

Audit Committee, 13 March 2013

Risk register & Top Ten Risks

Executive summary and recommendations

### **Introduction**

The Risk Register is the HCPC document that identifies the risks that the Health Professions Council is exposed to. The Risk Register is published twice yearly, February and September, following a review by the Risk Owners.

The Audit Committee have asked for more information about HCPC's Top risks. Those risks remaining at High or Medium post mitigation are listed in the Top Risks document, with enhanced description and mitigation detail.

### **Decision**

The Audit Committee is asked to discuss the detail and mitigations around HCPC's Top Risks. There is one risk remaining at High, post mitigation. There are 7 risks remaining at Medium level post mitigation.

### **Background information**

Audit Committee have requested a summary document of Top risks. The existing risk register will continue to be maintained. A copy of the new register format is included.

### **Resource implications**

None

### **Financial implications**

None

### **Appendices**

Risk Register – March 2013

### **Date of paper**

28 February 2013

Risk 2.7	Interruption to electricity supply.
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### Description

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

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

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

It is possible for part of the HCPC 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.

HCPC's primary mitigation for sustained power loss is to relocate operations to the Disaster Recovery (DR) site Phoenix (formerly 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 HCPC'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.

Risk 13.3	Tribunal exceptional costs, FTP, Registration and CPD appeals
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### Description

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

- Legal services – preparing and presenting the HCPC 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 Professional Standards Authority (PSA formerly CHRE) appeals against the a decision made by a panel, HCPC 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.

The Assurance and Development Team within the department undertake a programme of compliance and assurance activity to ensure that processes are being applied properly  
All Practice Notes are reviewed by HCPC's lawyer before submission to Committee and Council. HCPC has clear service level agreements with the lawyers who appear on its behalf at tribunals.

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

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

HCPC currently sends over 308,000 renewal notice related items 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 HCPC offices.

In the last 4 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 HCPC 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.

HCPC 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.

HCPC 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 HCPC 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 HCPC's on going 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.

Risk 2.11	Basement flooding
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### 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 FTP department Case Team 2 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 HCPC 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**

HCPC 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.

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**

HCPC 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
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### **Description**

Date 2011-01-0728	Ver. a	Dept/Cmte QUA	Doc Type RPT	Title Top Ten Risks - narrative - all High Med Risks February 2011302	Status Final DD: None	Int. Aud. Public RD: None
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The Health and Care Professions Council (HCPC) as a UK statutory regulator governed by the Health and Social Care Professions Order 2001 must operate within the constraints of our legislation. The HCPC 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 HCPC 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 HCPC, thus reducing costs and the use of scarce resources.

Risk 15.21	Financial distress of trade suppliers causes loss of service.
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### **Description**

HCPC is dependant on suppliers providing goods or services to help HCPC 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 HCPC 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 HCPC would not cause loss of service to HCPC if the supplier ran into difficulty.

### **Mitigations**

Where a supplier is identified as being key to the needs of HCPC, 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 ongoing 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 HCPC, 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 HCPC can ensure that it receives continuous service.

Wherever possible HCPC 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 HCPC.

Note: Where HCPC is referred to historically, this includes when the organisation was operating as HPC, or under a prior arrangements as CPSM.



# Risk Register

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Marc Seale, Chief Executive & Registrar  
Report to Audit Committee, 13th March 2013



## January 2012 Risk Assessment

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THE HEALTH AND CARE PROFESSIONS COUNCIL

**"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
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
13.3	Tribunal exceptional costs (pre-mit 25)	FTP Director	Quality of operational processes	Accurate and realistic forecasting	Quality of legal advice	Medium
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
13.4	Rapid increase in number of allegations and resultant legal costs (pre-mit 16)	FTP Director	Accurate and realistic budgeting	Resource planning	-	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 HCPC's implementation of HSWPO including Rules, Standards & Guidance (pre-mit 15)	Chief Executive	Consultation. Stds determined by PLG's. Agreement by Council.	Appropriate legal advice sought	-	Medium

Risks listed in order of CURRENT RISK SCORE, then PRE\_MITIGATION SCORE

**Historic Risk Scores**

Sept 2012 Risk	Feb 2012 Risk	July 2011 Risk	Feb 2011 Risk	Sept 2010 Risk	Feb 2010 Risk	Sept 2009 Risk
High	High	High	High	High	High	High
Medium	High	High	High	High	High	High
Medium	Medium	Medium	Medium	Medium	Medium	-
Medium	Medium	Medium	Medium	Medium	Medium	Low
Medium	Medium	Medium	Medium	Medium	Medium	-
Medium						
Medium	Medium	Medium	Medium	Medium	Medium	Medium
Medium	Medium	Medium	Medium	Medium	Medium	Medium

