

Audit Committee 29 September 2011

Risk register and top ten risks

Executive summary and recommendations

Introduction

There have been twenty updates to the main risk register since the last iteration and these are included in the attached version.

The top ten risks document is included.

Decision

The new risks and mitigations recorded are for discussion and are highlighted in yellow.

Background information

Minutes, Audit Committee 24 February 2010

13.2 The Committee agreed that, at future meetings, it should receive a paper at each meeting identifying the top ten risks on the register after mitigation (with an expanded narrative giving further detail on the risks and mitigations) and identifying any changes to the risk register. The Committee agreed that it should continue to receive the risk register every six months.

Resource implications

None

Financial implications

None

Appendices

20110830rADTSTRAT Risk Register July 2011

Date of paper

23rd August 2011

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| Risk 2.7 | Interruption to electricity supply. |
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Description

HPC's operations are entirely dependant on a viable power supply.

Historically the Kennington area suffers a power outage every 18 months.

HPC takes power from two lines, which are out of phase,

It is possible for part of the HPC to be without power, whilst another part of the building does have power.

The duration of the outage is usually a few hours, and exceeds the life of the Uninterruptable Power Supplies (UPS) that we have in the IT Comms (server) room.

The operational life without charge of our emergency lighting is approximately 2 hours.

Mitigations

If only Park House, or only Stannary Street buildings are without power, essential functions can be moved or powered via extension cabling from the powered building.

HPC's primary mitigation for sustained power loss is to relocate operations to the Disaster Recovery (DR) site ICM in Uxbridge. This provides 10 seats, with phone, PC, internet communications, with access to our replicated data at the Internet Service Provider hosting our data.

The main issue around use of the DR solution, is estimating the likely duration of the power outage. An outage of up to 3 ½ hours (effectively half a working day) does impact HPC's operations, but does not make it worthwhile relocating to the DR site. 24 hours without power would cause invocation. A known power outage of 24 hours plus is possible due to sub station fire and would be an issue of known minimum duration resulting in invocation of the DR site.

Description

HPC will hold tribunals on approximately 750 days in 2010-11. It is anticipated that this number will increase in future years.

HPC fund the costs of holding tribunals and those costs include:

- Legal services – preparing and presenting the HPC case
- Panel and Legal Assessor fees and expenses
- Transcription Writer
- Room Hire (where required)
- Catering
- Witness Expenses
- Photocopying costs

The average hearing is generally concluded within two days, however, there are circumstances where a hearing takes longer to conclude than this or requires a number of preliminary meetings or case direction hearings to ensure its effective management. There are also occasions where a hearing may be adjourned or part hear,

If a registrant or the Council for Healthcare Regulatory Excellence (CHRE) appeals against the a decision made by a panel, HPC pay for further legal representation to defend that decision before the High Court, Court of Appeal or County Court as appropriate. The same costs apply if an individual applies for judicial review in relation to a decision that has been made.

Mitigations

The Council have approved a number of practice notes which have been written to provide guidance to all of those who appear at or before fitness to practise hearings. These practice notes contribute to the effective management of a hearing. Also in place are a range of operating guidance documents which provide advice to fitness to practise department employees on specific processes managed by the department.

In April 2011, a compliance officer was appointed to work within the FTP department. The compliance officer responsibilities include ensuring the FTP team meets it's statutory requirements as they relate to FOIA, DPA and the vetting and barring scheme but also to audit the work of the department to ensure processes and procedures are adhered to. Furthermore, the FTP committee consider on a regular basis papers quality assuring the decisions made by panels. The Committee also considers papers reviewing

the reasons for not well founded decisions being made and for cases not concluding as anticipated.

All Practice Notes are reviewed by HPC's lawyer before submission to Committee and Council. HPC has clear service level agreements with the lawyers who appear on its behalf at tribunals.

HPC has legal insurance in place which covers its costs if the cost of a registrant or CHRE appeal and a judicial review exceeds a certain amount. HPC advise its insurance provider as soon as it is in receipt of such an appeal,

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| Risk 2.4 | Inability to communicate via postal services (e.g. Postal Strikes) |
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Description

HPC currently sends over 205,000 renewal notices by mail every two years, a further set of final notices and numerous other items including Fitness to Practice documentation, CPD correspondence, Consultation documentation and other items.

Strikes by Royal Mail workers have occurred in the recent past, interrupting the delivery of renewals back in to the HPC offices.

In the last 3 years postal strikes have been localised, in Northern Ireland, or just the London area, before becoming more widespread.

As the last few miles of any postal delivery service generally uses Royal Mail employees for door to door delivery other mail offerings are unlikely to provide mitigation against Royal Mail industrial action other than where major centres receive direct deliveries from alternate postal providers.

Mitigations

In the past HPC has offered extended time frames to allow delivery of outgoing and incoming renewals where the renewal window is disrupted by industrial action.

Courier use has increased for critical mail where timely delivery is of the essence.

HPC has sent registration advisors to Belfast University/Hospital to allow those registrants going through renewal to renew in person preventing the postal disruption causing deregistration for those able to travel to Belfast.

HPC now has an on line renewals service which mitigates against failure of the return leg of the renewals form.

Email is also increasingly used by all parts of the business for day to day correspondence.

The HPC website offers a mass communication mechanism, and courier services can be used for the more high value, time sensitive paper based services.

Revenue collection is primarily via direct debit, that operates outside the postal system once the registrant has set up the mandate. 80% of HPC's ongoing cash collection is therefore secure from postal disruption. The remainder is via cheques (postal sensitivity) or credit/debit card where telephone and web submission are possible.

Should postal disruption be localised to London or the Kennington area we could invoke the DR plan and process ICR (paper) renewals at the Uxbridge site after some relocation and reconfiguration of equipment.

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| Risk 2.11 | Basement flooding |
|-----------|-------------------|

Description

The basement of Park House is below road level of Kennington Park Road and heavy precipitation as seen in recent summer thunder storms can result in excess road water being pushed by traffic over the pavement at the front of Park House in a similar manner to a bow wave. This water cascades down the steps and fills the area in front of the Finance department bay window.

This can cause build up of water levels, and may cause flooding to the basement if the drainage system is unable to cope.

After prolonged precipitation the water level within the surface water sewerage system approaches the level of surface drain grate in the front of Park House. This prevents escape of the rain water and ingress of storm and drain water via the basement door becomes increasingly likely as precipitation continues.

Historically water mains have burst on Kennington Park Road, and in 1978 HPC itself was flooded after mains sewerage pipes burst externally, and levels exceeded the level of the manhole in the courtyard / light well.

Effluent flooded the basement (then occupied by the Registrations department) and some paperwork was soiled and other items lost.

Stannary Street does not have a basement and is slightly above pavement level. Ingress of large volumes of surface water via this route is less likely than ingress from the front of the site.

Mitigations

HPC have purchased a removable impermeable barrier that is fitted to the basement door every night as the security guard locks up the building, and during heavy rain.

This barrier prevents water ingress via this basement door up to a level of 3 feet / 1 m.

Should the local drainage system be unable to cope with surface water volumes water may rise up the drainage system, with a head of water of in excess of 6 feet. No mitigations against this are feasible due to excessive cost to place one way valves within the drainage system and install high pressure pipe work to the main sewer.

If flooding does occur up to the level of the electrical wiring in the basement, a drying out period of several months is likely to be required, plus remedial electrical work. The mains supply to the Park House building may need to be shut down, and the server room resupplied with alternate power or relocated at least temporarily to the Stannary Street buildings.

