Corporate Risk Register and Risk Appetite Statement

Agenda Item 7b & 7c   Paper Ref 07b & Annexe 7c

Paper for the Board
This paper is for Assurance and Noting

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1. Summary

This paper outlines the process we used to develop the risk appetite and corporate risk register and seeks agreement for the seven corporate risks we have identified to be reported at Board level.

2. Context

The way we balance threats and opportunities in pursuit of our strategic ambitions is set out in our risk appetite statement and set annually in line with business planning processes. During January, Board members and the Executive Leadership Team met to discuss risks and our risk appetite for 2021-22 (Annex A). Our risk appetite is reflective of:

- Our role as a specialist social work regulator
- Our three-year corporate strategy
- Our development, as we enter year two where year one has been spent working under the pandemic necessitating a move to home working and online operation
- Our resources

3. Corporate risk register

A jointly agreed risk register provides assurance that we have a clear picture of our risk environment and mitigations in place to control our risks and assures the Board that we are managing risks with effective mitigations. Our risk appetite also enables good judgment and decision making.

Whilst we categorise our risks, we recognise the interplay between different risks and the potential for risk mitigations in one area to increase risk in another area, for example financial payroll controls and under capacity.

3.1 <u>Our risk categories</u>

Finance	People and culture
Strategy	Legal
Operational delivery	Innovation and change
Regulatory functions	Reputation
Cyber security	Data protection

Using this risk framework and our scoring matrix (Annex B), we have identified 15 current corporate risks, and propose that seven of them are reported to the Audit Risk and Assurance Committee and Board (Annex C).

In reviewing the risks, we have also looked to see where the gaps are and have identified a risk around the ambition set out in our Statement of Intent on Equality Diversity and Inclusion, published in early February. We are building our capacity in this area of work; we know we still have further work to do and therefore recommend we frame a risk around our ability to deliver on our ambition.

We have also reflected on whether to include a Covid-19 specific risk but believe that the impact of Covid-19 permeates through our corporate risk and is better reflected in specific mitigations. Based on learning from the last year, we have however included a risk about responding to changes in the external environment which may threaten our efficiency or effectiveness.

4. Next steps

Once agreed, we will work within our organisation to embed a risk intelligent culture building on our values and behaviours that strongly promotes an open and transparent, learning and improvement culture. Our risk report to the Audit Risk and Assurance

Committee and Board will focus on progress on mitigations, highlight any significant change in risk scores and highlight new or emerging risks.

