
Strategic Risk Register

Executive Summary

This paper provides an update on changes to the strategic risks following a review over October 2019. These include:

- Progress against Accelerated Strategic Priorities / Change Plans.
- 6 month reforecasting commencement.
- Impact of systems project progress.
- Changes to senior management at HCPC

Previous consideration	The Strategic Risk Register is a standing item considered at each Committee meeting.
Decision	The Committee is asked to note the changes.
Next steps	The updated strategic risks will be appended to the Chief Executive's performance report for the upcoming Council meeting on 4 December 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

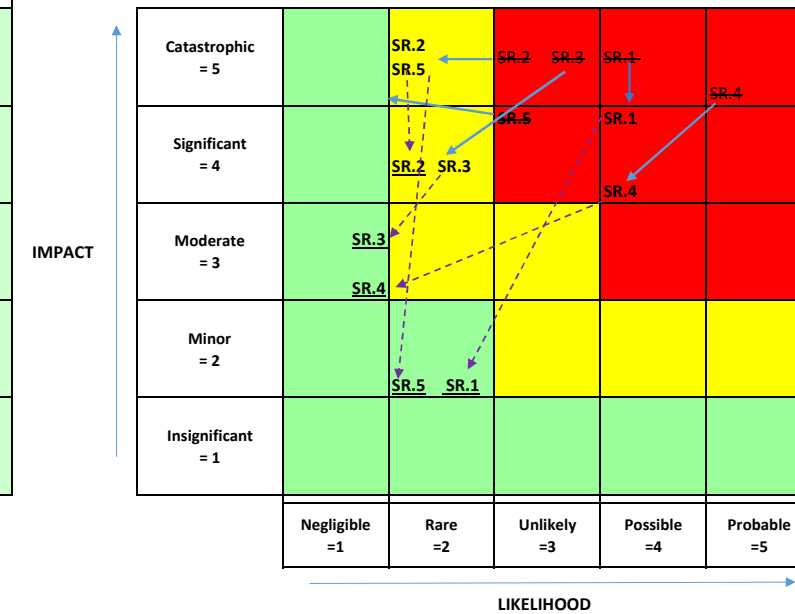
SP1 Perf	SP2 Com	SP3 Adapt	SP4 Evid

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	16	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 organisational culture including the existence of relevant policies for whistleblowing or anti-bribery for example and processes for performance development.	12	10	4

* Expected risk score post planned actions

Heat map of strategic risks



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.

STRATEGIC PRIORITIES DEFINITIONS

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

This strategic risk register matches the current Five Year Plan.

STRATEGIC RISK
1. Failure to deliver effective regulatory functions

RISK OWNER
SMT

Review Date
Oct-19

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2019-20	Expected risk 2022-23
<p>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.</p> <p>Specifically, Delivery of statutory obligations Breakdown of regulatory functions Failure to meet PSA standards Transfer of social workers to Social Work England (SWE)</p>	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
October 2019 update: PSA: preparation for the PSA's performance review is currently a focus. The Policy team is working with Heads of the regulatory departments to prepare our self assessment and evidence submission. This will be considered by Council in early December and submitted to the PSA mid December. We have recruited external support to help with the preparation of Fitness to Practise data and our readiness for the audit of closed cases that will take place in February 2020. **KPIs and performance reporting/metrics:** we continue to monitor performance through KPIs and performance reporting; however, this will be an upcoming area of review within the 'change plan' currently being undertaken to accelerate our strategic priorities. **Transfer of social workers:** the project remains on target. We continue to share regulatory data for testing purposes and detailed plans for the transfer weekend have been developed. We are also planning a segmented In Focus mailing to social workers in November with information about the transfer.

STRATEGIC RISK
2. Failure to anticipate and respond to changes in the external environment

RISK OWNER
SMT

Review Date
Oct-19

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2019-20	Expected risk 2022-23
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

October 2019 update: Relationship building: meetings and discussions on a range of regulatory and policy issues, including the fees, have taken place with unions, professional bodies and other key stakeholders and the Chair and Executive. Members of the Executive have also jointly worked with the Scottish Government on a stakeholder event in Edinburgh which focuses on returning to practise and the joint research undertaken. **Horizon scanning:** in the Queen's Speech there were a number of proposed Bills which will be of interest to the HCPC and a briefing note is being prepared by our Policy team for Council to note. We continue to monitor parliamentary activity in relation to Brexit. Our approach is confirmed in the paper taken to Council in February 2019. Colleagues are working to ensure that our processes are updated and employees are prepared to implement any changes required. We are also preparing proactive communications for registrants and applicants, to advise on what they will need to do in the event of a no deal. **Collaboration with other regulators:** in September, HCPC joined seven other healthcare professional regulators to publish an annual report on whistleblowing disclosures. We continue to work with system and health professional regulators on remote/online prescribing and are finalised a joint principles statement outlining our approach.