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| Risk 1.5 | Loss of reputation |
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Description

The reputation of an organisation is critical to its success. Its loss, as we have seen over the last few months with British Petroleum or the General Teaching Council, can be disastrous.

Mitigation

HPC attempts to mitigate the risk of a loss to its reputation in a number of ways. Firstly, to ensure that the quality of its operational procedures are set at a reasonable level. Secondly, the risk is reduced by investing over many years in a communication strategy to achieve a high level of understanding of function with our key stakeholders.

| | |
|-----------|-----------------|
| Risk 12.1 | Judicial Review |
|-----------|-----------------|

Description

The Health Professions Council (HPC) as a UK statutory regulator governed by the Health Professions Order 2001 must operate

within the constraints of our legislation. The HPC must do what the legislation instructs us to do and must not take action when we have no relevant powers.

The principle applies to both the Statutory Instrument (SI), our Rules and our Standards and Guidance.

Mitigations

The HPC mitigates the threat of the courts being used to overturn our decision-making in a number of ways.

- We use a public consultation process when we establish or amend our systems, guidance and standards.
- We take appropriate public law legal advice both during the process to build new systems, guidance and standards and to then periodically review the processes.

The mitigation has to date been successful in reducing the threat of stakeholder judicial review of the HPC, thus reducing costs and the use of scarce resources.

| | |
|------------|---|
| Risk 15.21 | Financial distress of trade suppliers causes loss of service. |
|------------|---|

Description

HPC is dependant on suppliers providing goods or services to help HPC work efficiently. Where the supplier is one of a number that provide the same goods or services, the failure of the supplier is unlikely to cause HPC any significant disruption as we would be able to switch to an alternative supplier.

Where the supplier is the only one or one of a few that offers those specific goods or services, there is a greater dependency on that particular supplier. The goods or services provided may not be business critical in its nature or may be one-off in nature and once delivered to HPC would not cause loss of service to HPC if the supplier ran into difficulty.

Mitigations

Where a supplier is identified as being key to the needs of HPC, a review of the financial status of the supplier is initiated to provide management with reassurance of the financial stability of that supplier. This is usually in the form of credit assessment from a credit rating agency. The assessment incorporates a credit score which helps to determine the risk of trading with that particular supplier. The credit score is arrived at by the assessment company by taking into account the results from the supplier's annual

accounts and other on going factors such as any county court judgements, which may indicate that the supplier has difficulty paying their own suppliers.

If the supplier provides an ongoing service, such as computer software which is bespoke to HPC, we will require an Escrow agreement. This is where a copy of the source computer code will be held by a third party so if the supplier fails the source code can be released so HPC can ensure that it receives continuous service.

Wherever possible HPC will aim to ensure that the goods and services it uses are not under the control of one supplier. This will help to mitigate against the reliance on a sole supplier. Additionally, by having competition between suppliers this helps to ensure that the supplier does not seek to inflate prices to HPC.

Risk Register

Marc Seale, Chief Executive & Registrar

Report to Audit Committee, 29th September 2011



July 2011 Risk Assessment

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"Top 10" Risks (High & Medium after mitigation)

| Description | | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Mitigation I | Mitigation II | Mitigation III | CURRENT RISK SCORE |
|-------------|---|---|---|--|---|--------------------|
| 13.3 | Tribunal exceptional costs, FTP, Registrations and CPD Appeals (pre-mit 25) | FTP Director | Quality of legal advice | Quality of operational processes | Legal insurance covering exceptional High Court and Judicial Review costs | High |
| 2.7 | Interruption to electricity supply (pre-mit 16) | Facilities Manager | Relocate to other buildings on site | If site wide longer than 24 hours invoke DR Plan | | High |
| 1.5 | Loss of reputation (pre-mit 20) | Chief Executive | Quality of operational procedures | Dynamism and quality of Comms strategy | | Medium |
| 2.4 | Inability to communicate via postal services (e.g. Postal strikes) (pre-mit 16) | Facilities Manager | Use of other media including Website, newsletter & email and courier services | Invoke Disaster Recovery Plan | Collection of >80% income fees by DD | Medium |
| 2.11 | Basement flooding (pre-mit 16) | Facilities Manager | Flood barrier protection to prevent ingress | | | Medium |
| 15.21 | Financial distress of trade suppliers causes loss of service (pre-mit 16) | Finance Director | Financial monitoring of key suppliers via Dun & Bradstreet | Escrow agreements | Alternative suppliers | Medium |
| 12.1 | Judicial review of HPC's implementation of HPO including Rules, Standards & Guidance (pre-mit 15) | Chief Executive | Consultation. Stds determined by PLG's. Agreement by Council. | Appropriate legal advice sought | | Medium |

Historic Risk Scores

| Feb 2011 Risk | Sept 2010 Risk | Feb 2010 Risk | Sept 2009 Risk |
|---------------|----------------|---------------|----------------|
| High | High | High | High |
| High | High | High | High |
| Medium | Medium | Medium | - |
| Medium | Medium | Medium | Low |
| Medium | Medium | Medium | - |
| Medium | Medium | Medium | Medium |
| Medium | Medium | Medium | Medium |

Risks listed in order of CURRENT RISK SCORE, then PRE_MITIGATION SCORE

Changes since the previous iteration of HPC's Risk Register

| Category | Ref# | Description | Nature of change in this version |
|----------------------|---------------|---|--|
| "Top Ten" | | Order of Risks in list | Reorder to reflect pre-mitigation score |
| Strategic | 1.1 | HPC fails to deliver OIC | Change to name of risk reflecting legislation; OIC to SI Sec 6.2 & Health Bill |
| | 1.3 | Incompatible OIC and EU legislation | Change to name of risk reflecting legislation; OIC to SI Sec 6.2 & Health Bill |
| Operations | 2.12 | New Risk around environmental or other factors threatening transport to HPC | Additional risk in light of possible disruption of Council members or employees attendance |
| | 2.13 | Risk of disruption to HPC / HCPC due to Olympic Games in East London | Addition of risk |
| Communications | 3.5 | Publication of material not approved for release | Addition of risk |
| Corporate Governance | 4.2 | Change to mitigation ii | |
| | 4.5 | New mitigation i, and old mitigation i becomes mitigation ii | Add new mitigation 1, remove old ii, |
| | 4.13 | Risk around failure to comply with DPA/FOIA requirements | Addition of risk |
| Projects | 8.11 | Failure to successfully open the Councillors & Psychotherapist register | Project removed as descoped by government |
| FTP | 13.8 | Backlog of FTP cases | New risk item |
| | 13.9 | Excessive cases per Case Manager workload | New risk item |
| Finance | 15.4 | Loss in value of investment fund portfolio | Investment portfolio cashed in, risk removed. |
| | 15.17 | Professional fund manager insolvency or fraud | Investment portfolio cashed in, risk removed. |
| | 15.10 | Unauthorised payments to organisations | Mitigation I; remove Pro-forma invoice register phrase |
| | 15.21 | Financial distress of trade suppliers causes loss of service | Change "Dun & Bradstreet" to "Credit Rating Service" |
| Pensions | 16.1 | CPSM funding liability resulting from scheme valuation deficiency | Remove "or from £1.4M of managed funds" |
| | 16.2 | Non compliance with pensions legislation | Add to mitigation I, (Flexiplan only) |
| | 16.3 | Capita Flexiplan funding liability resulting from scheme valuation deficiency | Remove "or from £1.4M of managed funds" |
| CPD/Registrations | 18.1 >10.6 | CPD processes not effective | Move CPD to Registrations Risks |

Overview of Risk Management process

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

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

Every six months these changes and additions to risks are updated in the risk register and formally documented by the Director of Operations or Head of Business Process Improvement, and the Top Ten Risks (High & Medium only after mitigation) are presented to the Audit Committee.

