
Risk appetite review

Executive Summary

The Head of Assurance and Compliance has reviewed the HCPC’s risk appetite statement approved by the Council in October 2023, following approval of the corporate plan for 2024-25. No changes to the risk appetite statement were proposed to the Executive Leadership Team following this review.

The revised risk appetite statement was well received by the organisation and the focus since its approval in October 2023 has been to increase awareness among employees and embed its use in operational practice to ensure any resource and financial investment decisions, or strategic decisions, are being guided by our risk appetite. This has included a presentation at an All employee briefing and the inclusion of the risk appetite in the new templates for investment planning and the cover sheet for Council, Committee and ELT papers.

The current risk appetite statement is attached at Appendix 1 for reference.

Previous consideration	The current risk appetite was updated and approved by the Council in October 2023. This had been reviewed and recommended for approval by the Audit and Risk Assurance Committee (ARAC) at its meeting in September 2023. The current risk appetite is reflected in the strategic risk register presented to the Audit and Risk Assurance Committee at each meeting.
Decision	To update and discuss
Next steps	The next scheduled review of the risk appetite will take place as part of the development of the new corporate strategy to take effect from 2026-27. The next update to the ARAC will be in September 2025 and will update on how the risk appetite is being used in practice in decision-making.
Strategic priority	Strategic priority 1 – Continuously improve and innovate Strategic priority 5 – Build a resilient, healthy, capable and sustainable organisation
Financial and resource implications	None as a result of this paper.

EDI impact and Welsh language standards	None as a result of this paper.
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Appendix 1 Risk Appetite Statement

HCPC Risk Appetite Statement November 2023

Regulation – Measured (Registration, Education, FTP, Policy & Standards)

Our focus is on long term and lasting quality in our regulatory delivery. We prefer safer delivery options for meeting our requirements as a regulator, accepting a measured degree of residual risk and choosing the option most likely to result in successful delivery in order to continue as an effective regulator.

It is **essential** that mitigations to ensure ongoing public protection are in place as a foundation of taking risks to delivering regulatory requirements.

Influence/Leadership – Seeks (Engagement, comms, profile, reputation, influence)

We are willing to take decisions which are likely to bring additional scrutiny of the organisation. We outwardly promote new ideas and innovations where potential benefits outweigh the risks.

It is **essential** that the HCPC's voice is not perceived to be party political. The HCPC is neutral as a public body.

Compliance – Measured (PSA, ISO, ICO, Environmental, H&S, etc)

We have a preference for safe delivery options with little residual risk. We want to be reasonably sure we would win any challenge. Data protection, IT and cyber security are covered by this risk type.

It is **essential** that the long-term achievement of PSA standards is assured.

Financial – Measured (Finance, VFM, Estates)

We will pursue safe delivery options, accepting small residual financial risk only if that could yield upside opportunities. Value for money, affordability and long-term financial sustainability are our primary financial concerns in fulfilling our regulatory responsibilities, but we are open to considering other benefits and constraints in evaluating financial plans.

It is **essential** we remain a financially viable organisation to ensure continued public protection through continued operation. Significant financial risks are not compatible with this requirement.

People – Open (Employees & Partners)

We aim to invest in our people to create innovative mix of skills environment. We are prepared to accept risk as long as there is the potential for improved culture, recruitment and retention.

It is **essential** that risk taking in this area is consistent with the HCPC's values and culture. As an employer are committed to upholding and promoting Equality, Diversity and Inclusion.

Reform – Open (Regulatory Reform)

We support innovation, with demonstration of benefit or improvement in service delivery. We are receptive to taking difficult decisions when benefits outweigh risks. Processes, oversight and monitoring arrangements enable considered risk taking.

It is **essential** that the opportunities taken with regulatory reform are fully evidenced and cross organisational impact is considered and documented.

Data – Open (Quality, analysis, sharing)

We accept need for operational effectiveness in distribution and information sharing. We support innovation and new approaches, as long as there is the potential for improved data quality. *(Please note data protection is covered by the Compliance risk type)*

It is **essential** that we understand our data when sharing and publishing analysis.