1).

The Chair of the Audit Committee has provided feedback as the format developed. While most content has been transferred, it has also been updated and refined.

Below is a summary of the format changes:

- **Current risk influencers**– This section represents the current issue or factors impacting on risk in the reporting period. The + and – symbols indicate if this is reducing our risk (-) or increasing risk (+)
- **Risk appetite** – has been included. Our current risk appetite does not naturally fit to our strategic risks, but a best fit approach has been taken. A review timetable for both the strategic risks and risk appetite is included later in this paper
- **Planned mitigations progress** – progress in the reporting period is more clearly indicated and includes commentary
- **Mitigation key** – provides a visual key for what kind of mitigation it is
- **Commentary** – refocused on explaining changes to the risk register entry since the last iteration, for example why a risk score has reduced, highlighting a new mitigation. Topical relevant information should be included in 'risk influencers'.
- **Link to strategic priority** – has been removed until a new strategy is in place. Old priorities no longer current.
- **Risk owner** – SMT leads have been agreed for each risk

Roadmap to refreshed strategic risks and appetite statement

The HCPC's Corporate Strategy is in development and is planned for Council approval in December 2020 to launch for the 2021-22 financial year. We need to review our strategic risks to ensure they remain the right risks and compliment the new strategy.

We also need to ensure our risk appetite statement is articulated in a way that is relevant to our strategic risks.

The timeline for the review is set out below:

17 September	Audit Committee endorse approach and timetable
29 September	Bi-monthly SMT discussion on future strategic risks with reference to the draft strategy
20 October	Council workshop on risk appetite, emerging risk, tone at the top on risk
27 October	Bi-monthly SMT agree draft strategic risks to propose to Audit Committee
11 November	Audit Committee discussion on draft strategic risks and appetite (based on emerging corporate strategy, Council outputs)
November – December	Executive undertake consultation on 1:1 basis with Council members on draft strategic risks and appetite
January 2021	<p>Audit Committee make recommendations to Council on new strategic risks and appetites based on</p> <ul style="list-style-type: none"> • Outputs from Council workshop on risk (Oct) • Executive views • Committee views • Strategy agreed at December Council • Data from 1:1 conversations with Council members <p>A Risk Management Strategy / Policy is also presented for recommendation to Council.</p>
Feb/March TBC 21	Council adopt new strategic risks, risk appetite statement and risk strategy / policy

Operational Risk Management

A review of our operational risk management systems and register will take place alongside the timeline set out above.

This review will include external consultancy support to challenge current thinking and facilitate workshops with risk owners (SMT and OMT level).

Timelines for this work are still in development, the aims at this stage are defined as:

- Greater ownership and accountability for risk management and monitoring for owners, CISRO challenges, monitors and reports rather than produces.
- Succinct risk register that is user friendly.
- Better integration of risk management into planning cycles and decision making - risk management embedded in processes and cycles we already use – eg at the time of annual workplan development, Heads of produce a risk management / treatment plan for the year, set out plans for future mitigation etc.
- Governance forums for risk management oversight defined.

The CISRO has begun engagement with consultancy providers to support this work.

Appendix 1

BDO recommendations on risk appetite

The recommendations from the BDO session on risk appetite in February 2020 have been set out below along with how these will be addressed.

Does HCPC's current risk appetite statement reflect current appetite, future ambition, or something in between?

The HCPC's current risk appetite is a mix of current and future ambition. While the minimal risk appetite in public protection, compliance and finance represents our current approach, the appetites of open for communication and seek for innovation are ambitions.

Our communication strategy is in development with an aim of trying a new approach and raising the HCPC profile, moving us to being more open to risk in this area.

There is work that needs to be done to get our culture to one where innovation is fostered, the pandemic has shown us the potential we have for innovation, but we need to embed this.