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RISK ASSESSMENT July 2011

Strategic

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|-----------|-------|--|---|-------------------------------------|---|----------------------------------|--|---|------------------------------------|---------------------------------------|---|
| 1 | Strategic | 1.1 | HPC fails to deliver SI Sec 6.2 & Health Bill Links to 7.1-7.4, 18.1, 8.1-8.3, 10.4, 10.5, 11.4, 15.9 | Council | 5 | 1 | 5 | Delivery of HPC Strategy | Publication of Annual Report | - | Low | Low |
| | | 1.2 | Unexpected change in UK legislation Links to 2.2, 15.14 | Chief Executive | 5 | 2 | 10 | Relationship with Government depts | Lobbying | - | Low | Low |
| | | 1.3 | Incompatible SI Sec 6.2 & Health Bill and EU legislation | Chief Executive | 1 | 3 | 3 | Monitoring of EU directives e.g. Professional Qualifications Directive | Membership of Alliance of UK Health Regulators on Europe (lobby group) | - | Low | Low |
| | | 1.4 | Failure to maintain a relationship with CHRE | Chief Executive | 5 | 1 | 5 | HPC Chair and Chief Executive relationship with CHRE | Communications | - | Low | Low |
| | | 1.5 | Loss of reputation | Chief Executive | 5 | 4 | 20 | Quality of Operational procedures | Dynamism and quality of Comms strategy | | Medium | Medium |
| | | 1.6 | Failure to abide by current Equality & Diversity legislation | Chief Executive | 4 | 2 | 8 | Equality & Diversity scheme | Implementation of scheme for employees Implementation of scheme for partners | Equality & Diversity working group | Low | Low |

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Operations

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|------------|-------|--|---|-------------------------------------|---|----------------------------------|--|---|--|---------------------------------------|---|
| 2 | Operations | 2.1 | Inability to occupy premises or use interior equipment | Facilities Manager | 4 | 2 | 8 | Invoke Disaster Recovery/Business Continuity plan | Commercial combined insurance cover (fire, contents, terrorism etc) | - | Low | Low |
| | | 2.2 | Rapid increase in registrant numbers Links to 1.2, 13.4 | Chief Executive and EMT | 3 | 5 | 15 | Scaleable business processes and scalable IT systems to support them | Influence the rate at which new professions are regulated | | Low | Low |
| | | 2.3 | Unacceptable service standards Links to 9.1, 10.4 | Director of Operations | 5 | 4 | 20 | ISO 9001 Registration, process maps, well documented procedures & BSI audits | Hire temporary employees to clear service backlogs | | Low | Low |
| | | 2.4 | Inability to communicate via postal services (e.g. Postal strikes) | Facilities Manager | 4 | 4 | 16 | Use of other media including Website, newsletter & email and courier services | Invoke Disaster Recovery Plan | Collection of >80% income fees by DD | Medium | Medium |
| | | 2.5 | Public transport disruption leading to inability to use Park House | Facilities Manager & Head Bus Proc | 4 | 5 | 20 | Contact employees via Disaster Recovery Plan process | Make arrangements for employees to work at home if possible | - | Low | Low |
| | | 2.6 | Inability to accommodate HPC employees Links to 5.2 | Facilities Manager | 4 | 3 | 12 | Ongoing Space planning | Additional premises purchase or rented | | Low | Low |
| | | 2.7 | Interruption to electricity supply | Facilities Manager | 4 | 4 | 16 | Relocate to other buildings on site | If site wide longer than 24 hours invoke DR Plan | | High | High |
| | | 2.8 | Interruption to gas supply | Facilities Manager | 1 | 2 | 2 | Temporary heaters to impacted areas | | | Low | Low |
| | | 2.9 | Interruption to water supply | Facilities Manager | 2 | 2 | 4 | Reduce consumption | Temporarily reduce headcount to align with legislation | Invoke DR plan if over 24 hrs | Low | Low |
| | | 2.10 | Telephone system failure causing protracted service outage | Director of IT | 4 | 3 | 12 | Support and maintenance contract for hardware and software of the ACD and PABX | Backup of the configuration for both the ACD and PABX | Diverse routing for the physical telephone lines from the two exchanges with different media types | Low | Low |
| | | 2.11 | Basement flooding | Facilities Manager | 4 | 4 | 16 | Flood barrier protection to prevent ingress | | | Medium | Medium |
| | NEW | 2.12 | Significant disruption to UK transport network by environmental extremes e.g. snow, rain, ash; civil unrest or industrial action | Director of Operations & Head Bus Proc | 3 | 2 | 6 | Use of alternate low risk networks | Use of video or teleconferencing facility to achieve corum | Invoke Disaster Recovery/Business Continuity plan | Low | NEW |
| | NEW | 2.13 | Disruption due to 2012 Olympic & Para Olympic Games | Director of Operations & Director of Human Resources, Head Bus Proc | 4 | 4 | 16 | | | | Low | |

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Communications

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|----------------|-------|---|---|-------------------------------------|---|----------------------------------|--|---|---|---------------------------------------|---|
| 3 | Communications | 3.1 | Failure to inform public Article 3 (13) | Director of Comms | 5 | 1 | 5 | Delivery of communications strategy. | Delivery of aspects of communications workplan, specifically public information campaigns, multi media advertising, distribution of public information materials, and web. | - | Low | Low |
| | | 3.2 | Loss of support from Key Stake holders including professional bodies, employers or government Links to 1.5 | Director of Comms | 5 | 3 | 15 | Delivery of communications strategy, supporting the HPC strategy | Delivery of aspects of communications work plan, specifically stakeholder activities | Quality of Operation procedures | Low | Low |
| | | 3.3 | Inability to inform stakeholders following crisis | Director of Comms | 4 | 1 | 4 | Invoke Disaster Recovery Plan | Up to date Comms DR plan available | - | Low | Low |
| | | 3.4 | Failure to inform Registrants Article 3 (13) | Director of Comms | 5 | 1 | 5 | Delivery of communications strategy | Delivery of aspects of communications workplan, specifically, Meet the HPC events, campaigns, Registrant Newsletter, Professional media and conference attendance . Publications and web. | Quality of Operation procedures | Low | Low |
| | NEW | 3.5 | Publication of material not approved for release | Director of Comms | 4 | 2 | 8 | Delivery of communications plan | Quality of Operation procedures | Adherence to operational plans (Social Media planner) | Low | New |

