
Strategic Risk Register

Executive Summary

This paper provides an update on changes to the strategic risks following a review over April/May 2020. These include:

- Progress against Accelerated Strategic Priorities / Change Plans.
- Response to Covid-19 pandemic and its impact on risk
- Postponement of the new fee change plan.

The response of HCPC to the regulatory requirements of Covid-19 (temporary registers and supporting processes) and the move from office based to home working and increase on-line conferencing has curtailed Final Hearings in the immediate future. Postal services and public calls into the office are disrupted requiring process changes.

Likelihood has increased from 3 to 4 for the following risks.

SR1. Failure to deliver effective regulatory functions

SR4. Failure to be an efficient regulator

The planned actions for 2020-21 have been populated.

Previous consideration	The Strategic Risk Register will be discussed at the next SMT.
Decision	The Committee is asked to note the changes.
Next steps	The updated strategic risks will be appended to the Chief Executive's performance report for the upcoming Council meeting on in July 2020.
Strategic priority	All
Risk	All

Financial and
resource
implications

Not applicable

Author Roy Dunn, Chief Information and Risk Officer

HCPC Strategic Risks

2018-19 to 2022-23

Relationship with strategic priorities

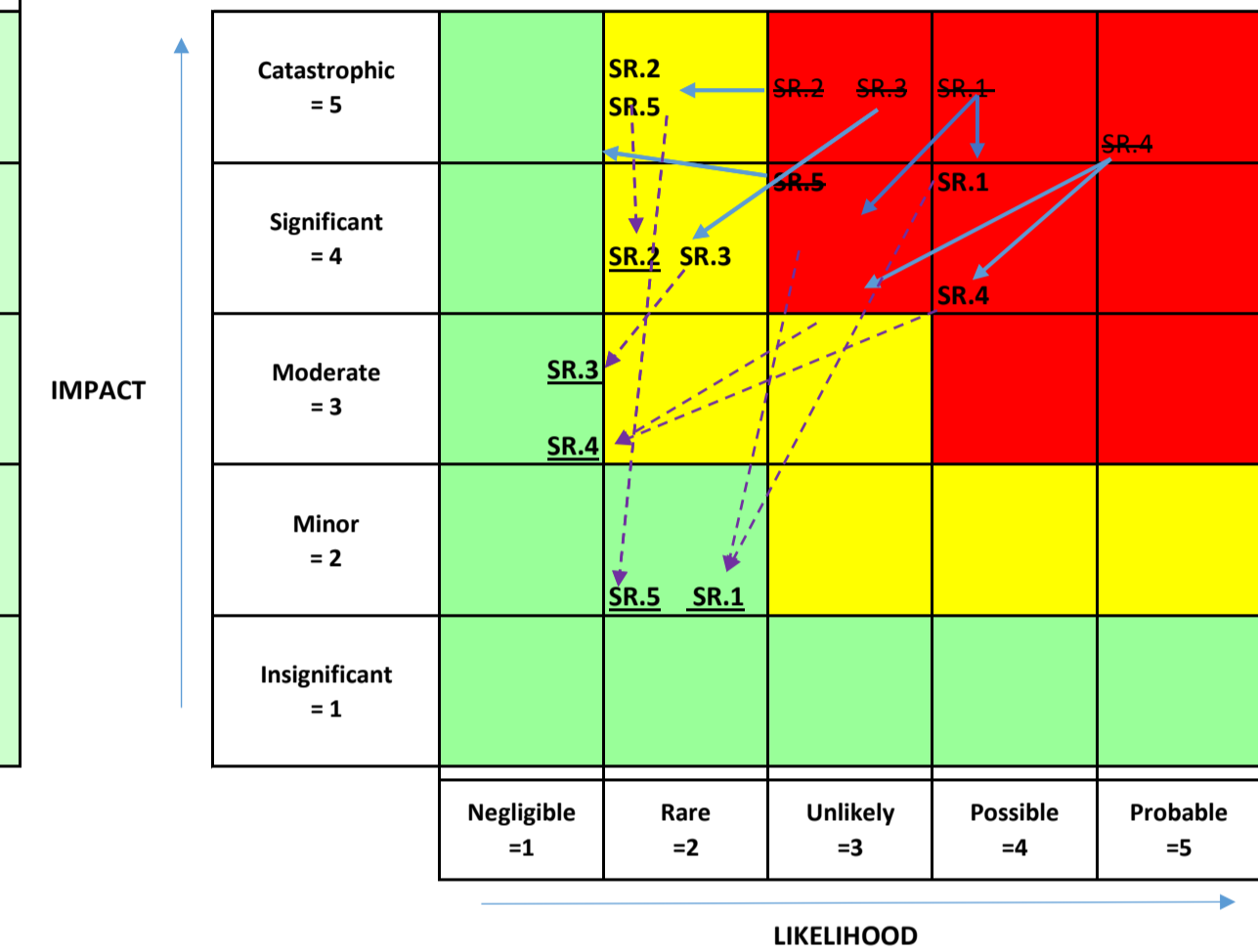
SP1 Perf	SP2 Com	SP3 Adapt	SP4 Evid

Summary of strategic risks

Strategic Risks - High Level	Risk Description	INHERENT RISK	RESIDUAL RISK	EXPECTED RISK*
1. Failure to deliver effective regulatory functions	This includes the inability to fulfill our statutory obligations set out in the Health and Social Work Professions Order and the failure to meet the PSA's Good Standards of Regulation.	20	16	4
2. Failure to anticipate and respond to changes in the external environment	This includes the ability to respond and influence external drivers for change, like the impact of Brexit, devolution or a change in government as well as issues like workforce development, new and emerging professions or government policies affecting professional regulation. It also includes awareness and responsiveness to advances in technology and systems.	15	10	5
