# Audit and Risk Assurance Committee

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| **Meeting Date** | 11 November 2026 |
| **Title** | Strategic risk register |
| **Author(s)** | Anna Raftery, Head of Assurance and Compliance |
| **Executive Sponsor** | Claire Amor, Executive Director of Corporate Affairs |

## Executive Summary

The paper provides the latest version of the Strategic risk register as at November 2026.

As the Audit and Risk Assurance Committee (ARAC) is aware twelve strategic risks have been identified:

- SR01 Delivery of Regulatory Requirements
- SR02 Organisational capacity
- SR03 Appropriate action from EDI data
- SR04 Internal EDI
- SR05 HCPC Culture
- SR06 FTP effectiveness – timeliness
- SR07 FTP effectiveness - case communication
- SR08 Financial sustainability
- SR09 Digital roadmap
- SR10 Cyber security event
- SR11 Responding to regulatory change
- SR12 Delays in funding NHS manager scheme

For each risk a description has been included, along with the key controls and mitigations that are currently in place to manage the risk.

Following feedback from ARAC and the Council, the risk appetite and mitigation narrative have been added. As discussed with ARAC we have begun including within the narrative when we expect to see current risk scores moving towards or achieving the target scores.

In general, the executive is confident that the mitigations in place are the correct ones for the strategic risks identified and that when implemented will result in progress towards the target risk scores. There are some risks where the current planned mitigations will move the risk score towards the target but won't achieve the target score without further mitigating actions. Examples of this include:

- SR08 – Financial sustainability: The current mitigations planned, and in particular the fee rise that has recently been approved by Council, which is now progressing through the parliamentary process, will reduce the current risk score towards the target score. However, as is set out in the strategic risk register to achieve the target score will be dependent on further future mitigations such as further fee reviews and other factors impacting our costs, such as Fitness to Practise (FTP) demand.

- SR10 – Cyber security event: We are confident that the planned mitigations are the right ones and when completed will move us towards the target score. However, this area of risk is fast changing and therefore we continue to keep the mitigations under close review and will add further mitigations as required.

- SR06 FTP effectiveness – timeliness: The current planned mitigations will move the current risk score towards the target risk (e.g. the additional recruitment to achieve 100 Regulatory Investigators to reduce caseloads to manage the increased volume of FTP concerns we are receiving). However, as outlined below and in discussions with Council when the release of £3 million of reserves was agreed to enable further investment in FTP, these mitigations will reduce our risk but will not result in the target risk being achieved. Further mitigations, such as legislation change, are being considered as further mitigations.

In relation to SR11 – Responding to regulatory change – the likelihood has been reduced as we are engaging with the Department of Health and Social Care (DHSC) about de-coupling full regulation reform from hospital managers regulation. That engagement has been positive and constructive and has resulted in a reduction in the likelihood. If we receive further and formal confirmation of an approach that meets our expectations the likelihood score will reduce further and become within the target score.

In relation to SR12 - Delays in funding NHS manager scheme - as outlined in the strategic risk register below as we have received the letter of comfort from the DHSC and officials from DHSC attended September's meeting of Council and provided further strong commitment that the funding is available we propose to remove this risk from the strategic risk register once the DHSC's business case has been approved as it will be within the target score. This will be replaced by a new risk focussed around the delivery of the programme. We will bring the new risk to ARAC for discussion.

The change in the strategic risks over time is shown below:

| *Strategic Risks* | *May '26* | *Aug '26* | *Nov '26* | *Change* | *Target* |
|---|---|---|---|---|---|
| SR01 Delivery of Regulatory Requirements | 9 | 9 | 9 | → | 6 |
| SR02 Organisational capacity | 16 | 16 | 16 | → | 6 |
| SR03 Appropriate action from EDI data | 9 | 9 | 9 | → | 6 |
| SR04 Internal EDI | 12 | 12 | 12 | → | 4 |
| SR05 HCPC Culture | 12 | 12 | 12 | → | 4 |
| SR06 FTP effectiveness - timeliness | 16 | 20 | 20 | → | 12 |
| SR07 FTP effectiveness - case communication | 12 | 16 | 16 | → | 9 |
| SR08 Financial sustainability | 16 | 16 | 16 | → | 6 |
| SR09 Digital roadmap | 12 | 12 | 12 | → | 8 |
| SR10 Cyber security event | 15 | 15 | 15 | → | 10 |
| SR11 Responding to regulatory change | 16 | 16 | 12 | ↓ | 8 |
| SR12 Delays in funding NHS manager scheme | 20 | 20 | 10 | ↓ | 8 |