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RISK ASSESSMENT July 2011

Corporate Governance

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|----------------------|-------|--|---|-------------------------------------|---|----------------------------------|--|--|--|---------------------------------------|---|
| 4 | Corporate Governance | 4.1 | Council inability to make decisions Links to 4.4 | Secretary to Council | 3 | 1 | 3 | Regular meetings, agendas and clear lines of accountability between Council and committees | Well researched and drafted decision papers at meetings | Attendance by external professionals as required | Low | Low |
| | | 4.2 | Council members conflict of interest | Chair | 4 | 4 | 16 | Disclosure of members' interests to the Secretariat and ongoing Council & committee agenda item | Annual reminder to update Register of Interests | Member induction and training | Low | Low |
| | | 4.3 | Poor decision-making eg conflicting advice or conflicting advice and decisions | Chair | 4 | 1 | 4 | Well-researched & drafted decision papers, Clear lines of accountability and scheme of delegation | Chair's involvement in the appointments process for lay members, induction and relevant training | Attendance by external professionals, as required. | Low | Low |
| | | 4.4 | Failure to meet Council/Committee quorums Links to 4.1 | Secretary to Council | 4 | 3 | 12 | Clear communication of expectations of Council members' duties upfront | Adequate processes notifying Council & committee members of forthcoming meetings prior to meeting including confirmation of attendance | Committee secretaries and chairmen advised that inquorate meetings must not proceed | Low | Low |
| | | 4.5 | Members' poor performance | Chair | 4 | 1 | 4 | Appointment against competencies | Annual appraisal of Council members | Removal under Sch 1, Para 9(1)(f) of the HPO 2001 | Low | Low |
| | | 4.6 | Poor performance by the Chair | Council | 5 | 1 | 5 | Appointment against competencies | Power to remove the Chair under Sch 1, Article 12(1) C of the HPO 2001 | - | Low | Low |
| | | 4.7 | Poor performance by Chief Executive | Chair | 5 | 1 | 5 | Performance reviews and regular "one to ones" with the Chair | Contract of Employment | - | Low | Low |
| | | 4.8 | Improper financial incentives offered to Council members/employees | Chair and Chief Executive | 4 | 2 | 8 | Gifts & Inducements policy | Council member code of conduct | Induction training re: adherence to Nolan principles | Low | Low |
| | | 4.9 | Failure to insure the Health & Safety of Council Members Links to 6.3, 11.5 | Secretary to Council & Facilities Manager | 4 | 2 | 8 | Safety briefing at start of each Council or Committee meeting. | H&S information on Council Extranet | Personal Injury and Travel insurance | Low | Low |
| | | 4.10 | Member recruitment problem (with the requisite skills) Links to 6.1, 11.13 | Chair | 4 | 2 | 8 | Maintenance of a detailed role description for these positional applicants on to HPC or its committees | Use of the Appointments Commission or Commissioner to recruit new members | Use of the Office of Public Appointments for advice (on recruitment of the requisite skills) | Low | Low |
| | | 4.11 | Expense claim abuse by members | Secretary to Council | 4 | 2 | 8 | Members Code of Conduct (public office) | Clear and comprehensive policies posted on the Council member Extranet and made clear during induction | Budget holder review and authorisation procedures | Low | Low |
| | | 4.12 | Operationalise Section 60 legislation | Council | 5 | 2 | 10 | Scheme of delegation | MIS | EMT & CDT | Low | Low |
| | NEW | 4.13 | Failure to comply with DPA 1998 or FOIA 2000, leading to ICO action | Secretary to Council | 3 | 3 | 9 | Legal advice | Clear ISO processes | | Low | |

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RISK ASSESSMENT July 2011

Information Technology

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|----------|-------|--|---|-------------------------------------|---|----------------------------------|--|---|---|---------------------------------------|---|
| 5 | IT | 5.1 | Software Virus damage Links to 2.3, 10.2 | Director of IT | 4 | 5 | 20 | Anti-virus software deployed at several key points. Perimeter controls enabled. | Adherence to IT policy, procedures and training | Regular externally run security penetration tests. | Low | Low |
| | | 5.2 | Technology obsolescence, (Hard/SoftWare) Links to 2.6, 10.2 | Director of IT | 2 | 2 | 4 | Delivery of the IT strategy including the refresh of technology. | Employ small core of mainstream technology with recognised support and maintenance agreements | Accurately record technology assets. | Low | Low |
| | | 5.3 | IT fraud or error Links to 10.2 and 17.1 | Director of IT | 3 | 3 | 9 | Adequate access control procedures maintained. System audit trails. | Regular, enforced strong password changes. | Regular externally run security tests. | Low | Low |
| | | 5.4 | Failure of IT Continuity Provision | Director of IT | 4 | 3 | 12 | Annual IT continuity tests | IT continuity plan is reviewed when a service changes or a new service is added | Appropriate and proportionate technical solutions are employed. IT technical staff appropriately trained. | Low | Low |
| | | 5.5 | Malicious damage from unauthorised access | Director of IT | 4 | 2 | 8 | Security is designed into the IT architecture, using external expert consultancy | Regular externally run security penetration tests. | Periodic and systematic proactive security reviews of the infrastructure. Application of security patches in a timely manner. Physical access to the IT infrastructure restricted and controlled. | Low | Low |

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RISK ASSESSMENT July 2011

Partners

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|----------|-------|---|---|-------------------------------------|---|----------------------------------|---|--|--|---------------------------------------|---|
| 6 | Partners | 6.1 | Inability to recruit and retain suitable Partners Links to 4.10, 11.3, 7.3, 18.1 | Partner Manager | 3 | 3 | 9 | Targetted recruitment strategy. | Appropriate fees for partner services and reimbursement of expenses. | Efficient and effective support and communication from the Partner team. | Low | Low |
| | | 6.2 | Incorrect interpretation of law and/or SI's resulting in CHRE review | Director of FTP, Director of Education, Head of Registration, Partner Manager | 2 | 4 | 8 | Training | Legal Advice | Regular appraisal system | Low | Low |
| | | 6.3 | Health & Safety of Partners Links to 4.9, 11.5 | Partner Manager | 3 | 2 | 6 | H&S briefing at start of any HPC sponsored event. | Liability Insurance | | Low | Low |
| | | 6.4 | Partners poor performance | Director of FTP, Director of Education, Head of Registration, Partner Manager | 4 | 3 | 12 | Regular training | Regular appraisal system | Partner Complaints Process & Partner Code of Conduct | Low | Low |
| | | 6.5 | Incorrect interpretation of HPO in use of Partners | Director of FTP, Director of Education, Head of Registration, Partner Manager | 3 | 2 | 6 | Correct selection process and use of qualified partners | Daily Email notification of partner registrant lapse | | Low | Low |
| | | 6.6 | Adequate number and type of partner roles | Partner Manager, Director of FTP, Director of Education, Head of Registration | 3 | 2 | 6 | Regular review of availability of existing pool of partners to ensure requirements are met. | Annual forecasting of future partner requirements to ensure that they are budgetted for. | Staggered partner agreements across professions for Panel Member and Panel Chair to ensure adequate supply in line with the eight year rule. | Low | Low |
| | | 6.7 | User departments using non-active partners | Partner Manager, Director of FTP, Director of Education, Head of Registration | 3 | 3 | 9 | Notification of partner resignations to user departments. | Current partner lists available to user departments on shared drive. | | Low | Low |