3. Failure to be a trusted regulator and meet stakeholder expectations	This risk includes the management of stakeholder engagement and key relationships as well as reputation management.	15	8	5
4. Failure to be an efficient regulator	This risk includes the operational failure of processes, or the inability to manage data efficiently as well the vulnerability of IT security. It also includes financial security, timely and accurate reporting and the recruitment, retention and training of Partners, Council and employees.	25	16	5
5. Failure of leadership, governance or culture	This risk includes the effectiveness of Council, strategy setting and oversight, risk management and business planning. It also covers organisational culture including the existence of relevant policies for whistleblowing or anti-bribery for example and processes for performance development.	12	10	4

* Expected risk score post planned actions

Heat map of strategic risks



STRATEGIC PRIORITIES DEFINITIONS

Strategic priority 1 = Performance = (SP1) Improve our performance to achieve the Professional Standards Authority's Standards of Good Regulation
Strategic priority 2 = Communication = (SP2) Ensure our communication and engagement activities are proactive, effective and informed by the views and expectations of our stakeholders
Strategic priority 3 = Adaptability = (SP3) Ensure the organisation is fit for the future and is agile in anticipating and adapting to changes in the external environment
Strategic priority 4 = Evidence = (SP4) Make better use of data, intelligence and research evidence to drive improvement and engagement

This strategic risk register matches the current Five Year Plan.

Key

Risk = Impact x Likelihood

Inherent Risk	SR.x	That level of risk existing before any mitigations were put in place.
Residual Risk	SR.x	That level of risk that the organisation has currently mitigated down to.
Expected Risk	SR.x	That level of risk that the organisation finds desirable but may not have yet attained.