Risk category	Definition	Appetite	Appetite Description
Finance	This includes risks arising from poor financial management which does not meet prescribed requirements, financial constraints resulting in reduced benefits, failing to achieve value for money and/or non-compliant financial reporting.	**Cautious**	VfM still the primary concern, but willing to consider other benefits or constraints. Resources generally restricted to existing commitments.
Strategy	This includes risks arising from a poorly defined strategy, weak governance, assumptions based on inaccurate or flawed data, a lack of capability or capacity, failing to deliver on our commitments, failing to consider environmental factors (political, economic, social, technological, environmental, legislative, organisational).	**Hungry**	Our strategy encourages us to take risks. We may not have the resources required to achieve some of our strategic objectives, but we strive to come as close as possible. Our approach to creating and implementing the strategy is ambitious and fearless.
Operational delivery	This includes risks arising from inadequate/ineffective/inefficient/poor value for money systems and processes, fraud, error, poor business continuity and disaster recovery, poor quality 'customer' service, inadequate processes to manage third party suppliers.	**Open**	We are open to new ways of operating to improve, but we are keen to ensure that any risk associated with this is mitigated to a tolerable level.
People and culture	This includes risks arising from extremely paternalistic, autocratic or laissez faire leadership, ineffective leadership, maverick behaviours, lack of capacity, skills, knowledge and experience, non-compliance with employment law, implementation of policies and procedures which negatively impact on wellbeing, performance, and outcomes for individuals and/or the organisation.	**Open**	Our culture is focused on learning, enabling, and encouraging improvement and innovation, responsibility, and accountability. Ongoing development, nurturing and participation are key components. Coproduction is a core part of how we identify, agree, and make improvements to the way we work and shape who we are. We actively evolve the way we work to ensure that wellbeing, equality, diversity, and inclusion are at the heart of what we do. Our people can shape how we approach EDI and wellbeing.
Regulatory functions	This includes risks arising from failing to deliver on our regulatory or statutory duties or poor management of our regulatory functions.	**Cautious**	We balance being ambitious with the way we regulate against regulatory outcomes. We ensure that any change to the way we regulate is tested before embedding it.
Legal	This includes risks arising from liability or other loss, non-compliance or significant challenge, lack of protection of assets such as intellectual property, possible sanctions, or fees.	**Minimalist**	We are only willing to accept risks which are very low impact or have a very low likelihood of occurring, and with all mitigating actions having been taken.
Innovation and change	This includes risks arising from ineffective project management, lack of capacity, capability, or funding, basing innovation and change on flawed or inaccurate data and information, lack of/poor change management.	**Open**	We innovate based on what we have learned. Data and information are key components of our approach. Any innovations are risk assessed and necessary mitigations put in place.
Reputation	This includes risks arising from actual or perceived scope creep, poor management of an incident (both internally and externally), lack of/limited regard for the environment and sustainability, poor quality regulation, systemic or repeated failings, reduced credibility with the departments, other stakeholders, the public and social workers.	**Hungry**	We are willing to accept negative impacts on our reputation to shape the regulatory landscape and make improvements for the better in the long run, on the understanding that any impact will be short-lived. We will deliver best-in-class communications that is recognised for its impact and inspires others.We will achieve cut through with the public, discussing regulation and social work on platforms and spaces which have not been reached before.
Cyber security	This includes risks arising from failing to prevent inappropriate/unauthorised access to services and devices, poor communication of a cyber-attack, lack of financing to protect, use of out-of-date/ineffective security measures.	**Minimalist**	We manage access to systems and sites to ensure that cyber security is robust. Our people are aware of their role in protecting our organisation from cyber-attacks via regular training, our policies, and reminders. We develop relationships with other organisations and businesses to ensure that we are informed quickly of any breaches elsewhere and can adapt our own systems and site access to prevent this within our own organisation.
Data protection	This includes risks arising from failing to protect personal or commercially sensitive information, loss of trust in our data protection, measures hindering our ability to regulate, a successful court challenge, an ICO referral, an ICO fine.	**Averse**	We have a well-founded interpretation of data protection law with excellent prospects of success were it to be challenged in court, and where challenge is thought to be highly unlikely, for example considering legal precedent. Protections for personal data are excellent. Staff are highly trained and data protection is seen as a high priority. Good organisational governance and level of resource to advise on and manage data protection issues.