Action 1	<i>'The risk appetite statement needs to be updated if it is to reflect a more risk hungry approach and ambition. Council and senior management need to consider more about how risk-taking they want to be.'</i>
Response	<p>The Chair of Council has agreed that the Council will hold a development session on setting the tone at the top on risk, and how we can create the culture where fear of failure does not impede innovation and responsible risk taking. This is provisionally planned for the October 2020 council development day.</p> <p>We will also schedule a review of the strategic risks, and risk appetite once the Corporate Strategy is in a developed stage. We anticipate that the January 2021 Audit Committee workshop will focus on this, to make recommendations to Council.</p>

Does your risk assessment or scoring method take account of the risk appetite and the appetite categories you have?

Currently the strategic risk register does not include reference to the risk appetite. We have proposed a method of incorporating risk appetite into the SRR.

Action 2	<i>HCPC should review the ratings and develop them in alignment with the outcome of their review of the risk appetite statement.</i>
Response	A model for incorporating risk appetite into SRR oversight is proposed to the Committee for adoption.

Challenge 3: Is opportunity considered as part of the wider downside risk assessment enough?

The wording of our current SRR is phrased around failure in each instance. As noted in section 1 we want to support a culture where fear of failure does not inhibit responsible risk taking.

Action 3	<i>Explore the use of opportunities in the formal risk management process, strategy and business planning. Encourage thinking to develop potential opportunities.</i>
Response	Incorporating opportunities into the SRR should be considered when the SRR is reviewed in light of the new corporate strategy.

Challenge 4: Having the right risk culture

The Executive and Committee were in agreement that the current HCPC culture was considered to be some way off from being an organisation that would accept that some risk would crystallise.

This has been tested as part of the pandemic response, and we found that in these circumstances we had more appetite for risk for example the temporary registration approach. This indicates there is the potential within the HCPC for innovation and risk. We need to ensure that the culture supports this.

Action 4	Work could begin at the top, with Council ensuring communication about the acceptance of some failure. New ideas should be encouraged.
Response	As in response to action 1, Council will explore its role in setting risk culture and how innovation can be fostered. The Chief Executive is also leading a working group made up of employees from all levels and areas to reset the HCPC's working culture, part of its focus is supporting innovation.

Challenge 5: Embedding in the business processes outside of risk registers

We have a well-developed risk management process and operational risk register, however there is scope to improve, and make more accessible, how we manage risk at an operational level.

We want to foster more responsibility for risk owners to understand and regularly assess their risks. We want to find a way to promote risk as a key consideration in decision making, without hindering organisational agility.

Action 5	<i>There is a need to have considerations of risk outside of the formal risk management process, which generally doesn't drive systematically most decision-making in HCPC. Business cases need to consider the risks and risk appetite, third party supplier evaluation, etc.</i>
Response	A departmental project in 2020-21 will focus on the operational risk management process and register and how we consider risk in decision making. An indicative timeline for this is appended.

Review of the strategic risk register following the workshop

Questions were raised as to the meaning of the 'expected' level of risk column in light of the discussion about appetite.

Action 6	<i>Review the risk register in light of the appetite discussion and the use of the 'expected' column.</i>
Response	The use of this column has been revised as part of the proposed new SRR structure.