STRATEGIC RISK
1. Failure to deliver effective regulatory functions

RISK OWNER
SMT

Review Date
May-20

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2020-21	Expected risk 2022-23
<p>This includes the inability to fulfil our statutory obligations set out in the Health and Social Work Professions Order and the failure to meet the PSA's Good Standards of Regulation.</p> <p>Specifically, Delivery of statutory obligations Breakdown of regulatory functions Failure to meet PSA standards Impact of COVID-19 Pandemic on all regulatory, support and management functions at HCPC.</p> <p>Temporary registers for ex-registrants and recent graduates / students have been created outside usual regulatory systems with manual work around to respond to projected requirements within the UK health sector. (as required under emergency legislation).</p>	5	4	20	1) Adherence to operational processes and legal powers set out in statutory legislation 2) Regular review of resourcing requirements to ensure they are adequate 3) Regular training for Partners and employees 4) Scheduled Quality assurance and auditing processes 5) Delivery of workplans and monitoring through reporting/metrics 6) Information sharing through Memoranda of understanding 7) Learning through review of PSA performance reviews of other regulators and commissioned reviews within the sector 8) Regulatory functions refined to allow remote operation. (COVID-19) 9) Proportionate Temporary registers removal process without full FTP process.	4	4	16	1) PSA standard improvement action plan (PSA Action Plan Working Group) (Q1-4) 2) FtP Stabilisation and Sustainability project (FtP Q1-4) 3) Education risk based data sources feasibility study (Education Q1-4) 4) Registration transformation and Improvement project delivery (projects, registration Q3) 5) Monitoring regulatory performance through performance report and KPIs (All, ongoing) 6) Execution of the budget & agreed investment in regulatory performance (Finance, ongoing to Q4)	4

RELEVANT STRATEGIC PRIORITIES

Strategic Priority 1: Improve our performance to achieve the Professional Standards Authority's Standards of Good Regulation

COMMENTS ON PROGRESS

April-May 2020 update: **FTP** - Close down face to face activities in HCPTS in light of government distancing guidelines during COVID-19 Pandemic. Interim Order and I/O review processes switched to virtual meetings on papers. Short term postponement of Final Hearings to early summer. Slight downturn in new FTP cases as NHS operations switch to solely supporting Pandemic response activities. Covid-19 related ftp cases are being collated in one place to ensure view of emerging issues is clear and immediate. FTP improvement workstreams continue, Interim Head of FTP appointed. **Registration** - temporary register rapid implementation, inherent risk of unsuitable registrants being admitted to this register but considered proportionate to consequences of shortage of workforce and implemented at government request. Switch to online processes wherever possible, mitigate lack of telephone based activity with additional routing of calls to email, periodic scan of incoming post in-house prior to short term storage. CPD auditing temporarily suspended. **Education** switched to non visit plan, no issues around paper document submission as already entirely online based processes. First Virtual Approval visit has been successfully run, with only minor limitations. **Policy** focus on guidance and information provision and delay to SOPs consultation launch due to availability of stakeholders at this time. **PSA** - communication received regarding approach to covid-19 response, requires information to be provided. Unclear on the implication for the 2019-20 performance review.

Remote working potentially makes management of regulatory processes more difficult, but new methods of reporting and control being developed. Budget 2020/21 signed off by Council, Fee Rise agreed by Council but timing depends on external environment.

STRATEGIC RISK
2. Failure to anticipate and respond to changes in the external environment

RISK OWNER
SMT

Review Date
May-20

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2020-21	Expected risk 2022-23
This includes the ability to respond and influence external drivers for change, like the impact of Brexit, devolution or a change in government as well as issues like workforce development, new and emerging professions or government policies affecting professional regulation. It also includes awareness and responsiveness to advances in technology and systems.	5	3	15	1) SMT relationship building and liaison with key stakeholders particularly Government Departments, professional bodies, other regulators and suppliers 2) Horizon scanning and intelligence gathering including from relationship building to be aware of external drivers and influencers 3) Continued investment through major project process for the development of business processes and systems 4) Publication of FtP, Education and Registration information and datasets through annual reports and FOI requests 5) Early planning and scenario development as pandemic response changes within UK and globally.	5	2	10	1) Delivery of Communications & Engagement Strategy and communications workplan (Comms, ongoing to Q4) 2) Delivery of research programme set out in Policy & Standards workplan (Policy, ongoing to Q4) 3) Review of the SOPs (Policy Q1-3) 4) Data and Intelligence function scope defined and implemented (Q1-4) (Policy / Governance) 5) Development of prevention agenda (Q1-4) / Professionalism and upstream regulation lead recruited (Q1) (ED External Relations & Policy) 6) Continued collaboration with other regulators, for example MOUs or joint statements (Governance/Policy, ongoing to	5