	Averse (3)	Minimalist (4)	Cautious (6)	Open (9)	Hungry (12)
FINANCE	We will only invest in the low-cost option as VfM is the primary concern.	VfM is the primary concern, but we are willing to invest in options other than the lowest cost if return on investment is guaranteed.	VfM still the primary concern, but willing to consider other benefits or constraints. Resources generally restricted to existing commitments.	We are prepared to invest for return and minimise the possibility loss by managing the risks to a tolerable level. Value and benefits considered (not just cheapest price). Resources allocated to capitalise on opportunities.	We invest for the best possible return and accept the possibility of financial loss (with controls in place). Resources allocated without firm guarantee of return – 'investment capital' type approach.
STRATEGY	Our strategy only focuses on what we know we can achieve over the next 3 years. We are not ambitious in our goals and we seek to be 100% certain that we will succeed.	Our strategy shows some ambition, but there is a general trend towards ensuring we can fulfil our ambitions without taking on much risk or stretching our capabilities in any way.	Our strategy balances ambition against what we can realistically achieve. We want to push boundaries in some areas where we are confident that outcomes from achieving the objective outweigh the risks of failure.	We are prepared to be ambitious in our strategy. We have mitigations in place to ensure that any risk we take on is managed to a tolerable level.	Our strategy encourages us to take risks. We may not have the resources required to achieve some of our strategic objectives, but we strive to come as close as possible. Our approach to creating and implementing the strategy is ambitious and fearless.
OPERATIONAL DELIVERY	We only use tried and tested systems and processes to ensure we can deliver. Decisions on how we operate are carefully considered, with changes only made if the benefits greatly outweigh the risks.	We use tried and tested systems and processes but look to make minor improvements as issues arise. Decisions on how we operate are made based upon whether the benefits outweigh the risks.	We are willing to try out systems and processes which are new to us but are cautious in rolling them out unless they are proven to be effective elsewhere. Decisions on how we operate are dependent on how crucial the change is to the effectiveness of our operations.	We are open to new ways of operating to improve, but we are keen to ensure that any risk associated with this is mitigated to a tolerable level.	We actively seek out new and improved ways to deliver. We are not afraid to take a high level of risk if the potential benefits are great, even if we are not completely confident that these benefits will come to fruition.
PEOPLE AND CULTURE	We have an inflexible, authoritarian culture, with our people expected to always adhere to our policies and no room for adaptation to both internal and external factors. We stick rigidly to a hierarchical structure, with decisions and information flowing downwards only. We have very stringent recruitment and training in place to ensure we have the best employees. We have processes and procedures in place to ensure we fulfil our duties with regards to equality, diversity and inclusion and mental health.	We are willing to make small adaptations to our culture in a considered way, but control is a key part of who we are. Our people must adhere to our policies, but we are willing to make minor adaptations where a policy is not quite right for us. We maintain a hierarchical structure, with decisions and information coming from the top. We have a robust recruitment and training process in place to ensure our employees mirror our culture. We promote wellbeing across the organisation and provide resources to support our people. Equality, diversity, and inclusion considerations are part of decision-making when this relates to our people.	We are careful to ensure that our culture works for us and is focused on results and purpose. We are keen to ensure that our culture encourages productivity, and our people feel comfortable in what is expected of them. Recruitment and training are key components in ensuring that our culture is maintained, with equality, diversity and inclusion and wellbeing being key components of both.	Our culture is focused on learning, enabling, and encouraging improvement and innovation, responsibility, and accountability. Ongoing development, nurturing and participation are key components. Coproduction is a core part of how we identify, agree, and make improvements to the way we work and shape who we are. We actively evolve the way we work to ensure that wellbeing, equality, diversity, and inclusion are at the heart of what we do. Our people can shape how we approach EDI and wellbeing.	We are dynamic, entrepreneurial and value innovation. We are not afraid to take risks, both with the people we recruit and adaptation of our culture, in pursuit of our goals. Anyone can suggest a new way of working and decision-making is heavily devolved. We operate as if we are smaller than we are, and openness (information and decision-making) is core to our approach. We are willing to share our learning and data with others to improve the regulatory and social work sectors. We recruit people who are willing to challenge the status quo and are therefore willing to take on the risks associated with this, such as an ever-evolving culture in response to constantly changing business needs. Equality, diversity, and inclusion are core to both the way we recruit and the way we develop and retain our people. Everyone in the organisation feels that their wellbeing is just as important to our organisation as our strategic ambitions. Our people have an active role in shaping our approach to EDI and wellbeing, with all voices listened to.
REGULATORY FUNCTIONS	We only regulate in a way that is tried and tested. We will not entertain new or alternative ways of regulating due to concerns we will fail.	We will only adapt the way we regulate if there is evidence that the method has been successful elsewhere. Everything we choose to do must be backed up by information and/or evidence.	We balance being ambitious with the way we regulate against regulatory outcomes. We ensure that any change to the way we regulate is tested before embedding it.	We use learning to evolve the way we regulate. We risk assess all changes to our regulation and ensure necessary mitigations are in place.	We encourage different ways of operating our regulatory functions. We are willing to accept the consequences of changes to the way we regulate.
LEGAL	We avoidance of as much risk as possible, only taking a very strict interpretation of	We are only willing to accept risks which are very low impact or have a very low likelihood of occurring, and	We are willing to take moderate risks, but only if all mitigating actions have been taken.	We are prepared to accept fully understood risks, when making decisions about the future	We are prepared to accept significant risk, as well as the financial and reputational costs this incurs, to stretch our aims as far as possible.