## Changes since the previous iteration of HCPC's Risk Register

Category	Ref#	Description	Nature of change in this version
Operations	2.3	Unacceptable service standards	Add Mitigation III workplan matches workload
	2.12	Metrological disruption to UK transport networks	Change detail of Mitigation I to indicate transport networks
Strategic	1.4	PSA relationship	Add Chair to risk owner
	1.5	Loss of reputation	Add Chair to risk owner, mitigation II now governance procedures, III = Comms strategy
Corporate Governance	4.1	Council inability to make decisions	Add Chair to risk owner
	4.14	Transition to smaller Council	New risk identified, but still to be quantified
Information Technology	5.3	"IT fraud or error" becomes "Fraud committed through IT services"	Update risk name, update mitigation I
	5.6	Data service disruption (via utility action)	New risk added around connectivity disruption
Education	7.5	Education database failure	update mitigation III (future DR/BC tests)
Projects	8.1	Fee change process	Edit title to be "kick off date" for project
	8.2	Failure to regulate new profession or qualification	Increase likelihood 1 to 2, update Mitigation I for all project risks, add Mit III
	8.13	Failure to deliver a system and process review of Education Dept	Update title of risk and add Mit III
	8.14	Failure to deliver a system and process review HR & Partners	Decrease likelihood 3 to 2, update Mit III
	8.15	Professional Indemnity Insurance. Unable to delivery statutory requirements	New risk added
	8.16	Annotation of the Register. Failure to deliver statutory requirements	New risk added
	8.17	Organisation wide resourcing may impact project delivery	New risk added
Registrations	10.1	Customer service failures	Reduce likelihood to 4 from 5. Total risk reduced to 20
	10.3	Inability to detect fraudulent applications	Update Mit II & III
	10.4	Backlogs of registration and applications	Update Mit 1 & III
	10.5	Mistake in the Registration process leading to liability for compensation to Registrant or Applicant	Updated Mitigation I, to Registration Mgmt audits
	10.6 (18.1-7.5)	CPD processes not effective	Update Ref# to match Reg risks, update Mit III

Human Resources	11.5	Health & Safety risks - Transferred to Operations	Remove contractor name from Mitigation II
Policy & Standards	14.1	Incorrect processes followed to establish standards, guidance, policy etc	Expand Mit I to include sign off
	14.5	PLG Member recruitment without requisite skills and knowledge	Substitute PLG Manual into Mit II
	14.6	Loss of Corporate memory	New risk added
Finance	15.2	Unexpected rise in operating expenses	Update Mit 1, no 9 mnth reforecast
	15.5	Inability to pay creditors	Update Mit I & III
	15.6	Inability to collect from debtors	Update Mit III
	15.10	Unauthorised payments to organisations	Update Mit I (signed to approved)
	15.13	Mis-signing of cheques (forgery)	Lower likelihood (few cheques used now)
	15.14	Non compliance with FReM reporting	Update Mit I (include NAO)
	15.19	Corporation tax compliance (tax due on investment income only)	Update Mit I (external advisor completes form)
	15.20	Bank insolvency or fraud	Updated title - no money markets
	15.21	Financial distress of trade suppliers causes loss of service	Remove rating agency supplier name
	15.22	Payroll process delay or failure	Update Mit I, remove Mit II, promote Mit III to II
	15.23	PSA full cost recovery model places excessive pressure on HCPC April 2013 onwards	Update Mit II as DH consultation completed
Pensions	16.1	CPSM scheme funding liability resulting from scheme valuation deficit	To be removed (Closed)
	16.4	GSCC/DH pension liability under discussion	To be removed (Closed)

Overview of Risk Management process

Throughout the year existing risks are continually monitored and assessed by Risk Owners against Likelihood, and Impact on HCPC, 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.

