

## RISK ASSESSMENT

A Risk Assessment must shortly be presented to the Privy Council to demonstrate that the organisation is recognising the risks facing it and taking appropriate action to mitigate such risks.

The following paper has been prepared by the Chief Executive & Registrar and Executive Management Team and has been reviewed by the External Auditors, BDO Stoy Hayward.

The Committee is asked to review the Risk Assessment and approve it for submission to the Privy Council.

**MARC SEALE**  
Chief Executive and Registrar

① Annual Review  
+ Reports

Control Assurance  
China Govin

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**HEALTH PROFESSIONS COUNCIL**

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<b>Ref</b>	<b>Category</b>	<b>Description</b>	<b>Mitigation I</b>	<b>Status</b>	<b>Mitigation II</b>	<b>Status</b>	<b>Mitigation III</b>	<b>Status Possibility of Occurrence</b>
<b>1</b>	<b>Strategic</b>	1.1 HPC fails to deliver OIC	Delivery of HPC Strategic Intent		Publication of Privy Council annual report			Low
		1.2 Unexpected change in UK legislation	Relationship with Government departments		Lobbying			Low
		1.3 Incompatible OIC and EU legislation	Monitoring of EU		EU lobbying			High
		1.4 CRHP conflict	President on CRHP Council		Communications			Low
		1.5 Privy Council rejects fee increase	Communications strategy		Flexible Budgetary Control			Low
<b>2</b>	<b>Operations</b>	2.1 Park House unoccupiable	Disaster recovery plan and rehearsal		Fire safety policy and procedures Availability of safety equipment Alarms			Low
		2.2 Inability to access Park House	Disaster recovery plan and rehearsal				Training	Low
		2.3 Rapid increase in registrant numbers	IT Strategy – LISA		Park House renovation		Contingency plans	High
		2.4 Unacceptable service standards	Processes manual Appointment of Quality Director		ISO 2002 accreditation			Medium
		2.5 Long term postal disruption	Website		Direct debits			Low

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		2.6 Long term public transport disruption	Disaster recovery plan				Medium
		2.7 Inability to accommodate staff	Investigate premises		Park House renovation		Medium
		2.8 Long term disruption to telephones	Disaster recovery plan				Low
<b>3</b>	<b>Communications</b>	3.1 Failure to inform public	Delivery of communications strategy		Annual awareness survey		High
		3.2 Loss of support of professions	Delivery of communications strategy				High
		3.3 Loss of support from HEIs	Delivery of communications strategy		Privy Council		Medium
		3.4 Impact of other regulatory failures	Strategic Intent				Low
		3.5 Inability to inform stakeholders following crisis	PR crisis management plan				Medium
<b>4</b>	<b>Corporate Governance</b>	4.1 Council inability to make decisions	Voting procedures in place				Low
		4.2 Council members Conflict of Interest	Annual report		Publication of annual returns	Notification procedures	Low
		4.3 Failure to meet Council and Committee quorums	Quality of Council members		Number of meetings		Low
		4.4 Members' poor performance	President's annual appraisal of members				Medium

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		4.5 Maverick CEO and/or President	Annual review Appraisal system		Standing orders		Dismissal	Low
		4.6 Improper financial incentives offered to employees	HR Strategy: Appropriate compensation package in place		Rules concerning acceptance of hospitality, etc.			High
5	IT	5.1 Virus attack	Firewalls		Adherence to IT policy and procedures and training		External reviews	Occurring
		5.2 Technology obsolescence, HW & SW	Open system IT strategy		Capital investment		External reviews	Medium
		5.3 IT fraud or error	Control procedures in place		Regular password change		Daily backup	Medium
6	Partners	6.1 Inability to recruit and/or retain Partners	Rolling list of suitable candidates		HR Strategy: Appropriate compensation package in place			Medium
7	Education	7.1 Non-detection of low HEI standards	Communication and consultation					Medium
		7.2 Setting standards too high	Council review of Education & Training and Registration Committee work					Low
		7.3 Institutions refusing visits or submitting data	Legal powers					Low
8	Registration	8.1 Registration system failure	IT strategy		Capital investment		Disaster recovery	Medium
		8.2 Inability to detect fraudulent applications	Experience		Policy and procedures			Medium
		8.3 Registrant boycott of fee increase	Communications strategy		De-registration			Medium