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	Averse (3)	Minimalist (4)	Cautious (6)	Open (9)	Hungry (12)
	the law and regulation, even where this compromises our aims as an organisation	with all mitigating actions having been taken.		of the organisation, with proportionate mitigations in place.	
INNOVATION AND CHANGE	We will only work in a manner that is proven to work. We will not entertain new or alternative methods of working for fear of their failure.	Innovation is limited to areas where we have evidence that such an approach will be successful. We are unwilling to try something unless it is backed up by robust information and/or evidence.	We are keen to innovate, but continuously balance innovation against outcomes. We test our ideas before rolling them out across our organisation.	We innovate based on what we have learned. Data and information are key components of our approach. Any innovations are risk assessed and necessary mitigations put in place.	We place a high value on innovation. We are not afraid to take risks in pursuit of our ambitions. We are continuously looking to improve what we are doing. We are willing to accept the consequences of the system or process not meeting our requirements.
REPUTATION	We play safe, avoid anything which could be challenged, even unsuccessfully. We avoid any commentary which sits outside of our regulatory duty. We do not engage in conversation with journalists on broader sector or system issues and focus purely on transactional and information-based communications. We do not offer two-way engagement e.g., on social media.	We are extremely careful not to impact negatively on our reputation, choosing to only do things which we believe have a realistic prospect of maintaining or improving our reputation. We comment only when nudged into action or when things go wrong. Our comms is reactive not proactive.	We are cautious in our approach to making decisions which may impact on our reputation either positively or negatively. We have mitigations in place to ensure that the likelihood and impact of our reputation being negatively impacted upon are minimised. We build new and lasting relationships to drive change. We begin to test and learn and start to understand audience insight to drive comms outputs.	We balance threats against opportunities and opt for taking opportunities where we may be able to mitigate the risk to our reputation or limit damage should our reputation come under scrutiny. Our comms is relationship led and focuses on reflection, honesty, and empathy. We are proactive in our comms, commenting on difficult conversations before being asked. We influence through connection, engagement, comms, and policy. We are visible and involved, not just when things go wrong.	We are willing to accept negative impacts on our reputation to shape the regulatory landscape and make improvements for the better in the long run, on the understanding that any impact will be short-lived. We will deliver best-in-class communications that is recognised for its impact and inspires others. We will achieve cut through with the public, discussing regulation and social work on platforms and spaces which have not been reached before.
CYBER SECURITY	We tightly monitor use of our systems and are quick to shut down access to sites and systems which may pose a security threat, however small this might be. We are willing to invest heavily in cyber security measures and willing to take the risks to our culture by preventing our people from accessing potential threats. Cyber security is very much seen as an IT issue and managed by IT only.	We manage access to systems and sites to ensure that cyber security is robust. Our people are aware of their role in protecting our organisation from cyber-attacks via regular training, our policies, and reminders. We develop relationships with other organisations and businesses to ensure that we are informed quickly of any breaches elsewhere and can adapt our own systems and site access to prevent this within our own organisation.	We monitor systems and sites, both within our organisation and other businesses and adapt our approach, as necessary. Anyone in the organisation can raise a concern regarding a site or system.	We actively balance risk of cyber-attack against organisational development. If cyber security measures are likely to encroach on our development, we will opt not to have the measure.	We are reactive. We only put measures in place if a system or site experiences a breach. We value time and effort spent on improving systems above protecting them.
DATA PROTECTION	We have established a well-founded interpretation of data protection law with excellent prospects of success were it to be challenged in court, and where challenge is thought to be highly unlikely, for example in light of legal precedent. Protections for personal data are excellent. Staff are highly trained and data protection is seen as a high priority. Good organisational governance and level of resource to advise on and manage data protection issues.	We have a conservative interpretation of data protection law with a good prospect of success were it to be challenged in court, and where challenge is thought to be unlikely. Protections for personal data are generally adequate. Staff have a good amount training and data protection is seen as important. Organisational governance and resource to advise on and manage data protection issues is adequate.	We have a reasonable interpretation of data protection law with a reasonable prospect of success were it to be challenged in court, but where challenge is recognised as possible. Protections for personal data are sometimes adequate, but inadequate at times. Staff have a moderate amount of training and data protection is seen as necessary but not a high priority. Organisational governance and resource to advise on and manage data protection issues is arguably adequate but may be perceived as inadequate in the event of external scrutiny.	We take on a viable interpretation of data protection law albeit with a limited prospect of success were it to be challenged in court, but where challenge is recognised as likely to occur. Protections for personal data are limited, staff have limited training and data protection is seen as a low priority. Limited organisational governance and resource to advise on and manage data protection issues is stretched.	We have a stretched interpretation of data protection law which it is understood would be unlikely to be accepted by the courts, but where some advanceable legal argument could be made. Protections for personal data are severely lacking and there is little regard to what happens to it. Severely deficient organisational governance or severe under resourcing to advise on and manage data protection issues.