THE HEALTH AND CARE PROFESSIONS COUNCIL

RISK ASSESSMENT January 2013

Strategic

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
1	Strategic	1.1	HCPC 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 HCPC 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 PSA (formerly CHRE)	Chief Executive & Chair	5	1	5	HCPC Chair and Chief Executive relationship with PSA	Communications	-	Low	Low
		1.5	Loss of reputation	Chief Executive & Chair	5	4	20	Quality of operational procedures	Quality of governance 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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RISK ASSESSMENT January 2013

Operations

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
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	Detailed workforce plan to match workload.	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 HCPC 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
		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 networks	Use of video or teleconferencing facility to achieve corum	Invoke Disaster Recovery/Business Continuity plan	Low	Low



RISK ASSESSMENT January 2013

Communications

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
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	Director of Comms	5	3	15	Delivery of communications strategy, supporting the HCPC strategy	Delivery of aspects of communications work plan, specifically stakeholder activities	Quality of Operational procedures	Low	Low
		3.3	Links to 1.5 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 HCPC events, campaigns, Registrant Newsletter, Professional media and conference attendance . Publications and web.	Quality of Operational procedures	Low	Low
		3.5	Publication of material not approved for release	Director of Comms	4	2	8	Delivery of communications plan	Adherence to operational plans (Social Media planner)	-	Low	Low

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RISK ASSESSMENT January 2013

Corporate Governance

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
4	Corporate Governance	4.1	Council inability to make decisions Links to 4.4	Secretary to Council & Chair	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 induction and relevant training of members	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 chairs 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 HSWPO 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 HSWPO 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 & Bribery Act 2010	Low	Low
		4.9	Failure to ensure the Health & Safety of Council Members Links to 6.3, 11.5	Secretary to Council, Facilities Manager & Finance Director	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 HCPC or its committees	Use of skills matrix in recruitment exercise	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 Council agreed 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
		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	Low
	NEW in Jan 2013	4.14	Transition to smaller Council	Chair & Secretary to Council	To be determined	To be determined		To be determined	To be determined	To be determined		

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RISK ASSESSMENT January 2013

Information Technology

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
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	Fraud committed through IT services Links to 10.2 and 17.1	Director of IT	3	3	9	Appropriate and proportionate access restrictions to business data. 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
	NEW	5.6	Data service disruption (via utility action)	Director of IT	5	1	5	Redundant services	Diverse routing of services where possible	Appropriate service levels with utility providers and IT continuity plan.	Low	New

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RISK ASSESSMENT January 2013

Partners

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
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 PSAHSE 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 HCPC 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 HSWPO 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 notificaton 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 January 2013

Education

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
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	Operational processes (approval, monitoring and complaints about an approved programme)	Regular training of employees and visitors	Memorandums of understandings with other regulators (e.g. CQC and Care Councils)	Low	Low
		7.2	Education providers refusing visits or not submitting data Links to 1.1	Director of Education	3	2	6	Legal powers (HSWPO 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	4	16	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	2	10	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 and third party skills to support system	Included in future DR/BC tests	Low	Low
		7.6	Loss or significant change to funding, commissioning and placement opportunities for approved programmes	Director of Education	3	2	6	Operational processes (approval, monitoring and complaints about an approved programme)	Partnerships with Visitors and professional groups.	Regular training of employees and visitors	Low	New

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RISK ASSESSMENT January 2013

Project Management

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
8	Project Management	8.1	Fee change processes not operational by required date	Director of Finance Project Portfolio Manager	3	3	9	Project is managed as part of major projects portfolio & managed in accordance with HCPC Project Management process	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 & managed in accordance with HCPC Project Management process	Project progress monitored by EMT & stakeholders	Assess lessons to be learned from previous projects	Low	Low
			Links to 1.1, 15.3									
		8.13	Failure to deliver a system & process review of the Education department	Director of Education Project Portfolio Manager	3	2	6	Project is managed as part of major projects portfolio & managed in accordance with HCPC Project Management process	Project progress monitored by EMT & stakeholders	Ensure robust testing including load	Low	Low
		8.14	Failure to deliver a system & w of the HR & Partners departments	Director of HR Project Portfolio Manager	3	2	6	Project is managed as part of major projects portfolio & managed in accordance with HCPC Project Management process	Project progress monitored by EMT & stakeholders	Project Initiation stage to pay particular attention to project scope and breadth/reach of project	Low	Low
	NEW JAN 2013	8.15	Professional Indemnity Insurance. Unable to deliver statutory requirements	Director of Operations & Project Portfolio Manager	5	3	15	Project is managed as part of major projects portfolio & managed in accordance with HCPC Project Management process	Project progress monitored by EMT & stakeholders	Work with DH to ensure it is possible to deliver the requirement	Low	NEW
	NEW JAN 2013	8.16	Annotation of the Register. Failure to deliver statutory requirements	Director of Operations & Project Portfolio Manager	5	2	10	Project is managed as part of major projects portfolio & managed in accordance with HCPC Project Management process	Project progress monitored by EMT & stakeholders		Low	NEW
	NEW JAN 2013	8.17	Organisation wide resourcing may impact project delivery	EMT & Project Portfolio Manager	3	4	12	Manage resources accordingly	Accept changes to planned delivery		Med	NEW