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| **Action required** | The Committee is asked to review the information provided and seek clarification on any areas. |
| **Previous consideration** | This is a standing item considered at each meeting of the Committee. |
| **Next steps** | The next strategic risk register (SRR) will be presented to ARAC for its meeting in March 2027. |
| **Financial and resource implications** | The SRR highlights financial and resource risks faced, and how these are being mitigated. |
| **Associated strategic priority/priorities** | Relevant to all strategic priorities. |
| **Associated strategic risk(s)** | All |
| **Risk appetite** | All |
| **Communication and engagement** | None as a result of this paper. |
| **Equality, diversity and inclusion (EDI) impact and Welsh language standards** | The SRR includes internal and external EDI risks and how they are being managed. |
| **Other impact assessments** | This paper includes the strategic risk management of potential cyber security events. |
| **Reason for consideration in the private session of the meeting (if applicable)** | Not applicable |

| High Level Risk Summary | Risk Owner | Inherent Risk Score | Current Risk Score | Risk Appetite | Mitigating Actions 2026-27 | MA Narrative | Risk movement | Target Risk Score |
|---|---|---|---|---|---|---|---|---|
| **SR01 Delivery of Regulatory Requirements** | | | | | | | | |
| There is a risk that failure to deliver our statutory functions may impact patient safety and undermine public confidence.<br><br>Key controls and mitigations: A 2026–27 QA workplan will review FTP, Registration and Education, alongside first-line controls. Centralised PSA coordination, and regular engagement. KPIs and performance is monitored and reported to ELT, Committees and Council. Monitoring demand and adjusting workforce levels as appropriate. Decision Review Group and Decision Assurance Group in FTP and Registration Appeals to critically consider hearing decisions and identify learning. More Robust English language requirements in place for international applicants and Phase 1 of changes to the international assessment model implemented in November 2025. Enhanced new record of assessment for CPD audits. | Deputy CEO & Executive Director of ERRS<br><br>Executive Director of FTP & Tribunal Services | 25 (I5xL5) | 9 (I3xL3) | Regulation – Measured | •Enhanced performance, KPI and regulatory assurance reporting to support proactive management intervention where performance falls below agreed standards.<br>•Implementation of revised regulatory standards, policies and operating models, including Phase 2 of the international applications assessment model, enhanced qualification verification arrangements and implementation of the revised Standards of Education and Training.<br>•Strengthened regulatory assurance activity through ongoing Quality Assurance reviews, review hearing scheduling assurance work, Customer Service First Line Checks and preparation for implementation of the PSA's revised Standards of Good Regulation.<br>•Delivery of additional investment in Fitness to Practise, including recruitment of additional investigators, external support arrangements, strengthened performance management and enhanced operational oversight to improve service performance and resilience.<br>•Workforce planning, recruitment and capability development across regulatory functions, including investment in specialist capacity within Legal Services, Education, Registration and Fitness to Practise.<br>•Delivery of data quality and governance improvements to strengthen regulatory decision-making, operational performance monitoring and organisational assurance. | Registration performance remains strong across UK applications, readmissions, renewals and international applications, with most services operating within target. Education has continued implementation of the revised quality assurance model and Standards of Education and Training, supported by high stakeholder satisfaction and increased programme capacity across most professions. Assurance has been strengthened through ongoing Quality Assurance reviews, customer service monitoring and preparation for implementation of the PSA's revised Standards of Good Regulation from April 2027. Improvement activity remains focused on addressing PSA standard performance, strengthening assurance processes and ensuring sufficient capacity to respond to increasing demand and complexity, particularly in Fitness to Practise. Overall, these activities provide reasonable assurance that regulatory objectives are being delivered effectively, although performance remains variable in some areas and there are interdependencies with strategic risks six and seven which impact our overall delivery of our regulatory requirements and would need to be in place before we feel confident to move the current risk score within target. | → | 6 (I3xL2) |
| **SR02 Organisational capacity** | | | | | | | | |
