

HEALTH PROFESSIONS COUNCIL

Finance & Resources Committee

11th February 2005

8 – RISK ASSESSMENT

EXECUTIVE SUMMARY AND RECOMMENDATIONS

INTRODUCTION

At its last meeting the Committee deferred a decision regarding the approval of the November 2004 edition of the Risk Assessment Document as it required comments on the High Risk items.

The analysis has been further reviewed and adjusted where necessary to produce a February 2005 edition. A commentary on the High Risk items is appended. The Committee is asked to review the current document and approve it.

DECISION

The Committee is asked to agree the following:

Having reviewed the February 2005 edition of the Risk Assessment Document, the Committee 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 – February 2005 document
See Commentary on High Risk items

APPENDICES

None

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HIGH RISK

1.2 Unexpected change in UK legislation

Government may change HPC's legislation due to the GMC/Shipman enquiry.

2.7 Inability to accommodate HPC employees

Increase in workload from new professions becoming regulated or changes to the legislation governing the regulation of UK Health Professionals may lead to a sharp increase in the number of HPC employees.

5.1 Virus attacks

Working assumption that external agencies will constantly probe HPC's firewalls.

6.2 Incorrect interpretation of law and/or SIs resulting in CHRE reviews

To date one Fitness to Practise case has been referred to the High Court.

7.4 Inability to manage HEI visits

The capacity of the HPC to manage the demand for HEI approvals needs to be closely monitored, especially if Applied Psychology becomes a regulated profession in 2006.

7.5 Impact of other regulatory failures

Government may change HPC's legislation due to the GMC/Shipman enquiry.

10.2 Judicial review of Rules, Standards and Guidance

To date HPC has received one threat that an external organisation would seek a Judicial Review of an HPC decision. This was subsequently withdrawn.

10.3 Registration Appeals

It is important to ensure that backlog does not build up again.

11.3 Tribunal exceptional costs, Fitness to Practise, Registration and CPD Appeals

If the relationship between the Health Professions Order, Partners, processes, training and feedback is not synchronised, then HPC will incur higher than budgeted costs.

This has been/is being illustrated by the number of registration appeals. Although the percentage of appeals being rejected has increased, the HPC must guard against a similar recurrence, e.g. with the CPD process.

11.4 Unexpected increase in number of tribunals and resultant legal costs

Regulation of the Applied Psychologists may result in a transfer on the day the register opens of about 80 fitness to practise cases. Discussions are planned with the Department of Health to address the potential problem.

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Ref	Category	Description	Mitigation I	Status	Mitigation II	Status	Mitigation III	Status	STATUS		
									Possibility of Occurrence		
									FEBRUARY 2005	November 2004	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	Low
		1.2 Unexpected change in UK legislation	Relationship with Government departments	O	Lobbying	O	-	-	High	Low	Low
		1.3 Incompatible OIC and EU legislation	Monitoring of EU	O	EU lobbying	O	-	-	Medium	Medium	Medium
		1.4 CHRE conflict	President on CHRE Council	O	Communications	O	-	-	Low	Low	Low
		1.5 Privy Council rejects fee increase	Communications strategy	O	Flexible Budgetary Control	O	-	-	Low	Low	Low
2	Operations	2.1 Park House unoccupiable	Disaster recovery plan and rehearsal	O	Fire safety policy and procedures Availability of safety equipment Alarms	O	-	-	Low	Low	Low
		2.2 Inability to access Park House	Disaster recovery plan and rehearsal	O	Training	O	-	-	Low	Low	Low
		2.3 Rapid increase in registrant numbers	IT Strategy - LISA	O	Park House renovation	O	-	-	Medium	High	High
		2.4 Unacceptable service standards	ISO Registration	C	Processes manual Appointment of Quality Manager	O	-	-	Medium	Medium	Medium
		2.5 Long term postal disruption	Website	O	Direct debits	O	-	-	Medium	High	High
		2.6 Long term public transport disruption	Disaster recovery plan	O	-	-	-	-	Medium	Medium	Medium
		2.7 Inability to accommodate HPC employees	Investigate premises	O	Park House renovation	C	-	-	High	High	High
		2.8 Long term disruption to telephones	Disaster recovery plan	O	Secondary telephone lines	C	-	-	Low	Low	Low