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RISK ASSESSMENT July 2011

Education

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|-----------|-------|--|---|-------------------------------------|---|----------------------------------|---|--|--|---------------------------------------|---|
| 7 | Education | 7.1 | Failure to detect low education providers standards Links to 1.1, 4.3, 6.4 | Director of Education | 4 | 2 | 8 | Approvals & Monitoring processes | Regular training of employees and visitors | Complaints about an approved programme process | Low | Low |
| | | 7.2 | Education providers refusing visits or not submitting data Links to 1.1 | Director of Education | 3 | 1 | 3 | Legal powers (HPO 2001) | Delivery of Education Dpt supporting activities as documented in regular work plan | - | Low | Low |
| | | 7.3 | Inability to conduct visits and monitoring tasks Links to 1.1, 6.1, 11.2 & 11.3 | Director of Education | 4 | 2 | 8 | Adequate resourcing, training and visit scheduling | Approvals & monitoring processes | Temporary staff hire to backfill or clear work backlogs | Low | Low |
| | | 7.4 | Loss of support from Education Providers Links to 1.1, 14.2 | Chief Executive or Director of Education | 5 | 1 | 5 | Delivery of Education strategy as documented in regular work plan | Partnerships with Visitors and professional groups. | Publications, Newsletters, website content, inclusion in consultations and relevant PLGs, consultations with education providers | Low | Low |
| | | 7.5 | Education database failure | Director of IT | 3 | 2 | 6 | Effective backup and recovery processes | In house skills to support system | DR/BC tests | Low | Low |

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RISK ASSESSMENT July 2011

Project Management

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|--------------------|-------|--|---|-------------------------------------|---|----------------------------------|--|--|--|---------------------------------------|---|
| 8 | Project Management | 8.1 | Fee change processes not operational by April 2011 | Director of Finance Project Portfolio Manager | 3 | 3 | 9 | Project is managed as part of major projects portfolio | Project progress monitored by EMT & stakeholders | | Low | Low |
| | | | Links to 1.1, 15.3 | | | | | | | | | |
| | | 8.2 | Failure to regulate a new profession or a post-registration qualification as stipulated by legislation | Project Lead Project Portfolio Manager | 5 | 1 | 5 | Project is managed as part of major projects portfolio | Project progress monitored by EMT & stakeholders | | Low | Low |
| | | | Links to 1.1, 15.3 | | | | | | | | | |
| | | 8.9 | Failure to deliver a strategic view of FTP Case Management | Director of FTP Project Portfolio Manager | 3 | 3 | 9 | Conduct Research project | Project is managed as part of major projects portfolio | Project progress monitored by EMT & stakeholders | Low | Low |
| | | | | | | | | | | | | |
| | | 8.12 | Failure to successfully open the Social Worker register | Director of Operations, Project Portfolio Manager | 5 | 3 | 15 | Project is managed as part of major projects portfolio | Project progress monitored by EMT & stakeholders | | Low | Low |

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Quality Management

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|--------------------|-------|---|---|-------------------------------------|---|----------------------------------|---------------------------|----------------------------------|---------------------|---------------------------------------|---|
| 9 | Quality Management | 9.1 | Loss of ISO 9001:2008 Certification Links to 2.3, 10.3 | Director of Operations, Head of Business Improvement | 4 | 3 | 12 | Regular & internal audits | QMS standards applied across HPC | Management buy - in | Low | Low |

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RISK ASSESSMENT July 2011

Registrations

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|--------------|------------|--|---|-------------------------------------|---|----------------------------------|---|--|--|---------------------------------------|---|
| 10 | Registration | 10.1 | Customer service failures | Director of Operations, Head of Registration | 5 | 5 | 25 | Accurate staffing level forecasts | Adequate staff resourcing & training | Supporting automation infrastructure eg call centre systems, LISA system enhancements, registration re-structure | Low | Low |
| | | | Links to 11.1, 11.2 | | | | | | | | | |
| | | 10.2 | Protracted service outage following a NetRegulate Registration system failure | Director of IT | 5 | 3 | 15 | Effective backup and recovery procedures | Maintenance and support contracts for core system elements. | Annual IT Continuity tests | Low | Low |
| | | | Links to 5.1-5.3 and 17.1 | | | | | | | | | |
| | | 10.3 | Inability to detect fraudulent applications | Director of Operations, Head of Registration | 5 | 2 | 10 | Financial audits, system audit trails | Policy and procedures supported by internal quality audits & specialized external Risk Management guidance | Regular, automatic password changes | Low | Low |
| | | | Links to 9.1, 17.1 and 17.2 | | | | | | | | | |
| | | 10.4 | Backlogs of registration and GP applns | Director of Operations, Head of Registration | 4 | 3 | 12 | Adequate staffing levels maintained to clear backlogs, based on accurate demand-forecasting | Process streamlining | - | Low | Low |
| | | | Links to 1.1 | | | | | | | | | |
| | | 10.5 | Mistake in the Registration process leading to liability for compensation to Registrant or Applicant | Director of Operations, Head of Registration | 5 | 2 | 10 | Financial audits, system audit trails | Professional indemnity insurance. Excess £2.5K. Limit £1M. (Doesn't cover misappropriation of funds) | Policy and procedures supported by ISO quality audits and process controls/checks | Low | Low |
| | | | Links to 1.1 | | | | | | | | | |
| 18 | CPD | 18.1 (7.5) | CPD processes not effective | Director of Operations, Head of Registrations | 4 | 2 | 8 | Well documented processes | Appropriately trained members of the registrations team | Monitor and regulator feedback to the Education & Training Committee | Low | Low |
| | | | Links to 1.1 | | | | | | | | | |

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RISK ASSESSMENT July 2011

HR

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|----------|-------|--|---|-------------------------------------|---|----------------------------------|---|--|---|---------------------------------------|---|
| 11 | HR | 11.1 | Loss of key HPC employees | Chair, Chief Executive and EMT | 4 | 4 | 16 | Chief Executive succession plan held by HR Director. Succession planning generally. | Departmental training (partial or full) and process documentation | | Low | Low |
| | | 11.2 | High turnover of employees Links to 11.3 | HR Director | 3 | 2 | 6 | Remuneration and HR strategy | Regular performance reviews | Exit interview analysis | Low | Low |
| | | 11.3 | Inability to recruit suitable employees Links to 4.10, 6.1, 11.2, 11.8 | HR Director | 2 | 2 | 4 | HR Strategy and adequate resourcing of the HR dept | Careful specification of recruitment adverts and interview panel selection | Hire skilled temporary staff in the interim | Low | Low |
| | | 11.4 | Lack of technical and managerial skills to delivery the strategy Links to 1.1 | Chief Executive | 4 | 3 | 12 | HR strategy and goals and objectives (buy in the skills v staff upskilling on the job v training) | Training needs analysis & training delivery | Some projects or work initiatives delayed or outsourced | Low | Low |
| | | 11.5 | Health & Safety of employees Links to 4.9, 6.3 | Chief Executive & Facilities Manager | 5 | 4 | 20 | Health & Safety Training, policies and procedures | H&S Assessments (Lawrence, Webster Forrest). | Personal Injury & Travel insurance | Low | Low |
| | | 11.6 | High sick leave levels | EMT | 2 | 3 | 6 | Adequate staff (volume and type) including hiring temporary staff | Return to work interviews and sick leave monitoring | Regular progress reviews | Low | Low |
| | | 11.7 | Employee and ex-employee litigation | HR Director | 4 | 3 | 12 | Regular one on one sessions between manager and employee and regular performance reviews. | HR legislation and HR disciplinary policies | Employee surveys, Exit interviews | Low | Low |
| | | 11.8 | Employer/employee inappropriate behaviour Links to 11.3 | HR Director | 4 | 4 | 16 | Whistle blowing policy, Code of Conduct & Behaviour | Other HR policy and procedures | Employee Assistance programme | Low | Low |
| | | 11.9 | Non-compliance with Employment legislation | HR Director | 5 | 2 | 10 | HR Strategy | Obtain legislation updates and legal advice | HR policies and Manager training | Low | Low |

