

Audit Committee, 19 March 2015

Risk Management Strategy & Processes

Executive summary and recommendations

**Introduction**

A risk management strategy and associated processes are documented.

**Decision**

The committee is asked to note the report.

**Resource implications**

None

**Financial implications**

None

**Date of paper**

25 Feb 2015

## Risk Management Strategy & Process at HCPC

### Risk Management Strategy

Risk management shall provide a structured, repeatable and coherent approach to identifying, assessing and managing risk. A process for regularly updating and reviewing the assessment based on new developments or actions taken will be maintained. Risk management shall address the following on a continuous basis;

- Active risk and opportunity planning
- Preparing for uncertainty

Risk management shall be traceable to the strategic objectives of HCPC, and the annual departmental work plans, thus providing a top down and bottom up process.

Risk management effort will be related to the scale of HCPC, and the risks implicit in regulation of health and care workers.

### Risk Management Processes

1. A risk appetite is defined by the Council and will be reviewed, if there is a significant change in our business or otherwise every three years. The current appetite is as follows;

HCPC has an **averse** appetite to risk in that we;

- a. Identify all relevant risks
  - b. Mitigate those risks to an appropriate level
  - c. Invest mitigation resources in proportion to the level of risk
2. Risk Management is broken down into operational areas, which in part map to departments or directorates at HCPC.
  3. Risk owners at HCPC are Council, Chair of Council, Chief Executive & Registrar, members of EMT or Managers of departments.
  4. Risks are assessed on an on going basis by risk owners.
  5. Periodic planned review of risks, are input into the corporate risk register which is published to the Audit Committee and Council on a rolling 6 monthly basis. This is supported by a "Three lines of defence" Risk Assurance mapping model.

Area A = Independent review / Assurance / Regulatory oversight

Area B = Functional oversight / Governance

Area C = Management Control & Reporting

Further detail is indicated within the Risk Register where required.

6. Common agreed quantitative impact scales will be used consistently across the organisation.
7. Common, agreed quantitative likelihood scales are will be used consistently across the organisation.

8. Multiple mitigations are to be held for all risks where possible.
9. Realised risks are subsequently assessed against the appropriate risk register entry to assess the effectiveness of the Risk Management process.
10. Historic realisation of risks, may be used to inform the forward looking risk register where appropriate.
11. A core document, the "Risk Register" holds all the key information required to manage the organisational risks at any one time.
12. The Risk Register will be used by the internal audit function to suggest areas of interest for audit.
13. Major projects have their own risk registers managed by the Project management team, but risk assessed by the Project Board
14. Very high profile project risks may be managed by the Business Process Improvement function at the request of the Chief Executive & Registrar. These risk registers may be confidential to the Audit Committee or Council
15. Internal Audit contractors will be appointed for no more than four years.
16. Internal Audit contractors will not also be appointed as External Auditors.

**RISK Management process (20140320eQTYRiskManagement process)**