| There is a risk that the our strategic ambition is not aligned with the realities of the organisation's financial and workforce capability and capacity, which may result in reduced workforce resilience, leading to diminished service performance and potential impacts on public protection.<br><br>**Key controls and mitigations:** Workforce plan agreed and aligned with budgets and corporate plan. New talent acquisition approach being developed, including assessment centres for FTP roles. ELT scrutiny of business cases for new activity ensure that the capacity and capability requirements of new initiatives are carefully considered. Investment planning ensures strategic objectives are aligned with financial and resourcing constraints. 2026-2031 People Strategy launched focusing on: Living our values and purpose; Developing our potential; Creating the right conditions for success. | Executive Director of Resources | 20 (I5xL4) | 16 (I4xL4) | People – Open | •Implementation of strengthened workforce planning and modelling to align capacity with organisational priorities, anticipated demand and financial plans.<br>•Targeted recruitment activity in critical operational and specialist roles, supported by assessment centres and improved recruitment processes.<br>•Delivery of the People Strategy, including focus on employee experience, retention, wellbeing, leadership development and organisational capability.<br>•Reprioritisation of the organisational investment portfolio to ensure resources are directed towards critical regulatory and corporate priorities, especially additional investment in FTP<br>•Development of specialist internal capability, including expansion of Legal Services capacity and investment in professional, analytical and technology skills to support sustainable service delivery.<br>•Regular monitoring of workforce capacity and organisational resilience, including oversight of establishment levels, Pulse Survey feedback, vacancies, turnover, recruitment performance and retention metrics to inform management action. | Organisational capacity continues to be actively managed through workforce planning, prioritisation of activity across directorates and targeted recruitment to critical roles. Permanent workforce capacity increased during the quarter with recruitment performance improving. Seven assessment centres were delivered for recruitment to FtP with further assessment centres scheduled. Organisation-wide focus on FtP improvement activity has required the reprioritisation and deferment of a number of projects and workstreams to release capacity. While vacancy and turnover levels remain favourable, sustained pressure associated with FtP demand and the associated recruitment focus on increasing FtP capacity means that effective prioritisation remains essential to maintaining organisational resilience. The risk score is expected to reduce when planned recruitment of 100 Regulatory Investigators and additional managers is achieved (projected from May 2027) and the new staff have become fully productive in their roles. To fully achieve the target score would require further mitigations some of which are dependent on our financial position and externally-driven trends in FtP demand. (linked to SR08). | → | 6 (I3xL2) |
| **SR03 Appropriate action from EDI data** | | | | | | | | |
| There is a risk that inadequate collection, exploration, and understanding of EDI data leads to incomplete analysis, allowing bias within processes and decision-making to go undetected, and resulting in disproportionate outcomes with associated legal and reputational risk.<br><br>**Key controls and mitigations:** EDI data held for 99% of registrants. EDI Impact assessments in place for all new projects. EDI Data sets are published on registrant protected characteristics, and analysis undertaken to understand if our regulatory decisions are fair. EDI data is requested as part of the online portal for FTP complainants. Data Governance Group is in place to actively drive a data culture across the organisation. Data Governance Lead & Senior Data Analyst Business Partner in post to ensure accountability. | Deputy CEO & Executive Director of ERRS | 20 (I5xL4) | 9 (I3xL3) | Data – Open | •Delivery of the Data Governance Improvement Programme, including implementation of actions arising from internal audit recommendations, maintenance of the Data Governance Improvement Register and strengthened governance oversight arrangements.<br>•Data quality improvement activity across regulatory functions, including profiling, validation and remediation of priority data elements to improve the accuracy, completeness and reliability of management information and EDI datasets.<br>•Development and implementation of the Equality, Diversity and Inclusion Strategy, supported by enhanced EDI data collection, analysis and reporting to inform decision-making and identify areas of disproportionality.<br>•Analysis and review of regulatory outcomes and casework data, including targeted reviews of protected-characteristic themes and discrimination-related concerns, to identify trends and inform improvement activity.<br>•Strengthening organisational analytical capability and reporting, including the development of improved dashboards, performance reporting and insight products to support evidence-based decisions at operational and strategic levels. | Progress has been made in strengthening data governance, quality assurance and analytical capability. Audit recommendations are in progress and being supported by a Data Governance Improvement work and include enhanced governance controls and improved reporting arrangements. Data quality improvement activity within FTP has been reset, with priority data elements identified for profiling and remediation. Additional assurance activity includes a review of FTP handling of racial and religious discrimination cases, with findings informing future improvement activity. Next iteration of FTP diversity dashboard produced and soon to be published. These activities strengthen HCPC's ability to identify disparities, improve data quality and support evidence-based decision making. Score will reduce once new EDI strategy has been developed and approved by Council (timetabled for early 2027). This would bring the risk score to within the target score of 6 | → | 6 (I3xL2) |