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RISK ASSESSMENT July 2011

Legal

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|----------|-------|--|---|-------------------------------------|---|----------------------------------|---|---------------------------------|----------------|---------------------------------------|---|
| 12 | Legal | 12.1 | Judicial review of HPC's implementation of HPO including Rules, Standards & Guidance | Chief Executive | 5 | 3 | 15 | Consultation. Stds determined by PLG's. Agreement by Council. | Appropriate legal advice sought | - | Medium | Medium |
| | | | Links to 1.2, 14.1, 14.2 | | | | | | | | | |
| | | 12.2 | Legal challenge to HPC operations | Chief Executive | 4 | 4 | 16 | Legal advice and ISO | Communications | - | Low | Low |

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RISK ASSESSMENT July 2011

Fitness to Practise

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|---------------------|-------|--|---|-------------------------------------|---|----------------------------------|---|----------------------------------|---|---------------------------------------|---|
| 13 | Fitness to Practise | 13.1 | Legal cost over-runs Links to 13.4, 15.2 | FTP Director | 4 | 4 | 16 | Processes and strict arrangements with law firm suppliers | Professional Indemnity Insurance | Good process management for arranging hearings | Low | Low |
| | | 13.3 | Tribunal exceptional costs, FTP, Registrations and CPD Appeals | FTP Director | 5 | 5 | 25 | Quality of operational processes | Quality of legal advice | Legal insurance covering exceptional High Court and Judicial Review costs | High | High |
| | | 13.4 | Rapid increase in the number of tribunals and resultant legal costs Links to 13.1 | FTP Director | 3 | 3 | 9 | Accurate and realistic budgeting | Resource planning | - | Low | Low |
| | | 13.5 | Witness non-attendance | FTP Director | 4 | 2 | 8 | Vulnerable witness provisions in the legislation | Witness support programme | Witness summons | Low | Low |
| | | 13.6 | Employee/Partner physical assault by Hearing attendees | FTP Director | 5 | 5 | 25 | Advice sought from the Police | Adequate facilities security | Periodic use of security contractors and other steps | Low | Low |
| | | 13.7 | High Number of Registration Appeals | FTP Director & Director of Operations, Head of Registrations | 3 | 5 | 15 | Training and selection of Registration Assessors, so reasoned decisions are generated | Quality of operational processes | - | Low | Low |
| | NEW | 13.8 | Backlog of FTP cases | FTP Director | 3 | 4 | 12 | Annual reforecasting budget processes | Monthly management reporting | Quality of operational processes | Low | |
| | NEW | 13.9 | Excessive cases per Case Manager workload | FTP Director | 3 | 4 | 12 | Annual reforecasting budget processes | Monthly management reporting | | Low | |

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RISK ASSESSMENT July 2011

Policy & Standards

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|--------------------|-------|--|---|-------------------------------------|---|----------------------------------|---|---|--|---------------------------------------|---|
| 14 | Policy & Standards | 14.1 | Incorrect process followed to establish stds/guidance/policy eg no relevant Council decision | Policy & Stds Director | 4 | 2 | 8 | Legal advice sought on processes | Appropriately experienced and trained members of Policy team. | Quality mgt system & processes | Low | Low |
| | | | Links to 12.1 | | | | | | | | | |
| | | 14.2 | Inappropriate stds/guidance published eg stds are set at inappropriate level, are too confusing or are conflicting | Council/committees | 4 | 1 | 4 | Use of professional liaison groups, and Council and committees including members with appropriate expertise | Appropriately experienced and trained members of Policy team. | Consultation with stakeholders & legal advice sought | Low | Low |
| | | 14.3 | Changing/evolving legal advice rendering previous work inappropriate | Policy & Stds Director | 4 | 2 | 8 | Use of well-qualified legal professionals. Regular reviews. | Legal advice obtained in writing. | Appropriately experienced and trained members of Policy team and others eg HR. | Low | Low |
| | | 14.4 | Inadequate preparation for a change in legislation (Health Professions Order, or other legislation affecting HPC) | EMT | 3 | 1 | 3 | EMT responsible for remaining up to date relationships with government depts and agencies. | HPC's 5 year planning process | Legal advice sought | Low | Low |
| | | 14.5 | PLG member recruitment without requisite skills and knowledge | Policy & Stds Director HPC Chair, Secretary to Council(?) | 4 | 1 | 4 | Skills and knowledge identified in work plan | Recruitment policy | Council Scrutiny of PLG result | Low | Low |
| | | | Links to 4.10 | | | | | | | | | |

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RISK ASSESSMENT July 2011

Finance

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|----------|-------|---|---|-------------------------------------|---|----------------------------------|--|--|--|---------------------------------------|---|
| 15 | Finance | 15.1 | Insufficient cash to meet commitments | Finance Director | 5 | 1 | 5 | Maintain an appropriate level of cash reserves to meet ongoing needs and comply with the Reserves policy. Effective management of collections and payments processes. | Regular cash forecasts and reviews | Annual and Five Year Plan forecasting of income (volumes & fees) and costs. Fee rises an DoH grant applications as required. | Low | Low |
| | | | Links to 15.5, 15.6, 15.17, 16.1, 16.2, 16.3 | | | | | | | | | |
| | | 15.2 | Unexpected rise in operating expenses | EMT | 3 | 1 | 3 | Budget holder accountability for setting budgets and managing them. Timely monthly reporting and regular budget holder reviews held. Finance & Resources Committee review of the monthly variances year to date. | Six and nine month reforecasts with spending plan revisions as feasible and appropriate. | Legal cost insurance for FTP cases. Capped FTP legal case costs. | Low | Low |
| | | | Link to 13.1 | | | | | | | | | |
| | | 15.3 | Major Project Cost Over-runs | Project Lead / EMT | 4 | 2 | 8 | Effective project specification including creating decision points. Effective project management and timely project progress reporting (financial and non financial). | Creation of a project capex contingency budget. Project exception reports including revised funding proposal is presented to EMT for approval. | Finance & Resources Committee review of the project spending variances to date | Low | Low |
| | | | Links to 8.1-8.4 Links to 15.17 | | | | | | | | | |
| | | 15.5 | Inability to pay creditors | Finance Director | 5 | 2 | 10 | Effective payment process management with regular review of aged creditors listing and supplier statements | Effective cash-flow forecasting. Registrant creditors policy compliance. | Extensive use of preferred suppliers with bank account details and payment terms loaded into Sage. | Low | Low |
| | | | Links to 15.1 | | | | | | | | | |
| | | 15.6 | Inability to collect from debtors | Finance Director | 5 | 2 | 10 | Collection via Direct Debit instruction for approximately 80% of renewal fees value | Registrant debtors policy compliance | Prompt actioning of rejected DD's. Periodic reviews and actioning of Misc Debtors. | Low | Low |
| | | | Links to 15.1 | | | | | | | | | |
| | | 15.7 | Registrant Credit Card record fraud/theft | Finance Director | 3 | 1 | 3 | Daily credit card payment reconciliation's in Finance dept - Streamline to Netregulate and bank statements. | Tight procedures to retrieve sensitive paper records from archive, rationalise records kept and retain sensitive current year records with security tagging. | Compliance with credit card record storage standards. | Low | Low |
| | | | Links to 5.3 | | | | | | | | | |
| | | 15.8 | Receipt of fee income as per collection schedule | Finance Director | 3 | 3 | 9 | Netregulate processes & controls in place (charging & receipts) including person cover | Monthly revenue reconciliation's between Netregulate and SAGE systems | - | Low | Low |
| | | 15.9 | Mismatch between Council goals & approved financial budgets | Chief Executive | 4 | 2 | 8 | Close and regular communication between the Executive, Council and its Committees. | Adequate quantification of the budgetary implications of proposed new initiatives | Use of spending prioritisation criteria during the budget process with capex contingency amount held in reserve | Low | Low |
| | | | Links to 1.1 | | | | | | | | | |
| | | 15.10 | Unauthorised payments to organisations | Finance Director | 3 | 2 | 6 | Requirement for the relevant signed PO's and invoices to support payments to preferred and one off suppliers. Regular audits. Segregation of duties. | Maintenance of the approved purchase order and invoice signatory list. PRS PO's have system pre-set approval routes. Regular audits. Whistleblowing policy. | Professional Indemnity & fidelity (fraud) insurance for first £100k of loss | Low | Low |
| | | | Links to 5.3 | | | | | | | | | |
| | | 15.11 | Unauthorised payments to personnel | Finance Director | 3 | 3 | 9 | Effective expense claim and payroll authorisation processes. Segregation of duties. | Regular audits. Whistleblowing policy. | Professional Indemnity & fidelity (fraud) insurance for first £100k of loss | Low | Low |
| | | | Links to 5.3 | | | | | | | | | |
| | | 15.12 | Unauthorised removal of assets (custody issue) | Facilities Manager | 3 | 2 | 6 | IT asset labeling & asset logging (issuance to employees) | Fixed Asset register itemising assets. Job exit procedures (to recover HPC laptops, blackberries, mobile phones etc). Regular audits. Whistleblowing policy. | Professional Indemnity & fidelity (fraud) insurance for first £100k of loss. Computer asset insurance. | Low | Low |