RELEVANT STRATEGIC PRIORITIES
 Strategic priority 3: Ensure the organisation is fit for the future and is agile in anticipating and adapting to changes in the external environment
 Strategic priority 4: Make better use of data, intelligence and research evidence to drive improvement and engagement.

COMMENTS
April-May 2020 update: Across Regulatory, Communications, Governance and Policy functions, rapid, specific response to central and home country government departments, professional bodies and other stakeholders. Built temporary register functions in response to developing crisis. Few legal issues prevent full FTP process remote working as Final Hearings still required to be physical events. eBundles project progressing and working on establishing virtual final hearings. Sharing and collation of approaches and issues across regulators through CEORB.

STRATEGIC RISK
3. Failure to be a trusted regulator and meet stakeholder expectations

RISK OWNER
SMT

Review Date
May-20

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2020-21	Expected risk 2022-23
<p>This risk includes the management of stakeholder engagement and key relationships as well as reputation management.</p> <p>Specifically, Communication and stakeholder management Intelligence gathering Transparency/openness Stakeholder research PSA relationship and engagement External reporting Data breaches High quality Partners and suppliers Reputation</p>	5	3	15	1) Communications Strategy, underpinned by stakeholder communications and engagement plan with clear deliverables and milestones 2) Adherence to agreed processes and organisational values of transparency, collaboration, responsiveness, high quality service and value for money 3) Regular stakeholder opinion polling to understand needs and expectations 4) Management and response to complaints handling, including Freedom of Information and Subject Access Requests 5) Engagement with appropriate organisations including for example other regulators, Government, professional bodies, trade unions and service user organisations 6) Analysis and action planning from feedback mechanisms including corporate complaints, FtP stakeholder surveys, stakeholder opinion polling and education provider survey	4	2	8	1) Delivery of Communications & Engagement strategy and stakeholder workplan (Comms, Q2 to Q4) 2) Development of prevention agenda (Q1-4) / Professionalism and upstream regulation lead recruited (Q1) (ED External Relations & Policy) 3) PSA standard improvement action plan (PSA Action Plan Working Group) (Q1-4) 4) Data and Intelligence function scope defined and implemented (Q1-4) (Policy / Governance) 5) Review of partners remuneration and E learning and improved partner training opportunities HR (Q1-4)	5

RELEVANT STRATEGIC PRIORITIES

Strategic priority 2: ensure our communications and engagement activities are proactive, effective and informed by the views and expectations of our stakeholders
 Strategic priority 3: Ensure the organisation is fit for the future and is agile in anticipating and adapting to changes in the external environment

COMMENTS

April-May 2020 update: Intense communication with home country and central government departments and at many levels by multiple departments builds confidence in HCPC's reactivity and ability. Positive feedback received from deputy AHPO on HCPC's professionalism and assistance. Delivered Temporary registers within the required time frame. Extensive guidance provided to key stakeholders and regularly updated to reflect changes in Govt. guidance, eg PPE.

