

# **RISK ASSESSMENT**

## **EXECUTIVE SUMMARY AND RECOMMENDATIONS**

### **INTRODUCTION**

Every six months, good corporate governance dictates that the organisation's risk analysis should be re-appraised. The Audit Committee takes some cognisance of its contents in assessing its work.

The analysis has been reviewed and adjusted where necessary, especially in the light of the work done under our ISO certification. The Committee is asked to review the current document and approve it.

### **DECISION**

The Committee is asked to agree the following:

**Having reviewed the November 2004 edition of the Risk Assessment Document, it approves its release as the current Assessment, for internal use and for publishing to the Privy Council, Auditors and others.**

### **BACKGROUND INFORMATION**

None

### **RESOURCE IMPLICATIONS**

None

### **FINANCIAL IMPLICATIONS**

None

### **BACKGROUND PAPERS**

See Risk Assessment – November 2004 document

### **APPENDICES**

None

# HEALTH PROFESSIONS COUNCIL

## RISK ASSESSMENT November 2004

Ref	Category	Description	Mitigation I	Status	Mitigation II	Status	Mitigation III	CURRENT STATUS Possibility of Occurance	Previous Status April 2004
1	Strategic	1.1 HPC fails to deliver OIC	Delivery of HPC Strategic Intent	O	Publication of Privy Council annual report	TBC		Low	Low
		1.2 Unexpected change in UK legislation	Relationship with Government departments	O	Lobbying	O		Low	Low
		1.3 Incompatible OIC and EU legislation	Monitoring of EU	O	EU lobbying	O		Med.	Med.
		1.4 CRHP conflict	President on CRHP Council	O	Communications	O		Low	Low
		1.5 Privy Council rejects fee increase	Communications strategy	O	Flexible Budgetary Control	O		Low	Low
2	Operations	2.1 Park House unoccupiable	Disaster recovery plan and rehearsal	TBC	Fire safety policy and procedures Availability of safety equipment Alarms	C	Contingency plans	Low	Low
				C					
				O					
		TBC	O	Low	Low				
		O	O	High	High				
		O	C	Med.	Med.				
O	O	High	High						
		2.6 Long term public transport disruption	Disaster recovery plan	TBC				Med.	Med.

## HEALTH PROFESSIONS COUNCIL

### RISK ASSESSMENT November 2004

		2.7 Inability to accommodate staff	Investigate premises	O	Park House renovation	C		High	High
		2.8 Long term disruption to telephones	Disaster recovery plan	TBC				Low	Low
3	Communications	3.1 Failure to inform public	Delivery of communications strategy	O	Annual awareness survey	TBC		Med	High
		3.2 Loss of support of professions	Delivery of communications strategy	O				High	High
		3.3 Loss of support from HEIs	Delivery of communications strategy	O	Privy Council	O		Med.	Med.
		3.4 Impact of other regulatory failures	Strategic Intent	O				Low	Low
		3.5 Inability to inform stakeholders following crisis	PR crisis management plan	TBC				Med.	Med.
4	Corporate Governance	4.1 Council inability to make decisions	Voting procedures in place	C				Low	Low
		4.2 Council members Conflict of Interest	Annual report	C	Publication of annual returns	C	Notification procedures	Low	Low
		4.3 Failure to meet Council and Committee quorums	Quality of Council members	O	Number of meetings	C		Low	Low
		4.4 Members' poor performance	President's annual appraisal of members	O				Low	Low
		4.5 Maverick CEO and/or President	Annual review Appraisal system	O	Standing orders	C	Dismissal	Low	Low
		4.6 Improper financial incentives offered to employees	HR Strategy	O	Rules concerning acceptance of hospitality, etc.	O		Low	Low

## HEALTH PROFESSIONS COUNCIL

### RISK ASSESSMENT November 2004

5	IT	5.1 Virus attack	Firewalls	O	Adherence to IT policy and procedures and training	O	External reviews	Occurring	Occurring
		5.2 Technology obsolescence, HW & SW	Open system IT strategy	O	Capital investment	O		Med.	Med.
		5.3 IT fraud or error	Control procedures in place	C	Regular password change	O	External reviews	Med.	Med.
							Daily backup		
6	Partners	6.1 Inability to recruit and/or retain Partners	Rolling list of suit able candidates	O	HR Strategy: Appropriate compensation package in place	O		Med.	Med.
7	Education	7.1 Non-detection of low HEI standards	Communication and consultation	O	Approval process	O		Med.	Med.
		7.2 Setting standards too high	Council review of Education & Training and Registration Committee work	O				Low	Low
		7.3 Institutions refusing visits or submitting data	Legal powers	C				Low	Low
8	Registration	8.1 Registration system failure	IT strategy	O	Capital investment	O	Disaster recovery	Med.	Med.
		8.2 Inability to detect fraudulent applications	Experience	O	Policy and procedures	O		Med.	Med.
		8.3 Registrant boycott of fee increase	Communications strategy	O				Med.	Med.
		8.4 Backlogs of registration and Grandparenting	IT Strategy	O	Flexible staffing levels	C		Med.	Med.