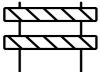



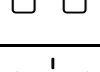


HCPC Strategic Risks

Summary of strategic risks

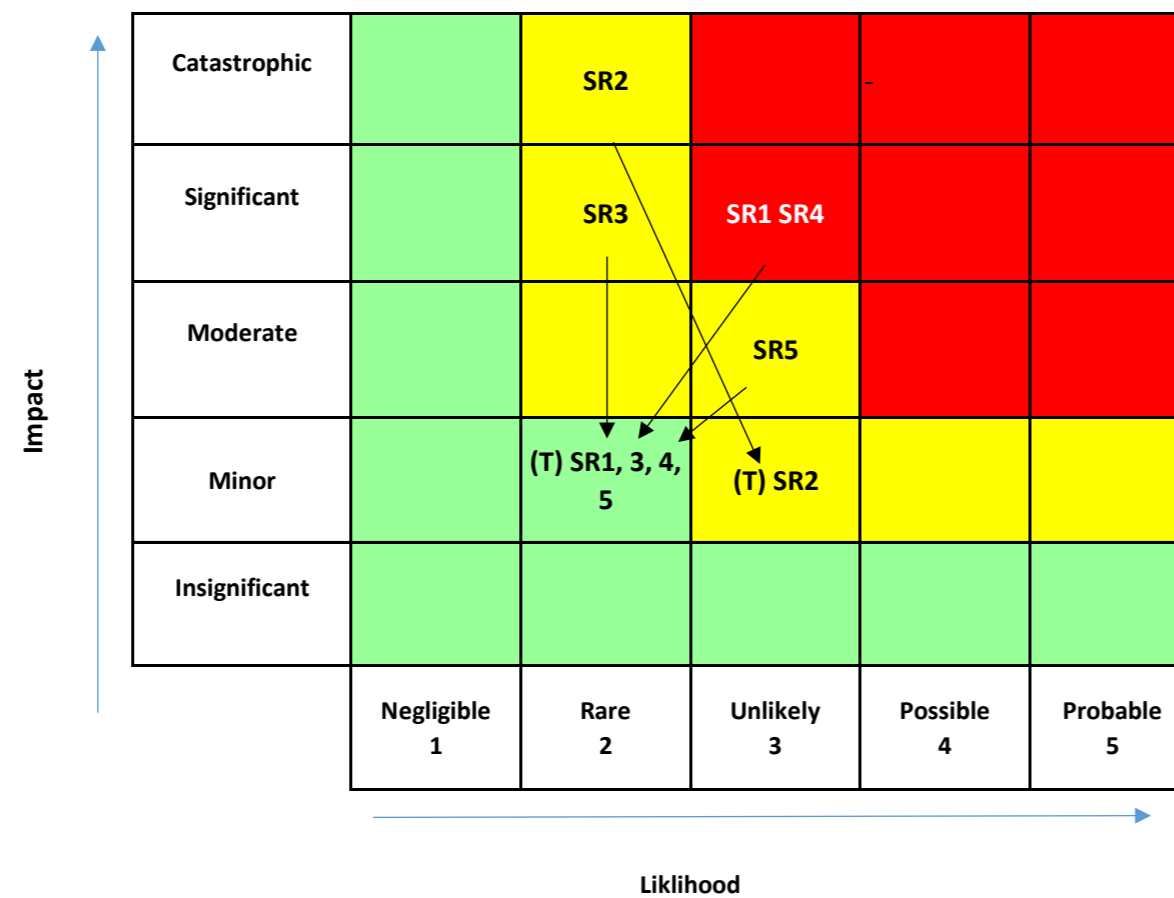
Strategic Risks - High Level	Risk Description	Residual Risk				Target Risk*
		Nov-19	Mar-20	Jun-20	Sep-20	
1. Failure to deliver effective regulatory functions	This includes the inability to fulfill our statutory obligations set out in the Health and Social Work Professions Order and the failure to meet the PSA's Good Standards of Regulation.	16	12	16	12	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.	10	10	10	10	6
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.	8	8	8	8	4
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.	16	12	16	12	4
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 organisational culture including the existence of relevant policies for whistleblowing or anti-bribery for example and processes for performance development.	10	10	10	9	4

* Expected risk score post planned actions

Mitigation key

	Preventative
	Monitoring
	Detective
	Remedial
	Horizon scanning
	Best practice development
	Communication

Heat map of strategic risks - residual to target (T)



Strategic risk 1 - Failure to deliver effective regulatory functions

Risk summary

This includes the inability to fulfil 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.