| High Level Risk Summary | Risk Owner | Inherent Risk Score | Current Risk Score | Risk Appetite | Mitigating Actions 2026-27 | MA Narrative | Risk movement | Target Risk Score |
|---|---|---|---|---|---|---|---|---|
| **SR04 Internal EDI** | | | | | | | | |
| There is a risk that insufficient identification and response to perceived inequities in staff experience may lead employees to feel they are not treated fairly, equitably, or recognised, resulting in reduced morale and engagement, and increasing the risk of discrimination issues and a weakened organisational culture.<br><br>**Key controls and mitigations:** Organisational workforce plan which focuses on career development opportunities updated regularly. Hybrid working approach enables a balanced approach to optimising working patterns and productivity, taking appropriate account of individual and team circumstance. Training for aspiring managers, managers, operational managers and Leads, and senior leadership. Pay award annually, and pay review completed on a three year cycle. Annual gender, ethnicity and disability pay gaps report (last published April 2026). 2026-2031 People Strategy launched focusing on: Living our values and purpose; Developing our potential; Creating the right conditions for success. | Executive Director of Resources | 20 (I5xL4) | 12 (I4xL3) | People – Open | •Delivery of the People Strategy, including initiatives focused on employee experience, wellbeing, leadership development, talent management and workforce inclusion. Actively addressing any areas of poor performance and/or any behaviours not in keeping with our values.<br>•Development and implementation of the Equality, Diversity and Inclusion Strategy, supported by clear governance arrangements, stakeholder engagement and agreed organisational priorities.<br>•Continuing focus on workforce equality monitoring and reporting, including collection and analysis of establishment, recruitment, promotion and retention data to identify disparities and inform targeted interventions.<br>•Further embedding inclusive recruitment practices to support attraction, recruitment and retention of a diverse workforce across all organisational functions.<br>•Delivery of leadership, learning and development programmes to strengthen inclusive leadership capability, organisational behaviours and understanding of equality, diversity and inclusion issues.<br>•Ongoing engagement with staff and sector bodies to identify emerging equality issues, share good practice and inform organisational development activity.<br>• Proactive, regular review of pay gaps and action taken where required. | Activity during the period has maintained the organisation's understanding of workforce and equality issues. Recruitment, workforce and candidate diversity monitoring provide oversight of equality outcomes across the employee lifecycle. Ongoing work to improve organisational data collection and analysis will support more informed decision making regarding inclusion and workforce experience. While some organisational challenges remain, these activities continue to strengthen assurance regarding internal equality, diversity and inclusion outcomes. Score expected to reduce once people strategy delivery is well underway and benefits being realised. | → | 4 (I2xL2) |
| **SR05 HCPC Culture** | | | | | | | | |
| There is a risk that a lack of consistent leadership in fostering values, accountability, and performance culture may undermine organisational effectiveness, impacting decision quality, workforce engagement, and the delivery of credible regulation.<br><br>**Key controls and mitigations:** Quarterly Pulse Survey sent to whole organisation for completion. All free text comments are reviewed by ELT. Ways of Working Policy in place. Annual all staff development day, and monthly all staff briefings led by CEO. Clear speaking up pathways, including Freedom to Speak Up Guardians, formal and informal support form HR, SLT and ELT availability, all detailed in the Speaking Up and Whistleblowing policy. 2026-2031 People Strategy launched focusing on: Living our values and purpose; Developing our potential; Creating the right conditions for success. | CEO | 16 (I4xL4) | 12 (I4xL3) | People – Open | •Delivery of the People Strategy, including initiatives focused on employee experience, wellbeing, engagement, leadership development and organisational effectiveness.<br>•Operation of the Employee Experience Working Group to identify, escalate and address workforce issues and improvement opportunities arising from staff feedback and organisational insight.<br>•Monitoring and improvement of employee engagement, retention and workforce experience metrics, including turnover, retention, absence and employee feedback indicators.