Annex B

Risk scoring matrix

Residual risk score

The inherent risk score highlights to the Board what the level of risk would be if no mitigation took place. For this score, we do not consider existing controls or mitigations.

Residual risk score

This score is reflective of the current risk likelihood and impact. It considers mitigating actions which have either been completed or are in place.

Target risk score

This score should reflect the tolerable or achievable level of risk. Wherever possible, the target risk score should reflect the associated risk appetite score (see below) which is our agreed risk tolerance.

Averse	Minimalist	Cautious	Open	Hungry
≤ 3	≤ 4	≤ 6	≤ 9	≤ 12

However, there may be occasions where our appetite score and the realities of mitigating the risk vary. In this situation, a higher (achievable) target risk score may be chosen, but mitigation should continue to reduce the likelihood and impact once the risk reaches its target score.

LIKELIHOOD (of risk being realised)

	1 – VERY UNLIKELY	2 - SLIGHT	3 - FEASIBLE	4 - LIKELY	5 – ALMOST CERTAIN
	• Only likely to occur in rare or exceptional circumstances • May not have happened before • 0-10%	• Could occur • Limited evidence of such risk occurring elsewhere • 11-30%	• Possibility of occurring in near future • Limited evidence of immediate threat • 31-60%	• More likely to occur than not • May become frequent • May have occurred at some regulators • 61-90%	• Imminent or high probability • Has happened before and recently • May have occurred at many regulators • 91-100%
5 – CRITICAL • Strategic aim/operational priority cannot be fulfilled • Threat to viability of major activity, process or relationship • Critical impact on long-term organisational effectiveness and/or reputation	5 - MEDIUM	10 - MEDIUM	15 - HIGH	20 - HIGH	25 - HIGH
4 - MAJOR • Major threat to strategic aim/operational priority • Major activities/processes may struggle to deliver key milestones • Major impact on medium-term organisational effectiveness	4 - LOW	8 - MEDIUM	12 - MEDIUM	16 - HIGH	20 - HIGH
3 - SIGNIFICANT • Significant threat to strategic aim/operational priority • Causes manageable problems for activity or process • Short-term impact on organisational effectiveness	3 - LOW	6 - MEDIUM	9 - MEDIUM	12 - MEDIUM	15 - HIGH
2 - MINOR • Minor threat to strategic aim/operational priority • Limited delay/impact on activity or process • Short-term impact on organisational effectiveness	2 - LOW	4 - LOW	6 - MEDIUM	8 - MEDIUM	10 - MEDIUM
1 - NEGLIGIBLE • Negligible threat if regular monitoring shows no change • Limited delay/impact on activity or process • No or little impact	1 - LOW	2 - LOW	3 - LOW	4 - LOW	5 - MEDIUM