8.8 was Richard changed 22/07/09  
 8.3 & 8.4 moved to Strategic risks  
 8.6 Online Renewal removed - project closed  
 8.5 Stannary st project closed  
 8.9 FTP CMS proj cloded,removed  
 8.10 HAD remove Feb 2011 project closed  
 8.11 CP reg no longer reqrd project closed  
 8.12 Failure to open SW register closed

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RISK ASSESSMENT January 2013

Quality Management

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
9	Quality Management	9.1	Loss of ISO 9001:2008 Certification	Director of Operations, Head of Business Improvement	4	3	12	Regular & internal audits	QMS standards applied across HCPC	Management buy - in	Low	Low
			Links to 2.3, 10.3									

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RISK ASSESSMENT January 2013

**Registrations**

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
10	Registration	10.1	Customer service failures	Director of Operations, Head of Registration	5	4	20	Accurate staffing level forecasts	Adequate staff resourcing & training	Supporting automation infrastructure eg call centre systems, NetRegulate 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	Validation of submitted information, Education & ID checks	Low	Low
			Links to 9.1, 17.1 and 17.2									
		10.4	Backlogs of registration and applications	Director of Operations, Head of Registration	4	3	12	Adequate staffing levels maintained to prevent backlogs, based on accurate demand-forecasting	Process streamlining	Maintain accurate staffing levels	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	Audits by Registration Management, system audit trails, external auditors	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
18	CPD	10.6 (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, Finance & Resources Committees	Low	Low
			Links to 1.1									



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RISK ASSESSMENT January 2013

HR

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
11	HR	11.1	Loss of key HCPC 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
		11.6	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 January 2013

Legal

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
12	Legal	12.1	Judicial review of HCPC's implementation of HPO including <u>Rules, Standards &amp; Guidance</u> Links to 1.2, 14.1, 14.2	Chief Executive	5	3	15	Consultation. Stds determined by PLG's. Agreement by Council.	Appropriate legal advice sought	-	Medium	Medium
		12.2	Legal challenge to HCPC operations	Chief Executive	4	4	16	Legal advice and ISO	Communications	-	Low	Low

12.2 copied from FTP section 13.2 on22/07/09

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RISK ASSESSMENT January 2013

**Fitness to Practise**

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
13	Fitness to Practise	13.1	Legal cost over-runs Links to 13.4, 15.2	FTP Director	4	4	16	Contractual and SLA arrangements with legal services providers(s)	Legal Insurance covering exceptional High Court Costs	Quality of operational procedures	Low	Low
		13.3	Tribunal exceptional costs	FTP Director	5	5	25	Quality of operational processes	Accurate and realistic forecasting	Quality of legal advice	Medium	High
		13.4	Rapid increase in the number of allegations and resultant legal costs Links to 13.1	FTP Director	4	4	16	Accurate and realistic budgeting	Resource planning	-	Medium	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
		13.8	Backlog of FTP cases	FTP Director	3	4	12	Annual reforecasting budget processes	Monthly management reporting	Quality of operational processes	Low	Low
		13.9	Excessive cases per Case Manager workload 13.2 moved to 12.2	FTP Director	3	4	12	Annual reforecasting budget processes	Monthly management reporting	-	Low	Low
		13.10	Protracted service outage following a Case Management 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	NEW

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RISK ASSESSMENT January 2013

**Policy & Standards**

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
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 and sign off 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 HCPC)	EMT	3	1	3	EMT responsible for remaining up to date relationships with government depts and agencies.	HCPC's 5 year planning process	Legal advice sought	Low	Low
		14.5	PLG member recruitment without requisite skills and knowledge	Policy & Stds Director HCPC Chair, Secretary to Council(?)	4	1	4	Skills and knowledge identified in work plan	Recruitment policy	Council Scrutiny of PLG result	Low	Low
			Lnks to 4.10									
	NEW JAN 2013	14.6	Loss of Corporate Memory	Policy & Stds Director	3	3	9	Maintain appropriate records of project decisions	Appropriate hand over and succession planning	Department training	Low	New