<br>•Delivery of leadership and management development programmes to strengthen organisational capability, accountability and alignment with organisational values and behaviours.<br>•Implementation of internal communications and staff engagement initiatives to support organisational change, transparency and employee involvement in decision making.<br>•Embedding organisational values and behaviours through people processes, including recruitment, performance management, learning and development and recognition activity. | The Employee Experience Working Group, leadership development activity and strengthened internal communications continue to support the development of a positive organisational culture. Employee retention remains strong at 83%, supported by continued investment in wellbeing, learning and development and organisational culture initiatives. Continued focus on values, behaviours, workforce planning and employee engagement is helping reinforce accountability and staff experience during a period of significant organisational change. The organisation continues to monitor workforce feedback and respond to emerging issues through established governance structures. Score expected to reduce when workload pressures in FTP reduce through recruitment and investment. Likelihood and impact have been changed in this iteration, but the overall residual score remains unchanged. | → | 4 (I2xL2) |
| **SR06 FTP effectiveness - timeliness** | | | | | | | | |
| There is a risk that FTP improvement programmes may not achieve the required improvements in case timeliness to meet PSA Standard 15, resulting in associated performance and reputational impacts.<br><br>**Key controls and mitigations:** Creation of in-house legal team to increase our capacity to manage frontloaded investigations in-house. Increase in headcount in last year to ensure capacity, capability and resilience to meet increasing demand. Senior leadership oversight of oldest cases on monthly basis. Senior leadership monthly oversight of high risk cases with ELPs. | Executive Director of FTP & Tribunal Services | 25 (I5xL5) | 20 (I5xL4) | Regulation – Measured | •Delivery of additional investment in Fitness to Practise capacity, including recruitment of Regulatory Investigators, assessment centre activity<br>•Strengthened operational oversight and performance management arrangements to improve productivity, case progression and management of workload across FTP teams.<br>•Use of targeted external support arrangements to increase operational capacity and accelerate progression of priority casework activity.<br>•Implementation of operational improvement initiatives to improve case progression, reduce delays and support more efficient management of caseloads and hearings.<br>•Enhanced management reporting and performance monitoring, including oversight of backlogs, allocation times, hearing activity and PSA-related performance indicators.<br>•Continuous review of resource requirements and investigator establishment levels to ensure capacity remains aligned to demand and forecast case volumes.<br>•FTP performance excellence board established to provide governance oversight of FTP improvement investment | Significant investment activity remains underway across FTP, including increased investigator recruitment, use of external providers, strengthened performance management arrangements and investment in legal and operational capacity. Recruitment activity continues to strengthen operational capacity, including dedicated assessment centres for Regulatory Investigator recruitment, permanent investigator appointments and additional onboarding activity. Additional assurance activity has been completed through review hearing scheduling work, implementation of FTP customer service first-line checks and benchmarking activity to support future service improvements. We are engaged with sector wide work in this area co-ordinated by the PSA and will respond to any shared initiaitves or learning arising from this work. New Council KPIs focused on rediucing acive cases received prior to 2024 have been introduced. While these measures are expected to improve throughput and support progress towards PSA Standard 15, performance will take time to embed and increasing case volumes continue to create sustained delivery challenges. When the impact of completed mitigations are seen then we will reduce the current risk score accordingly. However, to achieve the target risk score we will need to consider if further mitigations are required subject to funding/affordability and the level of demand (e.g. FtP concerns being received). | → | 12 (I4xL3) |