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3	Communications	3.1 Failure to inform public Article 3(13)	Delivery of communications strategy	O	Annual awareness survey	TBC	-	-	Medium	Medium	High
		3.2 Loss of support from professions	Delivery of HPC's Strategic Intent	O	Delivery of communications strategy	O	-	-	High	High	High
		3.3 Loss of support from HEIs	Delivery of Education strategy	TBC	-	-	-	-	Medium	Medium	Medium
		3.4 Inability to inform stakeholders following crisis	PR crisis management plan	C	-	-	-	-	Medium	Medium	Medium
4	Corporate Governance	4.1 Council inability to make decisions	Voting procedures in place	C	-	-	-	-	Low	Low	Low
		4.2 Council members conflict of interest	Annual report	C	Publication of annual returns	C	Notification procedures	O	Low	Low	Low
		4.3 Failure to meet Council and Committee quorums	Quality of Council members	O	Number of meetings	C	-	-	Low	Low	Low
		4.4 Members' poor performance	President's annual appraisal of members	O	-	-	-	-	Low	Low	Low
		4.5 Maverick CEO and/or President	Annual review Appraisal system	O O	Scheme of Delegation	C	Standing orders	O	Low	Low	Low
		4.6 Improper financial incentives offered to employees	HR Strategy	O	Rules concerning acceptance of hospitality, etc.	O	-	-	Low	Low	Low
5	IT	5.1 Virus attacks	Firewalls	O	Adherence to IT policy and procedures and training	O	External reviews	O	Occurring	Occurring	Occurring
		5.2 Technology obsolescence, hardware and software	Open system IT strategy	O	Capital investment	O	-	-	Medium	Medium	Medium
		5.3 IT fraud or error	Control procedures in place	C	Regular password change	O	External reviews Daily backup	O O	Medium	Medium	Medium
6	Partners	6.1 Inability to recruit and/or retain Partners	Training, Partners' Conference, etc.	O	HR Strategy: Appropriate compensation package in place	O	-	-	Low	Medium	Medium
		6.2 Incorrect interpretation of law and/or SIs resulting in CHRE reviews	Training	O	Legal Assessors advice availability	O	-	-	High	Low	Low

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7	Education	7.1 Non-detection of low HEI standards	Approval process	O	-	-	-	-	Medium	Medium	Medium
		7.2 Setting standards too high	Council review of Education and Training	O	Education and Training review of Approvals Committee	O	-	-	Low	Low	Low
		7.3 Institutions refusing visits or not submitting data	Legal powers	C	-	-	-	-	Low	Low	Low
		7.4 Inability to manage HEI visits	E&P Strategy	TBC	Training	O	-	-	High	Medium	Medium
		7.5 Impact of other regulatory failures	Strategic Intent	O	-	-	-	-	High	Low	Low
8	Registration	8.1 Registration system failure	IT strategy	O	Capital investment	O	Disaster recovery	O	Medium	Medium	Medium
		8.2 Inability to detect fraudulent applications	Experience	O	Policy and procedures	O	-	-	Medium	Medium	Medium
		8.3 Registrant boycott of fee increase	Communications strategy	O	-	-	-	-	Low	Medium	Medium
		8.4 Backlogs of registration and grandparenting applications	IT Strategy	O	Flexible staffing levels	O	-	-	Medium	Medium	Medium
9	HR	9.1 Loss of key employees	Succession planning	TBC	Internal promotion policy	O	Key employee insurance	TBC	Low	Low	Low
		9.2 High turnover of employees	Remuneration and HR strategy	C	Quality of work environment	O	-	-	Low	Low	Low
		9.3 Inability to recruit employees	HR strategy	O	Communications	O	-	-	Low	Low	Low
		9.4 Lack of skills to deliver strategy	HR strategy and goals and objectives	O	Investors in People	TBC	Training	O	Low	Low	Low
		9.5 Safety of employees	Policy and procedures Park House security	C C	Training	O	-	-	Low	Low	Low
		9.6 Lack of work/home balance	Sufficient staff	O	Training	O	-	-	Low	Low	Low
		9.7 Ex-employee termination litigation	HR legislation	C	Compromise agreements	O	-	-	Medium	Low	Low
		9.8 Bullying	Policy and procedures	C	Employee Assistance programme	C	-	-	Low	Low	Low