STRATEGIC RISK
4. Failure to be an efficient regulator

RISK OWNER
SMT

Review Date
May-20

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2020-21	Expected risk 2022-23
<p>This risk includes the operational failure of processes, or the inability to manage data efficiently as well as the vulnerability of IT security. It also includes financial security, timely and accurate reporting and the recruitment, retention and training of Partners, Council and employees.</p> <p>Specifically, Operational failure Data management Cyber security Use of technology Financial sustainability Timely and accurate reporting Recruitment/retention/training including partners, employees, Council</p> <p>Financial sustainability, Uncertainty around Fee Rise or additional grant monies.</p>	5	5	25	1) Adherence to operational processes and policies which are subject to internal and external audit eg ISO 2) Adherence to budgeting and financial management and reporting processes which are subject to internal and external audit eg NAO 3) Adherence to HR processes in relation to recruitment, annual performance development review and and learning and development for Partners and employees 4) Effective IT system design maintaining confidentiality, integrity and availability of data 5) Maintenance of ISO27001 Information Security standard which is subject to external audit 6) Regular independent security assessments of key IT infrastructure 7) Continuous quality improvement quality assurance audits - postponed from start of 2020/21 as new work processes are established with remote working related to Covid-19 pandemic. 8) Development and implementation of a corporate strategy 9) Maintenance of business continuity infrastructure and processes	4	4	16	1) Delivery of culture & engagement action plan / well being agenda(HR/Comms, ongoing to Q4) 2) Delivery of systems projects including registration transformation (Projects, ongoing to Q4) 3) Developing the role of the QA function, sources of assurance and the use of performance metrics (QA Q1-4) 4) Digital transformation strategy developed (IT Q1-2) 5) New financial modelling developed (Finance Q1-3) 6) Investigate financial sustainability (Finance/SMT, ongoing to Q4) 7) explore more effective recruitment and retention practices (HR Q1-4) 8) Return to some office based working for those requiring office presence requires covid	5

RELEVANT STRATEGIC PRIORITIES
 Strategic priority 3: Ensure the organisation is fit for the future and is agile in anticipating and adapting to changes in the external environment

COMMENTS
April-May 2020 update: Covid-19 response - imposes operational changes across organisation. Rapid move to 100% working from home for all employees. Process in FTP (HCPTS) delayed as Final Hearings cannot take place. Individual case length likely to increase. Increase likelihood from 3 to 4 increasing risk to 16 in the short term reflecting initial switch to remote working practices. May reduce to likelihood of 3 as processes bed in and issues resolved. Plans are being produced for a return to office based working at an unknown future date. **Fees** - Covid-19 Pandemic delays Fee Rise project which could impact on efficiency of organisation as no date for laying is known at present. Parliament is recessed. Impact on regulatory functions, and steps to mitigate enforced changes potentially increase costs in short term. **QA** - QA audits delayed at start of new financial year as regulatory functions need to focus on BAU and Covid response. QA function development work will continue remotely but opportunities for cross departmental workshops now less likely. QA team reviewing temporary covid-19 response processes from regulatory departments. **Information Security** - ISO27001 recertification audit delayed until August 2020 due to heavy reliance on IT personell for audit. **Risk assessment and planning for some office based work post pandemic, underway. 'Reset and renewal' project established to consider opportunities for new ways of working post Covid-19**