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RISK ASSESSMENT January 2013

Finance

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept2012
15	Finance	15.1	Insufficient cash to meet commitments  Links to 15.5, 15.6, 15.17, 16.1, 16.2, 16.3	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 and DoH grant applications as required.	Low	Low
		15.2	Unexpected rise in operating expenses  Link to 13.1	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 month reforecasts with spending plan revisions as feasible and appropriate.	Legal cost insurance for FTP cases. Capped FTP legal case costs.	Low	Low
		15.3	Major Project Cost Over-runs  Links to 8.1-8.4 Links to 15.17	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
		15.5	Inability to pay creditors  Links to 15.1	Finance Director	5	2	10	Effective weekly 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 loaded into Sage.	Low	Low
		15.6	Inability to collect from debtors  Links to 15.1	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.	Low	Low
		15.7	Registrant Credit Card record fraud/theft  Links to 5.3	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
		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  Links to 1.1	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
		15.10	Unauthorised payments to organisations  Links to 5.3	Finance Director	3	2	6	Requirement for the relevant approved 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
		15.11	Unauthorised payments to personnel  Links to 5.3	Finance Director	3	2	6	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
		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 HCPC laptops, blackberries, mobile phones etc). Regular audits. Whistleblowing policy.	Professional Indemnity & fidelity (fraud) insurance for first £100k of loss. Computer asset insurance.	Low	Low
		15.13	Mis-signing of cheques (forgery)	Finance Director	4	1	4	Minimal use of manual chq's. 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

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RISK ASSESSMENT January 2013

Finance

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept2012
			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 NAO. 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 at 3rd party. Payroll system tax deductions set up using valid tax codes. Tax provisions made and tax returns filed on a timely basis. Real Time Information ensures tax codes are up-to-date.	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 PAYE/NI payable relating to Council and Committee members. PAYE Settlement Agreement in place with HMRC relating to Category One Council and Committee members.	Low	Low
		15.19	Corporation tax compliance (tax due on investment income only)	Finance Director	3	1	3	Preparation and filing of the Corporation Tax return (CT600 form) by third party 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	Bank insolvency or fraud	Finance Director	5	2	10	Funds diversification - cash spread across three UK banks, with at least a Standard and Poor 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 HCPC'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	Escrow agreements	Alternative suppliers	Medium	Medium
		15.22	Payroll process delay or failure	Finance Director	5	2	10	Outsourced to third party. Agreed monthly payroll process timetable (with slack built in). If process delayed, payment may be made by CHAPS (same day payment), cash or cheque.	Hard copy records held securely. Restricted system access.		Low	Low
		15.23	PSA full cost recovery model places excessive pressure on HCPC April 2013 onwards	Chief Executive & Finance Director	4	3	12	Communicate with PSA to understand potential models for cost recovery and feed back on impact on HCPC	Responded to forthcoming DH Consultation on Levy Methodology	Budget for projected amount at appropriate time.	Low	New
			Model not yet finalised by DH or PSA									
		15.24	Failure to adhere to Procurement and Tendering requirements	Finance Director	4	2	8	Legal advice on ISO9001 & OJEU compliant process design.	Internal monitoring of Tendering and contract process use.	New suppliers process as "backstop" to failure.	Low	New

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RISK ASSESSMENT January 2013

Pensions

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations Jan 2013	Likelihood before mitigations Jan 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
16	Pensions (6.1 only TO BE REMOVED Summer 2013)	16.1	CPSM scheme funding liability resulting from scheme valuation deficit	Finance Director	2	3	6	If an employer shortfall crystallises, finance the HCPC 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 HCPC 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 HCPC'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
	TO BE REMOVED Summer 2013	16.4	GSCC Pension not forthcoming from DH	Finance Director / Chief Executive	4	4	16	Successful negotiation with DH	-	-	Low	Low

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RISK ASSESSMENT January 2013

**Data Security**

Ref	Category	Ref #	Description	Risk owner (primary person responsible for assessing and managing the ongoing risk)	Impact before mitigations January 2013	Likelihood before mitigations January 2013	Risk Score = Impact x Likelihood	Mitigation I	Mitigation II	Mitigation III	RISK score after Mitigation Jan 2013	RISK score after Mitigation Sept 2012
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	Access is restricted to only the data that 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. 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