IMPACT (if risk were realised)

Annex C - Corporate risk register overview (all risks)

	Corporate risk	Risk category	Owner	Residual score	Appetite	Acceptable score	Target score
Reported to the Board	10. We are unable to meet Fitness to Practise referral demand and process cases within our resources	Regulatory functions	JD	15	Cautious	≤ 6	10
	14. A data breach, unlawful data processing or poor practice or governance in relation to personal data leads to harm, reputational damage	Data protection	PH	15	Averse	≤ 3	9
	5. Our governance structures and processes are not embedded and do not lead to effective decision-making	Strategy	TW	12	Hungry	≤ 12	8
	6. We fail to anticipate and respond to changes in the external environment which may threaten the efficiency or effectiveness of our work	Strategy	CC	12	Hungry	≤ 12	8
	3. Our course approval and reapproval process has a significant impact on student/trainee's flow into the profession.	Regulatory functions	PH	12	Cautious	≤ 6	4
	1. We become financially unsustainable	Finance	TW	10	Cautious	≤ 6	5
	11. We fail to retain our people and lose organisational skills, knowledge, and experience	People and culture	TW	8	Open	≤ 9	8
	9. The continuation of the temporary register created in 20-21 undermines compliance with the renewals process in future years	Regulatory functions	PH	12	Cautious	≤ 6	4
	4. Our board fails to provide strategic steer for the organisation	Strategy	TW	10	Hungry	≤ 12	5
	8. Our operating systems impede our regulatory and corporate operations	Operational delivery	GRS	10	Open	≤ 9	5
	13. Our systems and software do not protect us from cyber, ransomware or socially engineered attacks	Cyber security	GRS	10	Minimalist	≤ 4	4
	2. We fail to engage the profession leading to low compliance with standards and renewal requirements	Strategy	SB	8	Hungry	≤ 12	4
	12. We lose our ability to innovate, adapt and flex	Innovation and change	CC	6	Open	≤ 9	3
	7. We fail to deliver effective regulatory functions	Regulatory functions	CC	10	Cautious	≤ 6	10
	15. Additional responsibilities lead to organisational overload	Strategy	CC	12	Hungry	≤ 12	6

10. We are unable to meet Fitness to Practise referral demand and process cases within our resources

Jon Dillon, executive director – fitness to practise

There is a risk that we are unable to meet fitness to practise referral demand and process cases within reasonable timescales with existing resources. This would be caused by an unexpected or significant increase in referrals, a reduction in resource available or consistent failure at an operational level to meet performance targets with existing resource. This would result in a backlog of cases, a loss of trust and confidence in us and potential for harm to the public if we are unable to take appropriate enforcement action in a timely manner.

Inherent risk	Residual risk	Target risk
25 Almost certain Critical	**15** Feasible Critical	**10** Slight Critical

Mitigation	Owner	Frequency or completion date	Status
Directorate restructure to increase efficiency	Jon Dillon	Oct 20	Complete
Establishment of clear productivity targets and close monitoring of these.	Jon Dillon	Monthly	Ongoing
Monthly review of case numbers and remedial action put in place to ensure cases are progressed in a timely manner	Jon Dillon	Monthly	Ongoing
Review of existing processes to target efficiencies in service provision	Jon Dillon	June 2021	Ongoing
Communication and engagement activity, working through Regional Engagement Team and others to improve complaints management and referral practise within the sector.	Sarah Blackmore	Will begin in 2021	Planned
Medium term additional capacity to deal with concerns and cases	Jon Dillon	January 2021	Complete
Process expert to conduct intensive Lean Six Sigma analysis of operational processes	Jon Dillon	TBC	Planned