STRATEGIC RISK
5. Failure of leadership, governance or culture

RISK OWNER
Chair and SMT

Review Date
May-20

RISK DETAIL	Inherent Impact	Inherent Likelihood	Inherent Risk	EXISTING CONTROLS / MITIGATIONS	Residual Impact	Residual Likelihood	Residual Risk	Planned actions 2020-21	Expected risk 2022-23
<p>This risk includes the effectiveness of Council, strategy setting and oversight, risk management and business planning. It also covers organisational culture including the existence of relevant policies for whistleblowing or anti-bribery for example and processes for performance development.</p> <p>Effectiveness of Council Organisational structure Appraisal process/performance management Adequate planning Foresight Audit Ethics Fraud and anti-bribery Whistleblowing Strategic setting and oversight Risk management Vision mission values</p>	4	3	12	<p>1) Robust and effective Council recruitment processes with appointment against competencies, member induction and annual appraisal process</p> <p>2) Well researched and drafted Council & Committee papers with clear, well reasoned decision making</p> <p>3) Training and internal communications to ensure Partners, Council and employees aware of and sensitive to issues including whistleblowing, anti-bribery, equality and diversity</p> <p>4) SMT oversight of HR and internal communications work to support the development of our culture and environment as well as delivering continuous improvement through all employee survey</p> <p>5) Robust audit plans, regular review of risks</p> <p>6) Strategic intent incorporating drivers, vision and values</p> <p>7) Adherence to relevant internal policies including for example anti-bribery, whistleblowing (includes mandatory all employee e-learning modules) and continued engagement with cross-organisational groups including the Employee Consultation Group and Corporate Social Responsibility</p> <p>8) SMT: meetings held regularly, with well drafted papers and clear decision making communicated; visibility and transparency achieved with meeting papers online and regular round-up on intranet</p>	5	2	10	<p>1) Delivery of Culture & Engagement action plan (Comms/HR, ongoing to Q4)</p> <p>2) Develop new corporate strategy with engagement & dissemination to key stakeholders of final plan (SMT, from Q2 to Q4)</p> <p>3) Review of committee governance structure by SCM (from Q1)</p> <p>4) Review of whistleblowing policy and processes (Governance Q1-2)</p> <p>5) Review of Council skill matrix, competencies and appointment process (Governance Q2-3)</p> <p>6) Risk management system review project (Governance from Q1)</p> <p>7) EDI action plan (Lead by Policy Q1-4)</p> <p>8) Succession plan to be reviewed and developed (HR Q2-4)</p>	4

RELEVANT STRATEGIC PRIORITIES

Strategic priority 3: Ensure the organisation is fit for the future and is agile in anticipating and adapting to changes in the external environment
Strategic priority 4: Make better use of data, intelligence and research evidence to drive improvement and engagement.

COMMENTS

April-May 2020 update: Culture - Remote / home working across the entire organisation may impact some users wellbeing and impact organisational culture. Management of dispersed organisations is more difficult and potentially time consuming. Reliance on remote working technologies may impact Council and committee meetings, team meetings and one to one's between managers and direct reports. Potentially less spontaneous contact. Weekly SMT/OMT and other functions meeting to discuss any issues and progress towards full remote working. Employee wellbeing platform available with resources including access to GP service. Review of annual performance system underway with focus on embedding a culture of development and performance.

SMT - Substantive CEO and registrar appointment made, vacancy resulting for ED of Regulation. ED of Digital Transformation joined SMT 12 April. CEO developing proposals for transition from interim SMT structure to permanent including consideration of succession planning and talent development.

Strategy - Covid-19 could impact on progressing this given the immediate need to respond to the pandemic internally and externally.

RISK MATRIX DEFINITIONS

IMPACT TYPES

LIKELIHOOD AREAS

	Public Protection	Financial	Reputation
	Catastrophic 5	Catastrophic 5	Catastrophic 5
IMPACT	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
	Significant 4	Significant 4	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.	Unfunded pressures £250k - £1 million	Incompetence/ maladministration that will undermine public trust or a key relationship for a sustained period or at a critical moment.
	Moderate 3	Moderate 3	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.	Unfunded pressures £50,000 - £250,000	Incompetence/ maladministration that will undermine public trust or a key relationship for a short period. Example Policy U-turn
	Minor 2	Minor 2	Minor 2
	A systemic failure which results in inadequate protection for individuals/individual communities, including failure to resolve celebrity cases.	Unfunded pressures between £20,000-£50,000	Event that will lead to widespread public criticism.
Insignificant 1	Insignificant 1	Insignificant 1	
A systemic failure for which fails to address an operational requirement	Unfunded pressures over £10,000	Event that will lead to public criticism by external stakeholders as anticipated.	

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

Risk = Impact x Likelihood
 Low risk = 1 to 5; Medium risk = 6 to 10, High risk = 11 to 25