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		8.4 Backlogs of registration and Grandparenting	IT Strategy		Flexible staffing levels			Medium
9	HR	9.1 Loss of key employees	Succession planning		Internal promotion policy		Key employee insurance	Low
		9.2 High turnover of employees	Pay and HR strategy		Quality of work environment			Low
		9.3 Inability to recruit employees	HR Strategy: Appropriate compensation package in place		Communications		Low	
		9.4 Lack of skills to deliver strategy	HR strategy and G&Os		Investors in People	Training	Low	
		9.5 Safety of employees	Policy and procedures Park House security		Training		Low	
		9.6 Lack of work/home balance	Sufficient staff		Training		Low	
		9.7 Ex-employee termination litigation	HR legislation		Compromise agreement		Low	
		9.8 Bullying	Policy and procedures		External free advice		Low	
		9.9 Employee/employee inappropriate behaviour	Policy and procedures				Low	
		9.10 Mismanagement of and misconduct on visits	HR Strategy on selection		Training		Medium	
10	Legal	10.1 Judicial reviews of tribunals – exceptional costs	Insurance for exceptional costs		Monitoring			Medium
		10.2 Judicial review of Rules and/or Standards	Consultation		Appropriate legal advice			High

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		10.3 Tribunal exceptional costs	Annual and Five Year Forecasts		Budgetary control		Insurance	Medium
		10.4 Unexpected increase in number of tribunals and resultant legal costs	Plan		Home country sites, E, Sc, NI & W		Budgetary control	Medium
		10.5 Witness non-attendance	Tribunal questionnaire Witness support policy		Focus Groups			Low
		10.6 Council members, employees and Partners legal costs	Processes		Personal Indemnity Insurance			Medium
		10.7 Incorrect interpretation of law and/or SIs	Legal advice availability					Low
		10.8 Legal challenge to HPC operations	Amnd government legislation		Communications			Low
		10.9 Losing a case around withholding or withdrawing approval of a course or not registering an applicant	Legal advice availability		Robust procedures			Low
<b>11</b>	<b>Financial</b>	11.1 Cash shortfall	Appropriate level of cash reserves		Annual and Five Year Plan		Monitoring	Low
		11.2 Unexpected reduction in income	Appropriate level of cash reserves		Inform Privy Council		Budgetary control of expenditure	Low
		11.3 Unexpected rise in operating expenses	Set and monitor annual and Five Year Budget		Financial cash reserves		Budgetary control	Medium
		11.4 Loss in value of cash reserves	Match portfolio risk to financial strategy		Council monitoring, benchmarking and budgetary control		Professional advice	<b>Occurring</b>

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		11.5 Inability to pay creditors	Overdraft facility		Budgetary control		Low
		11.6 Inability to collect from debtors	Policy and procedures				Low
		11.7 Total receipt of correct fee income	IT Controls in place		Correct revenue recognition		Low
<b>12</b>	<b>Accounting</b>	12.1 Unauthorised payments to organizations	External and Internal Audit PO Enforcement		Financial policy and processes Limited authorized suppliers Tendering processes in place	Limited authorised suppliers	Medium Low
		12.2 Unauthorised payments to personnel	External and Internal Audit		Financial policy and processes		Medium
		12.3 Unauthorised removal of assets	Policy and procedures		Asset register		Low
		12.4 Mis-signing of cheques	Review of cheque signatories		Bank control		Low
<b>13</b>	<b>Pensions</b>	13.1 Unfunded pension liabilities	Money purchase scheme		Frequency of review and actuarial valuation	External advice	High