## HEALTH PROFESSIONS COUNCIL

### RISK ASSESSMENT November 2004

9	HR	9.1 Loss of key employees	Succession planning	TBC	Internal promotion policy	O	Key employee insurance	Low	Low
		9.2 High turnover of employees	Pay and HR strategy	C	Quality of work environment	O		Low	Low
		9.3 Inability to recruit employees	HR strategy	O	Communications	O		Low	Low
		9.4 Lack of skills to deliver strategy	HR strategy & G&Os	O	Investors in People	TBC	Training	Low	Low
		9.5 Safety of employees	Policy and procedures Park House security	C C	Training	O		Low	Low
		9.6 Lack of work/home balance	Sufficient staff	O	Training	O	Low	Low	
		9.7 Ex-employee termination litigation	HR legislation	C	Compromise agreements	O	Low	Low	
		9.8 Bullying	Policy and procedures	C	External free advice	C	Low	Low	
		9.9 Employee/employee inappropriate behaviour	Policy and procedures	C			Low	Low	
		9.10 Mismanagement of HEI Visits	HR Strategy on selection	O	Training	O	Med.	Med.	
10	Legal	10.1 Judicial reviews of tribunals – exceptional costs	Insurance for exceptional costs	C	Monitoring	O		Med.	Med.
		10.2 Judicial review of Rules and/or Standards	Consultation	O	Appropriate legal advice	O		High	High
		10.3 Tribunal exceptional costs	Annual and Five Year Forecasts	O	Budgetary control	C	Insurance	Med.	Med.

## HEALTH PROFESSIONS COUNCIL

### RISK ASSESSMENT November 2004

		10.4 Unexpected increase in number of tribunals and resultant legal costs	Plan	O				Med.	Med.
		10.5 Witness non-attendance	Tribunal questionnaire Witness support policy	TBC	Focus Groups	O		Low	Low
		10.6 Council members, employees and Partners legal costs	Processes	TBC	Personal Indemnity Insurance (Council and Partners)	C		Med.	Med.
		10.7 Incorrect interpretation of law and/or SIs	Legal advice availability	O				Low	Low
		10.8 Legal challenge to HPC operations	Amend government legislation	O	Communications	O		Low	Low
		10.9 Losing a case around withholding or withdrawing approval of a course or not registering an applicant	Legal advice availability	O	Robust procedures	TBC		Low	Low
<b>11</b>	<b>Financial</b>	11.1 Cash shortfall	Appropriate level of cash reserves	O	Annual and Five Year Plan	O	Monitoring	Low	Low
		11.2 Unexpected reduction in income	Appropriate level of cash reserves	O	Inform Privy Council	O	Budgetary control of expenditure	Low	Low
		11.3 Unexpected rise in operating expenses	Set and monitor annual and Five Year Budget	C	Financial cash reserves	O	Budgetary control	Med.	Med.
		11.4 Loss in value of investment portfolio	Match portfolio risk to financial strategy	C	Council monitoring, benchmarking and budgetary control	O	Professional advice	High	High
		11.5 Inability to pay creditors	Overdraft facility	C	Budgetary control	C		Low	Low

## HEALTH PROFESSIONS COUNCIL

### RISK ASSESSMENT November 2004

		11.6 Inability to collect from debtors	Policy and procedures	C				Low	Low
		11.7 Total receipt of correct fee income	IT Controls in place	C	Correct revenue recognition	C		Low	Low
12	Accounting	12.1 Unauthorised payments to organizations	External and Internal Audit PO Enforcement	O	Financial policy and processes	C	Limited authorised suppliers	Med.	Med.
				O	Limited authorized suppliers	C		Low	Low
				C	Tendering processes in place	C			
		O	Financial policy and processes	C	Med.	Med.			
		12.2 Unauthorised payments to personnel	External and Internal Audit	O	Financial policy and processes	C		Med.	Med.
		12.3 Unauthorised removal of assets	Policy and procedures	C	Asset register	C		Low	Low
		12.4 Mis -signing of cheques	Review of cheque signatories	O	Bank control	C		Low	Low
13	Pensions	13.1 Underfunded pension liabilities	Money purchase scheme	C	Frequency of review and actuarial valuation	O	External advice	High	High

**STATUS:**    TBC    To be completed

                  C        Completed

                  O        Ongoing