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									Possibility of Occurrence		
									FEBRUARY 2005	November 2004	April 2004
		9.9 Employer/employee inappropriate behaviour	Policy and procedures	C	Employee Assistance programme	C	-	-	Low	Low	Low
10	Legal	10.1 Judicial review of tribunals - exceptional costs	Insurance for exceptional costs	C	ISO Registration	O	-	-	Medium	Medium	Medium
		10.2 Judicial review of Rules, Standards and Guidance	Consultation	O	Appropriate legal advice	O	-	-	High	High	High
		10.3 Registration Appeals	Training of Partners	O	Amend processes	O	-	-	High		
11	Fitness to Practise	11.1 Council members', employees' and Partners' legal costs	Processes	O	Personal Indemnity Insurance (Council and Partners)	C	-	-	Medium	Medium	Medium
		11.2 Legal challenge to HPC operations	Legal advice and ISO	O	Communications	O	-	-	Low	Low	Low
		11.3 Tribunal exceptional costs, Fitness to Practise, Registration and CPD Appeals	Quality of legal advice	O	Quality of operational processes	O	Insurance	O	High	Medium	Medium
		11.4 Unexpected increase in number of tribunals and resultant legal costs	Annual Plan	O	Five Year Plan	O	-	-	High	Medium	Medium
		11.5 Witness non-attendance	Tribunal questionnaire Witness support policy	TBC	Focus Groups	O	-	-	Low	Low	Low
		11.6 Losing a case around withholding or withdrawing approval of a course or not registering an applicant	Robust procedures Visitor training	O O	Legal advice availability	O	-	-	Low	Low	Low
12	Financial	11.1 Cash shortfall	Appropriate level of cash reserves	O	Annual and Five Year Plan	O	Monitoring	O	Low	Low	Low
		11.2 Unexpected reduction in income	Appropriate level of cash reserves	O	Inform Privy Council	O	Budgetary control of expenditure	O	Low	Low	Low
		11.3 Unexpected rise in operating expenses	Set and monitor annual and Five Year Budget	C	Financial cash reserves	O	Budgetary control	O	Medium	Medium	Medium
		11.4 Loss in value of investment portfolio	Match portfolio risk to financial strategy	C	Council monitoring, benchmarking and budgetary control	O	Professional advice	O	Medium	High	High

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		11.5 Inability to pay creditors	Overdraft facility	C	Budgetary control	C	-	-	Low	Low	Low
		11.6 Inability to collect from debtors	Policy and procedures	C	-	-	-	-	Low	Low	Low
		11.7 Total receipt of correct fee income	IT controls in place	C	Correct revenue recognition	C	-	-	Low	Low	Low
13	Accounting	12.1 Unauthorised payments to organisations	External and Internal Audit Purchase Order Enforcement	O	Financial policy and processes	C	Limited authorised suppliers		Medium	Medium	Medium
				O	Limited authorised suppliers Tendering processes in place	C			Low	Low	Low
		12.2 Unauthorised payments to personnel	External and Internal Audit	O	Financial policy and processes	C	-	-	Medium	Medium	Medium
		12.3 Unauthorised removal of assets	Policy and procedures	C	Asset register	C	-	-	Low	Low	Low
		12.4 Mis-signing of cheques	Review of cheque signatories	O	Bank control	C	-	-	Low	Low	Low
14	Pensions	13.1 Underfunded pension liabilities	Money purchase scheme	C	Frequency of review and actuarial valuation	O	External advice		Medium	High	High
STATUS: TBC To be completed C Completed O Ongoing											

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