| High Level Risk Summary | Risk Owner | Inherent Risk Score | Current Risk Score | Risk Appetite | Mitigating Actions 2026-27 | MA Narrative | Risk movement | Target Risk Score |
|---|---|---|---|---|---|---|---|---|
| **SR07 FTP effectiveness - case communication** | | | | | | | | |
| There is a risk that a lack of effective and timely communication with case parties may prevent the regaining of PSA Standard 18, potentially impacting compliance, service quality, and stakeholder confidence.<br><br>Key controls and mitigations: Lay advocacy service in place to provide independent, lay advocacy for members of the public. Working with Communicourt to provide an intermediary service for registrants and witnesses with communication needs to participate in hearings. FTP Process Factsheets and improved tone of voice on all templates. Registrant support service in conjunction with CiC, to provide free, independent and confidential support and advice to registrants involved in the FTP process. | Executive Director of FTP & Tribunal Services | 25 (I5xL5) | 16 (I4xL4) | Regulation – Measured | •Implementation of Customer Service First Line Checks to improve quality assurance, consistency and compliance with customer service standards.<br>•Deployment of enhanced case update functionality and reporting tools to improve communication with case parties and provide greater management oversight.<br>•Use of external support arrangements to provide case updates and customer communications capacity during periods of increased demand.<br>•Monitoring and analysis of complaints, feedback and customer experience data to identify communication issues and prioritise improvement activity.<br>•Benchmarking and service improvement activity to identify good practice and strengthen customer communication processes.<br>•Regular performance reporting and management oversight of communication standards, response times and customer service outcomes<br>•FTP performance excellence board established to provide governance oversight of FTP improvement investment | FTP has continued to strengthen its customer service approach through enhanced oversight, quality assurance activity and the introduction of new case update functionality. Customer Service First Line Checks have been embedded, benchmarking activity has commenced. An FTP all-employee development day, focused on customer service, was held in October 2026, and customer service training is being rolled out to FTP employees to support a consistent service culture and approach. Enhanced reporting, external support arrangements and engagement with partners have further strengthened organisational understanding of customer experience and service performance. Reporting on the qualitative and quantitative data required to support this work and demonstrate improvement in frequency and quality of updates is being developed. Third party supplier support to deliver updates on FtP investigations now up and running. Notwithstanding these developments, customer service performance remains sensitive to increasing case volumes and wider operational capacity pressures. We expect to be able to reduce the current risk score once we have seen the impact of the contract now up and running to provide updates on FtP cases and the other activities highlighted above. | → | 9 (I3xL3) |
| **SR08 Financial sustainability** | | | | | | | | |
| There is a risk that financial pressures and limits on fee flexibility may undermine sustainability, affecting delivery, regulatory performance, and public protection.<br><br>**Key controls and mitigations:** Budgeting and financial processes are followed, with audit oversight and Finance challenge aligned to ELT principles. Business Change challenge is applied to investment benefits, supported by a Medium-Term Financial Strategy and efficiency plan. Integrated investment planning ensures strategic objectives are aligned with financial forecasts and affordability constraints. All investments are subject to ELT approval, with ongoing reporting of budget and milestones, and monthly financial reviews with Finance. | Executive Director of Resources | 25 (I5xL5) | 16 (I4xL4) | Financial – Measured | •Medium-term financial and workforce planning and modelling to assess future income, expenditure and investment requirements and support informed decision making.<br>•Strengthened investment governance and portfolio oversight arrangements to ensure organisational resources remain aligned to strategic priorities.<br>•Regular financial performance monitoring and forecasting, including review of financial risks, budget performance and emerging pressures.<br>•Prioritisation and reprioritisation of investment activity to ensure delivery of planned benefits within available resources.<br>•Delivery of efficiency, sustainability and value-for-money improvements to support long-term financial resilience and effective resource utilisation.<br>•Ongoing review of funding requirements and future fee-setting assumptions to ensure the organisation remains financially sustainable over the medium and longer term | Release of one-off reserves funding and reprioritisation of investment activity has enabled resources to be directed towards FTP improvement work, although this has resulted in a number of projects and capital investments being deferred into future years. The reserves funding will not be available to fund ongoing costs. A medium-term financial and workforce planning model has been developed to strengthen organisational visibility of full cost of FtP demand and our ability to model different scenarios, as input to business planning for next financial year and the next fees review. Environmental sustainability reporting and assurance arrangements have matured further, while greenhouse gas emissions have reduced year-on-year towards the agreed net-zero objectives. While external economic and demand factors remain outside the organisation's control, these actions improve HCPC's ability to manage resources effectively and respond to emerging pressures. Nonetheless the medium term financial outlook remains challenging and the mitigations will be kept under review. Implementing these mitigations will enable progress towards the target score but by themselves are unlikely to be sufficient to reach the target score, which will require regular fee reviews over the medium to longer term. | → | 6 (I3xL2) |
| **SR09 Digital roadmap** | | | | | | | | |
| There is a risk that we fail to realise the potential benefits of innovation in ways of working and maintaining the resilience of our core processes, as a result of insufficient governance and assurance over the pace of transformation and gaps in capacity and skills, leading to reduced effectiveness.<br><br>**Key controls and mitigations:** Most technology initiatives are part of the major investment programme using formal project management, a continuous improvement process is in place to support improvements to existing systems, effective business continuity planning | Executive Director of Resources | 16 (I4xL4) | 12 (I4xL3) | Compliance – Measured | •Agreement on and then implementation of the Digital and AI Strategy 2026 - 2031 to provide strategic direction for technology, data, automation and AI investment.<br>•Delivery of prioritised digital, data and technology projects through strengthened portfolio governance and investment oversight arrangements.<br>•Development of organisational data, reporting and intelligence capability, including improvements to operational reporting, analytics and data quality.<br>•Investment in automation, AI and digital innovation capability to improve efficiency, productivity and service delivery.<br>•Implementation of modern technology infrastructure, including secure cloud-based network services and platform improvements.<br>•Development of workforce digital capability, including delivery of Safe and Compliant AI Use training and targeted technology skills development activity.<br>•Advisor to Council on tech innovation in place; internal IT innovation lead role reviewed by ELT. | The development of a draft updated Digital and AI Strategy, for PRC and Council review, including exploration of automation opportunities, will strengthen capability and delivery confidence across the digital transformation agenda. Progress includes implementation of a new secure cloud-based network, enhanced FTP operational reporting, data governance and data quality improvement activity, and deployment of new customer service functionality. The organisation continues to invest in automation, AI, data and intelligence capability and has delivered training in safe and compliant AI use to strengthen organisational capability and preparedness. Replanned delivery schedules and strengthened portfolio governance provide confidence in long-term roadmap delivery while ensuring resources remain aligned to strategic priorities. | → | 8 (I4xL2) |