Current risk influencers

- ✚ HCPC not meeting a number of PSA standards
- ▬ Clear PSA improvement action plans in place monitored by internal working group
- ▬ Business improvement team working with FTP and registration. FTP improvement programme underway
- ✚ COVID temporary registers still in place, student register will close in Sep 20
- ✚ Hearings unable to run at full capacity due to remote working
- ✚ Productivity impacted by full home working, plan for phased return to office underway
- ✚ Pandemic impact progression of cases due to pressures on health sector
- ▬ Regulatory development in planning (AP, prevention, registrant wellbeing, new education QA model)
- ✚ Potential delay to regulatory reform due to change in government approach (ability to introduce more efficient processes and manage own fee levels)
- ▬ Quality assurance plan for 2020-21 underway following initial delay due to pandemic redeployment

Mitigations in place

- 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
- 8) Regulatory functions refined to allow remote operation (COVID-19)
- 9) Proportionate Temporary registers removal process without full FTP process

Reporting period commentary

- o As the new format for the register has been applied the content has been updated, in particular planned mitigations for 2020-21 and the elements of risk section.
- o Residual risk has reduced as the temporary measures put in place as a result of the pandemic are now tested and have not resulted in crystallisation of risk. Plans in place to wind down the temporary register for students.
- o Regulatory development work for example AP, prevention, new education model, are all in planning stage and not reducing risk score yet.
- o ED of Regulation designated SMT Lead for this risk. Post currently vacant and covered by CEO. Appointment has been made anticipate post holder in place before end of 2020.

Review date

Sep-20

Risk owner

SMT lead - Executive Director of Regulation

	Impact	Likelihood	Risk Score	
Inherent risk	5	x	4	20
Current risk	4	x	3	12
Target risk (planned mitigations in place)	2	x	2	4

reduction from
June 2020

Risk Appetite

The most appropriate risk appetite statement is for public protection. The Council takes a minimal approach to public protection risks. Public protection is our aim and our strategy and processes are intended to provide this.

The residual risk score is higher than a minimal appetite would tolerate. This risk will remain high while PSA standards are not met.

Current risk level is outside of risk appetite

Planned mitigations 2020-21

	progress
1) PSA standard improvement action plan (PSA Action Plan Working Group) (Q1-4)	Group meeting to review progress, impact of pandemic on initial action timelines
2) FtP Stabilisation and Sustainability project (FtP Q1-4)	Improvement programme presented to Council Jul 20
3) Education risk based QA model development (Education Q1-4)	ETC approved pilot Jul 20 will commence in Q4
4) Registration transformation and Improvement project delivery (projects, registration Q3)	Project on track to deliver in Oct 20
5) Monitoring regulatory performance through performance report and KPIs (All, ongoing)	KPIs reported to each Council meeting, new FTP KPIs agreed July 2020
6) Execution of the budget & agreed investment in regulatory performance (Finance, ongoing to Q4)	Q1 budget review complete

Strategic risk 2 - Failure to anticipate and respond to changes in the external environment

Risk summary

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.

Current risk influencers

- Corporate Strategy Engagement underway with key stakeholders
- Positive feedback on HCPC responsiveness during pandemic
- Prevention agenda framework in development, to be approved by Council Sep 20
- Advanced practice regulatory development being led by HCPC
- Digital transformation strategy in development, quick wins implemented eg e- hearing bundles
- ⊕ Potential delay to regulatory reform due to change in government approach - risk HCPC may not be a priority regulator
- ⊕ Changes to UK health and education landscape as a result of pandemic

Mitigations in place

- 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) Early planning and scenario development as pandemic response changes within UK and globally.
- 6) Continued collaboration with other regulators, for example MOUs or joint statements

Reporting period commentary

- o As the new format for the register has been applied the content has been updated, in particular planned mitigations for 2020-21 and the elements of risk section
- o External environment particularly changeable due to pandemic
- o Whilst we are working to anticipate future needs of regulation, for example AP, prevention new education model, these are all in planning stage and not reducing risk score yet.