<b>Term</b>	<b>Meaning</b>
AGM	Annual General Meeting
CDT	Cross Directorate Team (formerly HCPC's Middle Management Group)
CPD	Continuing Professional Development
EEA	European Economic Area, = European Economic Union, plus Norway, Iceland, plus for our purposes Switzerland
EMT	HCPC's Executive Management Team
EU	European Economic Union (formerly known as the "Common Market")
Europa Quality Print	Supplier of print and mailing services to HCPC
FReM	Financial Reporting Manual
FTP	Fitness to Practise
GP	Grandparenting
HSWPO	Health and Social Work Professions Order (2001)
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 HCPC and 5 maximum effect on HCPC.
ISO	International Standards Organisation (the global governing body for the Quality standards used by HCPC)
ISO 9001:2008	The ISO Quality Management Standard used by HCPC.
IT	Information Technology
Likelihood	Used to mean Probability of the event or issue occurring within the next 12 months
MIS	Management Information System
MOU	Memorandum of Understanding
NetRegulate	The bespoke computer application used to manage the application, registration and renewal processes, and publish the online register
OIC	Order in Council
OJEU	Official journal of the European Union
Onboarding	The process of bringing a new profession into statutory regulation from HCPC's viewpoint
OPS	Operations
PSA	Formerly (CHRE), renamed Professional Standards Authority for Health and Social Care in the 2012 legislation.
PLG	Professional Liason Group
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 HCPC's agreed management processes
Risk	An uncertain event/s that could occur and have an impact on the achievement of objectives
Risk Owner	The person or entity that has been given the authority to manage a particular risk and is accountable for doing so.
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

HCPC RISK MATRIX

		Public Protection	Financial	Reputation					
IMPACT	Catastrophic 5 A systematic failure for which HCPC 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 systematic failure for which HCPC 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 HCPC 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	
<b>KEY</b>				Negligible 1	Rare 2	Unlikely 3	Possible 4	Probable 5	
<div style="background-color: red; color: white; padding: 5px; text-align: center;">&gt;11 High Risk: Urgent action required</div> <div style="background-color: yellow; color: black; padding: 5px; text-align: center;">6-10 Medium Risk: Some action required</div> <div style="background-color: lightgreen; color: black; padding: 5px; text-align: center;">&lt;5 Low Risk: Ongoing monitoring required</div>				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.	Only small chance of occurring in the lifetime of the strategy.	May well occur during the lifetime of the strategy.	Likely to happen at some point during the next one or two years.	“Clear and present danger” represented by this risk - will probably impact on this initiative - sooner rather than later.	<b>Strategic</b>
				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 lifecycle of the programme or project.	Likely to occur in the lifecycle of the project, probably early on and perhaps more than once.	<b>Programme / Project</b>
				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.	<b>Operational</b>

LIKELIHOOD

## RISK MATRIX DEFINITIONS

### IMPACT TYPES

	<b>Public Protection</b>	<b>Financial</b>	<b>Reputation</b>
	<b>Catastrophic 5</b>	<b>Catastrophic 5</b>	<b>Catastrophic 5</b>
	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
	<b>Significant 4</b>	<b>Significant 4</b>	<b>Significant 4</b>
	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 greater than £50,000	Incompetence/ maladministration that will undermine public trust or a key relationship for a sustained period or at a critical moment.
	<b>Moderate 3</b>	<b>Moderate 3</b>	<b>Moderate 3</b>
	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 greater than £8,000	Incompetence/ maladministration that will undermine public trust or a key relationship for a short period. Example Policy U-turn
	<b>Minor 2</b>	<b>Minor 2</b>	<b>Minor 2</b>
	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.
	<b>Insignificant 1</b>	<b>Insignificant 1</b>	<b>Insignificant 1</b>
	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

	<b>Strategic</b>	<b>Programme / Project</b>	<b>Operational</b>
	<b>Probable 5</b>	<b>Probable 5</b>	<b>Probable 5</b>
	"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.
	<b>Possible 4</b>	<b>Possible 4</b>	<b>Possible 4</b>
	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.
	<b>Unlikely 3</b>	<b>Unlikely 3</b>	<b>Unlikely 3</b>
	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.
	<b>Rare 2</b>	<b>Rare 2</b>	<b>Rare 2</b>
	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.
	<b>Negligible1</b>	<b>Negligible1</b>	<b>Negligible1</b>
	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