

Audit Committee, 6 March 2018

Strategic Risk Register & Operational Risk Register mapping

Executive summary and recommendations

### **Introduction**

The Strategic Risk workshop in February produced a list of Strategic Risks (see Appendix 1).

Options for the level of detail required for the mapping of Operational risks are presented, and Audit Committee are asked to indicate how much detail it would like to receive.

Audit Committee are also asked to indicate the methodology required for calculating strategic risks scores, which can be mapped to the appropriate operational risks where they occur.

How is the Strategic risk calculated? Mean median, mode, etc of included operational risks or something else?

This may influence how the risk data is stored long term.

### **Decision**

The Audit Committee is requested discuss the document.

### **Background information**

None

### **Resource implications**

None

### **Financial implications**

None

### **Appendices**

Appendix 1 – List of Strategic Risks from workshop

Appendix 2 – Options for comparison by Audit Committee

### **Date of paper**

23rd February 2018

## **Appendix 1– List of Strategic Risks from workshop**

The following 6 headline risk areas were agreed.

- 1) Failure to deliver effective regulatory functions
  - a) Delivery of statutory obligations
  - b) HSWPO
  - c) Breakdown by regulatory function
  - d) Failure to meet PSA standards – should this be a separate risk for external/internal perception of importance
  
- 2) Failure to anticipate, influence or respond to external change/environment
  - a) Legislation
  - b) Brexit
  - c) Devolution
  - d) New / emerging professions
  - e) International developments in regulation
  - f) Implications of regulatory failure
  - g) Change of government
  - h) Technological changes / advances - agile and effective regulator
  
- 3) Failure to be a trusted regulator and meet stakeholder expectations
  - a) Communication and stakeholder management
  - b) Intelligence gathering
  - c) Transparency / openness
  - d) Stakeholder research
  - e) PSA relationship and engagement
  - f) External reporting
  - g) Data breaches
  - h) High quality partners
  - i) Reputation
  
- 4) Failure to protect public (setting standards, CPD, education oversight, SOA...comms etc)

- a) Delivered by the others?
- b) 1,2,3,5 & 6 are the risks that impact HCPC's ability to protect the public

5) Failure to be an effective, efficient and agile regulator

- a) Operational failure
- b) Data management
- c) Cyber security
- d) Use of technology
- e) Financial sustainability
- f) Timely and accurate reporting
- g) Recruitment / retention / training including partners employees Council

6) Failure of governance, leadership or culture

- a) Effectiveness of council
- b) Organisational structure
- c) Appraisal process / performance management
- d) Adequate planning
- e) Foresight
- f) Audit
- g) Ethics
- h) Anti – bribery
- i) Whistleblowing
- j) Strategic setting and oversight
- k) Risk management
- l) Vision mission values

## Appendix 2 – Options for comparison by Audit Committee

All existing risks from the “operational” risk register are being mapped to the new “Strategic Risks”. Mismatches will be listed separately.

There are several options for how Audit Committee may want to view those mapped risks. However, the more detail supplied, the greater the volume of data to trawl through.

A full mapping of the operational risks is underway, Audit Committee are asked to indicate what level of detail it would like to see in April. Possible combinations include those below. Other combinations are possible

Option	Strategic Risks from workshop	Operational Risk name from Risk Register	Operational Risk ref from Risk Register	Current risk owner from Risk Register	Pre mitigation risk score from Risk Register	Mitigations 1 to 3 from Risk Register	Post mitigation risk score from Risk Register
1	Yes	Yes					Yes
2	Yes	Yes	Yes		Yes		
3	Yes	Yes			Yes		
4	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Alternately, the operational risk register could be simply tagged with the relevant Strategic Risks.

The committee is asked to indicate the preferred option.