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RISK ASSESSMENT July 2011

Finance

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|----------|-------|---|---|-------------------------------------|---|----------------------------------|--|--|---|---------------------------------------|---|
| | | 15.13 | Mis-signing of cheques (forgery) | Finance Director | 4 | 3 | 12 | Minimal use of manual chqs. Segregation of duties (preparation and signing). Two signatories required on all cheques. | Photocopies of one off supplier cheques held on file. Monthly bank reconciliations. Whistleblowing policy. | Professional Indemnity & fidelity (fraud) insurance for first £100k of loss | Low | Low |
| | | | Links to 5.3 | | | | | | | | | |
| | | 15.14 | Non compliance with FReM reporting | Finance Director | 3 | 1 | 3 | Periodic reviews of HM Treasury and NAO information updates. Technical updates from CA firms. Clarifications sought, as required. | Employee training | Auditor feedback early in Annual Report preparation process. | Low | Low |
| | | | Links to 1.2 | | | | | | | | | |
| | | 15.15 | Qualified opinion received by the Auditors on the Statutory Financial Statements | Finance Director | 5 | 1 | 5 | Timely accrual postings supported by source documentation. Internal control compliance (regularity of spending). Audit findings compliance. | FReM compliance & timely expert valuations eg investment funds, land and buildings | Reliable financial systems. Income, Expense & Balance Sheet Reconciliation's. Matching Sage TB to Mgt Accs & Mgt Accs to Statutory Financial Statements | Low | Low |
| | | 15.16 | Late submission of the Annual Report, beyond sector standards | Secretary to Council | 3 | 1 | 3 | Upfront agreement on the Year End and Annual Report reporting process dates. Committee approval of the Audit Plan(s). | Effective process management | - | Low | Low |
| | | | Links to 15.1 | | | | | | | | | |
| | | 15.18 | PAYE/NI compliance | Finance Director | 3 | 2 | 6 | Effective payroll process management. Payroll system tax deductions set up using valid tax codes. Tax provisions made and tax returns filed on a timely basis. | Signed disclosure forms indicating tax category status for all Council and Committee members. Professional tax advice sought, including status of CCM's and partners | Tax Provisions maintained for legacy PAYE/NI payable relating to Council and Committee members. PAYE Settlement Agreement also being sought from HMRC relating to Category One Council and Committee members. | Low | Low |
| | | 15.19 | Corporate tax compliance (tax due on investment income only) | Finance Director | 3 | 1 | 3 | Preparation and filing of the Corporation Tax return (CT600 form) following determination of Corporate tax liability during Annual Report process. | Professional tax advice sought e.g. Corporate Tax Return preparation (including capital allowance claims) and filing. | | Low | Low |
| | | 15.20 | Money market provider insolvency or fraud | Finance Director | 5 | 2 | 10 | Funds diversification - money market funds spread across three mainstream UK money market institutions, independently owned with at least an 'AA minus' credit rating | FSA insurance for proven financial loss of up to £50k of funds held per UK financial institution. | Professional Indemnity & fidelity (fraud) insurance for first £100k of loss by supplier acting on HPC's behalf. | Low | Low |
| | | 15.21 | Financial distress of trade suppliers causes loss of service | Finance Director | 4 | 4 | 16 | Financial monitoring of key suppliers via Dun & Bradstreet | Escrow agreements | Alternative suppliers | Medium | Medium |
| | | 15.22 | Payroll process delay or failure | Finance Director | 5 | 2 | 10 | Agreed monthly payroll process timetable (with slack built in). Person cover for the payroll administrator (system access and documented procedures). If process delayed, payment may be made by CHAPS (same day payment), cash or cheque. | Restoration of overnight backup files for Sage Payroll system (software application and transactions) | Hard copy records held securely. Restricted system access. | Low | Low |
| | NEW | 15.23 | CHRE full cost recovery model places excessive pressure on HPC April 2013 onwards | Chief Executive & Finance Director | | | 0 | Communicate with CHRE to understand potential models for cost recovery and feed back on impact on HPC | Budget for projected amount at appropriate time. | | New | |
| | | | Model not yet finalised by DH or CHRE | | | | | | | | | |

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RISK ASSESSMENT July 2011

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| Finance |
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| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|----------|-------|-------------|---|-------------------------------------|---|----------------------------------|--------------|---------------|----------------|---------------------------------------|---|
| | | | | | | | | | | | | |

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RISK ASSESSMENT July 2011

Pensions

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|----------|-------|---|---|-------------------------------------|---|----------------------------------|--|--|---|---------------------------------------|---|
| 16 | Pensions | 16.1 | CPSM scheme funding liability resulting from scheme valuation deficit | Finance Director | 2 | 3 | 6 | If an employer shortfall crystallises, finance the HPC liability from money market deposits. Scheme assets are under Scottish Life professional funds management involving diversification until conversion into beneficiary annuities. Scheme benefits are secured by insurance policies issued by the Scottish Life Assurance. | Work with the trustees to update the actuarial valuation of the fund to identify whether pension assets will cover pension liabilities. Make financial provisions where a shortfall is indicated generating an employer liability. | Monitor the winding up schedule with the scheme trustees and administrators. Seek specialist pensions legal advice as required | Low | Low |
| | | | Links to 15.1, 15.5 | | | | | | | | | |
| | | 16.2 | Non compliance with pensions legislation | Finance Director | 4 | 2 | 8 | Notional membership by six scheme members to avoid triggering s75 liability before scheme closure (Capita flexiplan only) | Liaison with with scheme trustees and administrators. | Seek specialist pensions legal advice as required. | Low | Low |
| | | | Links to 15.1, 15.5 | | | | | | | | | |
| | | 16.3 | Capita Flexiplan funding liability resulting from scheme valuation deficiency | Finance Director | 4 | 4 | 16 | If an employer shortfall crystallises, finance the HPC liability from money market deposits. Scheme assets are under professional funds management involving diversification until conversion into beneficiary annuities. | Work with the trustees to update the actuarial valuation of the fund to identify whether pension assets will cover pension liabilities. Make a financial provision where a shortfall is indicated and the HPC's portion of the shortfall is subsequently identified. | Monitor actions of the Employers' Consultative Group in working with the scheme trustees and administrators to wind up the Flexiplan scheme. Seek specialist pensions legal advice as required. | Low | Low |