STRATEGIC RISK
3. Failure to be a trusted regulator and meet stakeholder expectations

RISK OWNER
SMT

Review Date
Oct-19

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2019-20	Expected risk 2022-23
<p>This risk includes the management of stakeholder engagement and key relationships as well as reputation management.</p> <p>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</p>	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 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	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

October 2019 update: Communications & engagement: stakeholder engagement continues (see SR 2 relationship building) although the specific work on the stakeholder engagement audit, plan and engagements plans has been paused due to the recruitment freeze. The focus for the team has continued to be registrant engagement and the development of profession-specific hubs for the website, case study content, and the extension of the CPD and MyStandards workshops/blogs. **Prevention agenda:** In September, the SMT considered a discussion paper on the development of the professional liaison team. SMT agreed the importance of this area, supported a proportionate, risk based approach in the first instance and the need to keep pace with other more advanced regulators, subject to current budgetary constraints.

STRATEGIC RISK
4. Failure to be an efficient regulator

RISK OWNER
SMT

Review Date
Oct-19

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2019-20	Expected risk 2022-23
<p>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.</p> <p>Specifically, Operational failure Data management Cyber security Use of technology Financial sustainability Timely and accurate reporting Recruitment/retention/training including partners, employees, Council</p> <p>Financial sustainability, ; transfer of Social Workers timing, inability to secure additional DfE grant income. Uncertainty around Fee Rise or additional grant monies.</p>	5	5	25	1) Adherence to operational processes and policies which are subject to internal and external audit eg ISO 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 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	4	16	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) Investigate financial sustainability (Finance/SMT, ongoing to Q4) 4) Delivery of agreed Quality Assurance frameworks and audits (Quality Assurance, ongoing to Q4) 5) Confirm phase one post reductions and status of FTCs at the point of SW transfer. Support BAU through permanent appointments in Reg and FTP and extension of FTCs beyond SW transfer in critical areas	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
October 2019 update: Systems projects: The registration transformation and improvement project phase 2 has concluded the design phases and is now in the development and test iterations. The Fitness to Practise case management system project has identified a preferred supplier and will be presenting a revised business case for decision to SMT and Council. **Accelerating the strategic priorities ('change plan')**: Following the September Council meeting, the 'change plan' has been handed over to the SMT to progress and we are now developing the more detailed work packages that are required to deliver the 'to be' vision. **Financial sustainability:** this has been a priority within the 'change plan'. All budget review meetings have been completed, the 6+6 reforecast process is taking place and will confirm the budget position. Price Waterhouse Coopers are completing their baseline review of the accounts. The management of costs continues, in particular the recruitment freeze and the priority to confirm phase one post reductions and status of fixed term contracts (fcs) at the point of the SW transfer. We have also put in place mitigations to support BAU through permanent appointments in Registration and FtP and extension of FTCs beyond SW transfer in critical areas.

STRATEGIC RISK
5. Failure of leadership, governance or culture

RISK OWNER
Chair and SMT

Review Date
Oct-19

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2019-20	Expected risk 2022-23
<p>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.</p> <p>Effectiveness of Council Organisational structure Appraisal process/performance management Adequate planning Foresight Audit Ethics Fraud and anti-bribery Whistleblowing Strategic setting and oversight Risk management Vision mission values</p>	4	3	12	<p>1) Robust and effective Council recruitment processes with appointment against competencies, member induction and annual appraisal process</p> <p>2) Well researched and drafted Council & Committee papers with clear, well reasoned decision making</p> <p>3) Training and internal communications to ensure Partners, Council and employees aware of and sensitive to issues including whistleblowing, anti-bribery, equality and diversity</p> <p>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</p> <p>5) Robust audit plans, regular review of risks</p> <p>6) Strategic intent incorporating drivers, vision and values</p> <p>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</p> <p>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</p>	5	2	10	<p>1) Recruit new Chief Executive (HR Q3-4)</p> <p>2) Delivery of Culture & Engagement action plan (Comms/HR, ongoing to Q4)</p> <p>3) Develop new corporate strategy with engagement & dissemination to key stakeholders of final plan (Policy, from Q2 to Q4)</p>	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

October 2019 update: **Governance:** following the Chief Executive's decision to leave, an interim CEO and accounting officer has been appointed and two Deputy Registrars. This is to ensure business continuity. A recruitment process for a new Chief Executive will be undertaken. **Culture & engagement action plan:** As part of our work to accelerate our strategic priorities, L&D have arranged a series of change management workshops for managers and employees, the SMT has engaged the Employee Forum and OMT to exchange information and regular updates are being provided through articles on the intranet and via an FAQ. Line manager briefings are being planned and the interim Chief Executive will be holding informal briefing sessions.

RISK MATRIX DEFINITIONS

IMPACT TYPES

	Public Protection	Financial	Reputation
↑ IMPACT	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.	

LIKELIHOOD AREAS

	Strategic	Programme / Project	Operational
↑ LIKELIHOOD	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