Review date

Sep-20

Risk owner

SMT lead - Executive Director of Policy and External Relations

	Impact	Likelihood	Risk Score
Inherent risk	5	x 3	15
Current risk	5	x 2	10
Target risk (planned mitigations in place)	2	x 3	6

no change from June 2020

Risk Appetite

The most appropriate risk appetite statement is compliance - The Council takes a minimal approach to compliance and regulatory risk. We will meet the law, regulations or standards in place to protect the public and employees and to protect data.

External environment particularly changeable due to pandemic. We expect to reach target level of risk when our insight and intelligence function is embedded, expected in 2021-22.

Current risk level is outside of risk appetite

Planned mitigations 2020-21

progress

- | | | |
|---|---|--|
| 1) Delivery of Communications & Engagement Strategy and communications workplan (Comms, ongoing to Q4) | → | Luther Pendragon supporting comms team to reposition HCPC comms approach, Council to agree strategy Dec 20 |
| 2) Delivery of research programme set out in Policy & Standards workplan (Policy, ongoing to Q4) | → | EDI, AP and Professionalism research underway, registrant wellbeing delivered. |
| 3) Review of the SOPs (Policy Q1-3) | → | Timeline extended due to pandemic, due for Council approval Dec 20 |
| 4) Insight and Intelligence function scope defined and implemented (Q1-4) (Policy) | → | Scope defined. consideration of wider HCPC data approach resulted in delays. Team to be recruited in Q3-4 |
| 5) Development of prevention agenda (Q1-4) / Professionalism and upstream regulation lead recruited (Q1) (ED Policy and ER) | → | Council to agree framework Sep 20. Lead in place |
| 6) Develop new corporate strategy with engagement & dissemination to key stakeholders of final plan (SMT, from Q2 to Q4) | → | Approach and timescale agreed by Council, due to approve in Dec 20 |

Strategic risk 3 - Failure to be a trusted regulator and meet stakeholder expectations

Risk summary

This risk includes the management of stakeholder engagement and key relationships as well as reputation management.

Current risk influencers

- ✚ HCPC not meeting a number of PSA standards
- Corporate Strategy engagement underway with key stakeholders
- Positive feedback on HCPC responsiveness during pandemic
- Prevention agenda framework in development, to be approved by Council Sep 20
- Advanced practice regulatory development being led by HCPC
- Communications supported by external specialist consultancy - strategy being developed
- Following internal process change, 100% complaint responses meeting response target
- ✚ Increased awareness of societal inequalities putting focus on HCPC's EDI culture
- Plan & resource in place to enhance HCPC EDI practice

Mitigations in place

- 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 Information and Subject Access Requests
- 5) Engagement with appropriate organisations including for example other regulators, Government, professional bodies, trade unions and service user organisations
- 6) Analysis and action planning from feedback mechanisms including corporate complaints, FtP stakeholder surveys, stakeholder opinion polling and education provider survey

Reporting period commentary

- o As the new format for the register has been applied the content has been updated, in particular planned mitigations for 2020-21 and the elements of risk section.
- o Ongoing failure to meet all PSA standards will keep this risk above 'low' as this is a key factor for our reputation
- o Several positive workstreams with potential to enhance our reputation are in development but it is too early for these to reduce our risk score in this area. Extensive engagement with stakeholders on the corporate strategy will commence post Sep 20 Council.
- o ED of Regulation designated SMT Lead for this risk. Post currently vacant and covered by CEO. Appointment has been made anticipate post holder in place before end of 2020.

Review date

Sep-20

Risk owner

SMT Lead - Executive Director of Regulation

	Impact	Likelihood	Risk Score	
Inherent risk	5	x	3	15
Current risk	4	x	2	8
Target risk (planned mitigations in place)	2	x	2	4

no change from June 2020

Risk Appetite

The most appropriate risk appetite statement is communication - the Council is open to communicating and taking decisions, even when this may be unpopular, to further public protection.