| High Level Risk Summary | Risk Owner | Inherent Risk Score | Current Risk Score | Risk Appetite | Mitigating Actions 2026-27 | MA Narrative | Risk movement | Target Risk Score |
|---|---|---|---|---|---|---|---|---|
| **SR10 Cyber security event** | | | | | | | | |
| There is a risk that insufficient cyber security vigilance and defence mitigations may lead to an incident that disrupts services, compromises data, and impacts financial sustainability, compliance, confidence, and reputation.<br><br>**Key controls and mitigations:** Combination of ISO27001 & Cyber Essentials Plus to maintain good level of control as a baseline. Deployment of E5 security solutions to enhance protection capabilities. Multi-factor authentication in place, SMS MFA decommissioned. Ongoing NIST-aligned assessment of assets, threats, and mitigations. Regular penetration testing to identify and address vulnerabilities | Executive Director of Resources | 20 (I5xL4) | 15 (I5xL3) | Compliance – Measured | •Implementation of cyber security controls aligned to recognised standards and certifications, including ISO27001, Cyber Essentials Plus and PCI DSS.<br>•Investment in secure technology infrastructure and network modernisation, including implementation of a secure cloud-based network and enhanced identity management controls.<br>•Delivery of information governance and data protection activities, including mandatory training, other awareness activity, monitoring of statutory compliance and management of information risks.<br>•Implementation of data governance and data quality improvement actions arising from audit and assurance activity.<br>•Ongoing security monitoring, incident management and assurance oversight to identify and respond to cyber and information-security risks.<br>•Reduction of technology risk through continued modernisation and decommissioning of legacy technology platforms. | Work has commenced on implementation of a new secure cloud-based network, including enhanced security and identity management functionality. Internal audit work on data quality and management has been completed, with improvement actions progressing through established governance arrangements. These activities, alongside recognised security certifications and ongoing security investment, and training and awareness activity, continue to improve organisational resilience and mitigate exposure to cyber and information-security risks. When the planned mitigations are completed we would expect to see the likelihood reduced, but since the threat is constantly evolving and fast moving we will need to keep our mitigations under review to ensure they are adequate. | → | 10 (I5xL2) |
| **SR11 Responding to regulatory change** | | | | | | | | |
| There is a risk that insufficient resources to deliver both regulatory reform and the NHS manager barring system concurrently may result in ineffective implementation of reforms and potential reputational damage, limiting the organisation's ability to ensure regulation remains fit for the modern healthcare landscape.<br><br>**Key controls and mitigations:** Communications and strategic engagement, including parliamentarians and cross-party engagement, on regulatory reform. The Government have confirmed in a Written Ministerial Statement, its commitment to reforming the regulation of healthcare professionals across the UK and delivering legislation relating to the Health and Care Professions Council in this Parliamentary period. High level plan and associated costs for regulatory reform developed. | CEO<br><br>Deputy CEO & Executive Director of ERRS | 25 (I5xL5) | 12 (I4xL3) | Reform – Open | •Ongoing engagement with the DHSC, PSA, governments across the four nations and other key stakeholders regarding regulatory reform and emerging policy developments.<br>•Pursuing strategic S.60 legislation changes short of regulatory reform to alleviate some pressure on FTP system in line with changes to other regulators legislation in recent years.<br>•Development of implementation planning, resource modelling and impact assessments for anticipated legislative and regulatory changes, including NHS Managers regulation.<br>•Preparation for implementation of the PSA's revised Standards of Good Regulation from April 2027.<br>•Monitoring and assessment of emerging policy developments affecting regulation, workforce reform, advanced practice, AI and professional standards.<br>•Stakeholder engagement with professional bodies, employers, trade unions and system partners to support regulatory readiness and understanding of sector impacts. | Engagement with stakeholders and government partners has continued across a wide range of policy and regulatory developments, including advanced practice, workforce reform, regulatory change, AI and implementation planning for NHS Managers regulation. Extensive engagement has been undertaken with governments across the four nations, parliamentarians, professional bodies and trade unions to support policy development and readiness planning. Additional preparatory work has commenced in response to the PSA's revised Standards of Good Regulation, due to take effect from April 2027. Parallel work is underway to ensure organisational systems, technology and operational processes are prepared for future regulatory requirements. These activities are improving organisational preparedness and positioning HCPC to respond effectively to future change, although significant external uncertainty remains regarding the timing and scope of regulatory reform and related policy decisions. Following good and constructive discussions with government officials de-coupling full regulatory reform from hospital managers regulation this reduces the likelihood of this risk from 'likely (4)' to 'possible (3)'. We will continue to keep this under review and will adjust further if we receive formal confirmation of an approach that meets our expectations. This would bring the risk around insufficient resource to deliver regulatory reform at the same time as hospital managers regulation into the target risk score. | ↓ | 8 (I4xL2) |
| **SR12 Delays in funding NHS manager scheme** | | | | | | | | |
| There is a risk that delays in securing government funding, or funding levels falling short of requirements, may delay the initiation of the programme to establish effective oversight of NHS managers, leading to rushed implementation, reputational damage, and potential risks to public safety.<br><br>**Key controls and mitigations:** Clear articulation of funding required. Redline on using registrant fees to fund this scheme. Work not commenced by HCPC and will not commence until funding from Government is in place. | CEO<br><br>Deputy CEO & Executive Director of ERRS | 25 (I5xL5) | 10 (I5xL2) | Reform – Open | •Ongoing engagement with DHSC regarding programme funding, implementation assumptions and governance arrangements.<br>•Co-ordinate and deliver Communication and engagement plans related to NHS Managers.<br>•DHSC have issued a 'letter of comfort' on the HM funding for Q4 FY26-27, this has enabled recruitment to the project team to commence planning, conversation ongoing on full programme funding agreement.<br>•Development and refinement of implementation plans, resource requirements and delivery assumptions to support readiness for programme commencement.<br>•Regular review of programme risks, assumptions and external dependencies to support timely decision making and escalation where required. | Management activity during the period has focused on implementation readiness through continued engagement with DHSC. Recruitment for Phase 1 mobilisation has commenced following agreement from DHSC to provide funding for the initial implementation period, enabling HCPC to begin building the capacity required to support programme delivery. We have received the letter of comfort from the DHSC and officials from DHSC attended September's meeting of Council and provided further strong commitment that the funding is available. Therefore we have reduce the likelihood from 'likely (4)' to 'unlikley (2)'. the 'impact is still rated as 'catestropic (5)' as the HCPC does not have the financial stength to absorb any costs that were not funded by DHSC and therefore the new current risk score of 10 remains above the target risk of 8. Subject to ongoibg review we propose to remove this risk from the strategic risk register once the DHSC's business case has been approved as it will mean likelihood score and reduce even further and will therefore bring the score to be within the target score. This will be replaced by a new risk focussed around the delivery of the programme. We will bring the new risks to ARAC for discussion. | ↓ | 8 (I4xL2) |

