Council, 2 July 2014

Risk Management Strategy and processes at HCPC

Executive summary and recommendations

Introduction

A risk management strategy and associated processes are documented. The strategy and process was considered by the Audit Committee at its meeting on 24 June 2014.

Decision

Council is asked to review and approve the strategy and process.

Resource implications

None

Financial implications

None

Date of paper

23 June 2014
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 on a four year cycle. 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.

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.
<table>
<thead>
<tr>
<th>Business Process Improvement (BPI)</th>
<th>Process owners (EMT/MMT)</th>
<th>Internal &amp; External Audit organisations</th>
<th>Council &amp; Audit Committee</th>
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<tbody>
<tr>
<td>Start of December or start of July, ongoing repeat process, biannually</td>
<td>New Risks located outside review cycle to be escalated to EMT before addition to the Register.</td>
<td>Risk owners evaluate current documented risks and determine new risks if located. New Risks have Impact and Likelihood determined before mitigation and Risk score calculated. Determine appropriate mitigations. Highlight new risks to BPI. Produce or update Top Ten Narrative report for Audit Committee. Changed risk levels reported to BPI within 15 days.</td>
<td>Top Ten Risks Narrative content discussed at Audit Committee at Jan/Feb &amp; Sept Audit Comm meetings (Risk register as back up)</td>
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<td>Circulate latest Risk Register to risk owners, with 15 day turn around time specified</td>
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<td>Narrative and Risk register noted and possibly discussed at Council meeting</td>
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<tr>
<td>Develop bespoke Risk Register for major projects or events, then follow regular process at appropriate time scales</td>
<td>EMT consider Risk Register and commentary document, and feedback for updates if required.</td>
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<td>Consolidated and updated Risk register prepared and circulated to EMT for comment, with Top Risks commentary for High and Medium residual risks</td>
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<td>BPI prepare Risk register for next Audit committee meeting papers, February and September meetings</td>
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<td>Risk register and narrative prepared for next Council meeting papers</td>
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<td>Secretary to Council or delegated employee completes minutes of Audit committee</td>
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<td>BPI update Risk register with any council comments. BPI maintain Risk register</td>
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The Risk Register is a spreadsheet-based product used to track corporate level risks on an ongoing basis. The Top Ten Risks narrative is a textual product, listing the Top Ten or all High to Medium residual level risks after mitigations.