We will not meet the target risk until PSA standards are regained given this reputational impact

Current risk level is outside of risk appetite

Planned mitigations 2020-21

progress

- 1) Delivery of Communications & Engagement strategy and stakeholder workplan (Comms, Q2 to Q4) → Luther pendragon supporting comms team to reposition HCPC comms approach, Council to agree strategy Dec 20
- 2) Development of prevention agenda (Q1-4) / Professionalism and upstream regulation lead recruited (Q1) (ED Policy & ER) → Council to agree framework Sep 20. Lead in place
- 3) PSA standard improvement action plan (PSA Action Plan Working Group) (Q1-4) → Group meeting regularly, action plans for each standard agreed by SMT
- 4) Data and Intelligence function scope defined and implemented (Q1-4) (Policy) → Scope defined. consideration of wider HCPC data approach resulted in delays. Team to be recruited in Q3-4
- 5) EDI strategy developed, annual action plan implemented (led by Policy Q1-4) → Council have provided feedback on developing strategy. Due for approval Dec 20

Strategic risk 4 - Failure to be an efficient regulator

Risk summary

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 and employees.

Current risk influencers

- Fee increase not yet secured, expected Dec 20 / Longer term fee strategy not developed
- Deficit forecasted in next financial year
- Costs of COVID response to be met by grant
- Financial Strategy & reserves policy agreed by Council / New financial modelling in test
- Potential delay to regulatory reform due to change in government approach (ability to introduce more efficient processes and manage own fee levels)
- Employee sickness and turnover significantly down
- Productivity impacted by 100% home working / Phased planning for return to office over Q3
- HCPC passed ongoing ISO 27001 audit and achieved cyber essentials certification
- Digital transformation strategy in development, quick wins implemented eg e- hearing bundles

Mitigations in place

- 1) Adherence to operational processes and policies which are subject to internal and external audit
- 2) Adherence to budgeting 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 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 / Regular independent security assessments of key IT infrastructure
- 6) Continuous quality improvement quality assurance audits
- 7) Maintenance of business continuity infrastructure and processes
- 8) SMT monthly monitoring of productivity of all departments through detailed performance reporting, Council /Committee monitoring through KPIs

Reporting period commentary

- o As the new format for the register has been applied the content has been updated, in particular planned mitigations for 2020-21 and the elements of risk section.
- o Residual risk has reduced due to increased confidence in our financial modelling capabilities and IT efficiency through rapid implementation of quick win solutions.
- o 100% homeworking also impacts on efficiency as unable to hold all hearings remotely, and home set up not as efficient as in office (eg 2 screens for data inputting, regular post, phone lines)
- o There has been good progress in developing the new financial modelling and digital transformation.

Review date

Sep-20

Risk owner

SMT lead - Chief Executive

	Impact	Likelihood	Risk Score
Inherent risk	5	x	5
Current risk	4	x	3
Target risk (planned mitigations in place)	2	x	2

reduction from
June 2020

Risk Appetite

The most appropriate risk appetite statement is financial - The Council takes a minimal approach to incurring financial loss. We are funded by registrants' fees and need to deliver value for money. We will allocate additional resource in areas where not to do so incurs greater risk or there are compelling benefits. We tend to favour investments that offer low returns but low volatility and risk.

Target will not be reached until we secure the fee rise (Dec 20) and technology is improved through digital transformation. In the longer term regulatory reform will enable more efficient regulation and powers on fee levels est 2022-23.

Current risk level is outside of risk appetite

Planned mitigations 2020-21

progress

- 1) Delivery of well being agenda (HR/Comms, ongoing to Q4) → Initiatives in place and in development
- 2) Delivery of systems projects including registration transformation (Projects, ongoing to Q4) → Reg project expected to deliver to plan in Oct 20
- 3) New financial modelling developed (Finance Q1-3) → new model in place and ongoing testing
- 4) Explore more effective recruitment and retention practices (HR Q1-4) → Development of FTP apprentice scheme underway
- 5) Organisational restructuring (SMT Q1-3) → restructures of FTP, Communications, HR and Finance complete. SMT perm structure plan being implemented
- 6) Review of partners remuneration and e learning and improved partner training opportunities HR (Q1-4) → review of remuneration due for presentation Dec20
- 7) Digital transformation strategy developed (IT Q1-2) → Delay to start due to pandemic but now well underway, due to be approved by Council Dec 20, quick wins being implemented

Strategic risk 5 - Failure of leadership, governance or culture

Risk summary

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.