| Strategic Risks | May '26 | Aug '26 | Nov '26 | Change | Target |
|---|---|---|---|---|---|
| SR01 Delivery of Regulatory Requirements | 9 | 9 | 9 | → | 6 |
| SR02 Organisational capacity | 16 | 16 | 16 | → | 6 |
| SR03 Appropriate action from EDI data | 9 | 9 | 9 | → | 6 |
| SR04 Internal EDI | 12 | 12 | 12 | → | 4 |
| SR05 HCPC Culture | 12 | 12 | 12 | → | 4 |
| SR06 FTP effectiveness - timeliness | 16 | 20 | 20 | → | 12 |
| SR07 FTP effectiveness - case communication | 12 | 16 | 16 | → | 9 |
| SR08 Financial sustainability | 16 | 16 | 16 | → | 6 |
| SR09 Digital roadmap | 12 | 12 | 12 | → | 8 |
| SR10 Cyber security event | 15 | 15 | 15 | → | 10 |
| SR11 Responding to regulatory change | 16 | 16 | 12 | ↓ | 8 |
| SR12 Delays in funding NHS manager scheme | 20 | 20 | 10 | ↓ | 8 |

**Heat map of strategic risks - current**

| | Highly unlikely 1 | Unlikely 2 | Possible 3 | Likely 4 | Highly Likely 5 |
|---|---|---|---|---|---|
| Catastrophic 5 | | SR12 | SR10 | SR06 | |
| Significant 4 | | | SR04 SR05 SR09 SR11 | SR02 SR07 SR08 | |
| Moderate 3 | | | SR01 SR03 | | |
| Minor 2 | | | | | |
| Insignificant 1 | | | | | |

**Heat map of strategic risks - target**

| | Highly unlikely 1 | Unlikely 2 | Possible 3 | Likely 4 | Highly Likely 5 |
|---|---|---|---|---|---|
| Catastrophic 5 | | SR10 | | | |
| Significant 4 | | SR09 SR11 SR12 | SR06 | | |
| Moderate 3 | | SR01 SR02 SR03 SR08 | SR07 | | |
| Minor 2 | | SR04 SR05 | | | |
| Insignificant 1 | | | | | |