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RISK ASSESSMENT July 2011

Data Security

| Ref | Category | Ref # | Description | Risk owner (primary person responsible for assessing and managing the ongoing risk) | Impact before mitigations July 2011 | Likelihood before mitigations July 2011 | Risk Score = Impact x Likelihood | Mitigation I | Mitigation II | Mitigation III | RISK score after Mitigation July 2011 | RISK score after Mitigation February 2011 |
|-----|---------------|-------|--|---|-------------------------------------|---|----------------------------------|--|---|--|---------------------------------------|---|
| 17 | Data Security | 17.1 | Electronic data is removed inappropriately by an employee | Director of IT | 5 | 3 | 15 | Employment contract includes Data Protection and Confidentiality Agreement | Adequate access control procedures maintained. System audit trails. | Laptop encryption. Remote access to our infrastructure using a VPN . Documented file encryption procedure | Low | Low |
| | | | Links to 5.3 | | | | | | | | | |
| | | 17.2 | Paper record Data Security | Head of Business Improvement | 5 | 3 | 15 | Use of locked document destruction bins in each dept. Use of shredder machines for confidential record destruction in some depts e.g. Finance. | Data Protection agreements signed by the relevant suppliers. Dept files stored onsite in locked cabinets. | Regarding Reg Appln forms processing, employment contract includes Data Protection Agreement | Low | Low |
| | | | Links to 15.7 | | | | | | | | | |
| | | 17.3 | Loss of electronic data held by third party suppliers in the delivery of their services (general risk) | Director of IT and Director of Operations | 5 | 3 | 15 | Data Protection/Controller agreements signed by the relevant suppliers. Use of electronic firewalls by suppliers. | Effective system processes including secure data transfer and remote access granted only on application and through secure methods. Physical transfer of back up tapes using a specialist company with locked boxes and sign out procedure. | Data Processor agreements signed by the relevant suppliers. | Low | Low |
| | | 17.4 | Data received from third parties | Director of Ops, and Director of FTP | 5 | 2 | 10 | Read only, password protected access by a restricted no of FTP employees to electronic KN data. | Registrant payments taken in compliance with Payment Card Industry (PCI) Security standards ie with quarterly PCI testing. | Ensure third party data providers e.g. professional bodies provide the data password protected/encrypted/door to door courier/registered mail/sign in sign out as appropriate. | Low | Low |
| | | 17.5 | Loss of physical data despatched to and held by third parties for the delivery of their services | Director of Ops and Hd of Business Process Improv | 5 | 3 | 15 | Data Protection/Controller agreements signed by the relevant suppliers. Use of electronic firewalls by suppliers. | Use of transit cases for archive boxes sent for scanning or copying and sign out procedures. | | Low | Low |
| | | 17.6 | Loss of Registrant personal data by the registration system (NetRegulate) application support provider in the performance of their support services (specific risk). | Director of IT and Director of Operations | 5 | 3 | 15 | Access to and export of Registrant data is restricted to only that which is necessary for the performance of the services. | Effective system processes including secure data transfer and remote access granted only on application and through secure methods. | Data processor side letter specifying obligations and granting a limited indemnity. | Low | Low |

Appendix i

Glossary & Abbreviations

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

Appendix ii

HPC RISK MATRIX

IMPACT

| | Public Protection | Financial | Reputation | | | | | |
|--|--|---|--|---|----|----|----|----|
| | Catastrophic 5 A systemic failure for which HPC are ultimately responsible for, exposes the public to serious harm in cases where mitigation was expected. | Catastrophic 5 Unfunded pressures greater than £1 million | Catastrophic 5 Incompetence/ maladministration or other event that will destroy public trust or a key relationship | 5 | 10 | 15 | 20 | 25 |
| | Significant 4 A systemic failure for which HPC are ultimately responsible for, exposes more than 10 people to harm in cases where mitigation was expected. | Significant 4 Unfunded pressures greater than £50,000 | Significant 4 Incompetence/ maladministration that will undermine public trust or a key relationship for a sustained period or at a critical moment. | 4 | 8 | 12 | 16 | 20 |
| | Moderate 3 A systemic failure for which HPC are ultimately responsible for exposes more than 2 people to harm in cases when mitigation was expected. | Moderate 3 Unfunded pressures greater than £8,000 | Moderate 3 Incompetence/ maladministration that will undermine public trust or a key relationship for a short period. Example Policy U-turn | 3 | 6 | 9 | 12 | 15 |
| | Minor 2 A systemic failure which results in inadequate protection for individuals/individual communities, including failure to resolve celebrity cases. | Minor 2 Unfunded pressures over £2,000 | Minor 2 Event that will lead to widespread public criticism. | 2 | 4 | 6 | 8 | 10 |
| | Insignificant 1 A systemic failure for which fails to address an operational requirement | Insignificant 1 Unfunded pressures over £1,000 | Insignificant 1 Event that will lead to public criticism by external stakeholders as anticipated. | 1 | 2 | 3 | 4 | 5 |

KEY

| | | | | | | | |
|--|--|---|--|--|---|---|----------------------------|
| >11 High Risk: Urgent action required | | Negligible 1 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. | Rare 2 Only small chance of occurring in the lifetime of the strategy. | Unlikely 3 May well occur during the lifetime of the strategy. | Possible 4 Likely to happen at some point during the next one or two years. | Probable 5 “Clear and present danger”, represented by this risk - will probably impact on this initiative - sooner rather than later. | Strategic |
| 6-10 Medium Risk: Some action required | | 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. | Not likely to occur during the lifecycle of the programme or project. | May occur during the life of the programme or project. | Likely to happen in the life-cycle of the programme or project. | Likely to occur in the life-cycle of the project, probably early on and perhaps more than once. | Programme / Project |
| <5 Low Risk: Ongoing monitoring required | | 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. | Does not happen often - once every six months. | May well happen on a monthly basis. | May well happen on a weekly basis. | The threat is likely to happen almost every day. | Operational |

LIKELIHOOD

RISK MATRIX DEFINITIONS

IMPACT TYPES

| | Public Protection | Financial | Reputation |
|--|---|--|--|
| | Catastrophic 5 | Catastrophic 5 | Catastrophic 5 |
| | A systematic failure for which HPC 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 HPC are ultimately responsible for, exposes more than 10 people to harm in cases where mitigation was expected. | Unfunded pressures greater than £50,000 | 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 HPC are ultimately responsible for exposes more than 2 people to harm in cases when mitigation was expected. | Unfunded pressures greater than £8,000 | 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 over £2,000 | 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 £1,000 | 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. |
| | Negligible 1 | Negligible 1 | Negligible 1 |
| | 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 ↑