Current risk influencers

- ✚ Organisation currently without a strategy
- Clear plan and timeline in place to develop and approve new strategy - Dec 20
- Corporate plan July-december 20 agreed by Council providing focus to change activity
- ✚ Organisation full remote working and impact on culture
- ✚ Increased awareness of societal inequalities putting focus on HCPC's EDI culture
- Plan & resource in place to enhance HCPC EDI practice
- ✚ SMT includes several temporary roles
- Plan in place to move to permanent SMT structure

Mitigations in place

- 1) Robust and effective Council recruitment processes with appointment against competencies, member induction 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) Adherence to relevant internal policies including for example code of corporate governance, conduct, declaration of interest, anti-bribery, whistleblowing, fraud (includes mandatory all employee e-learning modules) and continued engagement with cross-organisational groups including the Employee Forum and Corporate Social Responsibility
- 7) SMT: meetings held regularly, with well drafted papers and clear decision making communicated; visibility and transparency achieved with meeting papers online and regular cascade of information

Reporting period commentary

o As the new format for the register has been applied the content has been updated, in particular planned mitigations for 2020-21 and the elements of risk section.
 o The residual score has reduced from 10 to 9 following reflection on the current risk of impact. This is because the HCPC now has a permanent Chief Executive and expertise in IT transformation plans for the permanent SMT structure are well developed and being put in place. A timeline and plan for developing a new corporate strategy is now in place and progressing as expected. Additionally the organisations work on EDI has been accelerated with dedicated Policy resource and the recruitment of EDI subject matter expertise.

Review date
Sep-20

Risk owner
Chair & SMT Lead - Chief Executive

	Impact	Likelihood	Risk Score	
Inherent risk	4	x	3	12
Current risk	3	x	3	9
Target risk (planned mitigations in place)	2	x	2	4

reduction from
June 2020

Risk Appetite

The most appropriate risk appetite statement is compliance - The Council takes a minimal approach to compliance and regulatory risk. We will meet the law, regulations or standards in place to protect the public and employees and to protect data.

Current risk is acceptable as mitigation will be in place to reduce in the short to medium term (by end Q4 2020-21)

Current risk level is outside of risk appetite

Planned mitigations 2020-21

progress

- 1) Develop new corporate strategy with engagement & dissemination to key stakeholders of final plan (SMT, from Q2 to Q4) → Approach and timescale agreed by Council, due to approve in Dec 20
- 2) CEO leading internal working group on future HCPC culture (CEO Q3-4) → Group meeting regularly
- 3) Review of committee governance structure by SCM (from Q1) → Council will consider recommendations Sep 20
- 4) Review of whistleblowing policy and processes (Governance Q1-2) → Review will complete in Q3
- 5) Review of Council skill matrix, competencies and appointment process (Governance Q2-3) → Matrix review complete, review of competencies and appointment process will commence in Q3
- 6) Risk management system review project (Governance from Q1) → Delayed start but plan presented to Audit Committee Sep 20
- 7) EDI strategy developed, annual action plan implemented (led by Policy Q1-4) → Council have provided feedback on developing strategy. Due for approval Dec 20
- 8) Succession plan to be reviewed and developed (HR Q2-4) → Council presentation Dec 20
- 9) Council apprentice scheme - increase diversity of views on the board (Governance Q3-4) → Plans to be approved by Council Sep 20, apprentice in place by end of 2020

RISK MATRIX DEFINITIONS

IMPACT TYPES

LIKELIHOOD AREAS

	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 high profile 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.

	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.

Risk = Impact x Likelihood
 Low risk = 1 to 5; Medium risk = 6 to 10, High risk = 11 to 25