14. A data breach, unlawful data processing or poor practice or governance in relation to personal data leads to harm, reputational damage

Phil Hallam, executive director – registration, quality assurance and legal

There is a risk of data breach, unlawful data processing or poor practice or governance in relation to personal data. Inadequate resources or measures could mean that we are non-compliant with data protection, privacy or freedom of information law. This could lead to harm to data subjects, an adverse effect on the public, regulatory sanctions including large fines from the ICO, adverse findings from the PSA, civil legal claims against our organisation, loss of trust and confidence in our organisation and reputational damage.

If the public, the profession or our sponsors lose trust in us, we could find that many social workers refuse to register with us and we lose government support for our organisation, meaning we cannot continue to regulate.

Inherent risk	Residual risk	Target risk
15	15	9
Almost certain	Feasible	Feasible
Critical	Critical	Significant

Mitigation	Owner	Frequency or completion date	Status
Robust policies and procedures in place and embedded	Phil Hallam	Reviewed as required or annually	In place, regular review
Data protection culture embedded across the organisation	Phil Hallam	Daily	In progress
Open and transparent approach to data breaches	Phil Hallam	Daily	In progress
Ongoing training and development of our people	Tracy Watterson	Annually as a minimum, additional training as required	In place
Work on legality of sharing data following leaving the EU	Phil Hallam	Jan 21	Complete, reviewed as necessary
Mitigations to reduce impact to be added			

5. Our governance structures and processes are not embedded and do not lead to effective decision-making

Tracy Watterson, executive director – people and business support

There is a risk that our governance systems and processes are ineffective and inconsistent and are not understood across the organisation. A lack of capacity or capability mean that we are unable to deliver our governance responsibilities. This could lead to significant failings, reputational damage and additional scrutiny.

Inherent risk	Residual risk	Target risk
16 Likely Major	12 Feasible Major	8 Slight Major

Mitigation	Owner	Frequency or completion date	Status
Implement recommendations from the Board effectiveness review	Tracy Watterson	Jun 21	Planned
Training to develop awareness across the organisation	Tracy Watterson	Jun 21	Planned
Corporate governance framework developed and implemented	Tracy Watterson	Spring 21	In progress

6. We fail to anticipate and respond to changes in the external environment which may threaten the efficiency or effectiveness of our work

Colum Conway, chief executive officer

There is a risk of poor efficiency or effectiveness caused by a failure to anticipate and respond to changes in the external environment. This could impact on our ability to achieve our strategy as resources are reassigned and our strategy is no longer aligned to our full remit. Organisational overload could also lead to low employee morale related to increased workload, tougher decisions regarding budgets and reduction in quality of our delivery.

Inherent risk	Residual risk	Target risk
16 Likely Major	12 Feasible Major	8 Slight Major

Mitigation	Owner	Frequency or completion date	Status
Enabling honest discussion with our sponsors and the government regarding the impact of additional responsibilities on our organisation	Colum Conway	Quarterly	Ongoing
Horizon-scanning to ensure we are aware of how policy change or other external factors may impact upon us and our responsibilities	Sarah Blackmore	Weekly	In place
Continued work on maintaining a culture of flexibility and adaptability where we manage change well	Tracy Watterson	Ongoing	Ongoing

3. Our course approval and reapproval process has a significant impact on student/trainee's flow into the profession.

Phil Hallam, executive director – registration, quality assurance and legal

There is a risk that our decisions regarding course approval limits the ways in which students can enter the profession. If we are too severe, we may lose the engagement of the education sector and inappropriately reduce the number of qualified social workers, which may also lead to more fitness to practise referrals as social worker workload increases to cope with the shortfall.

Inherent risk	Residual risk	Target risk
16 Likely Major	12 Feasible Major	4 Very unlikely Major

Mitigation	Owner	Frequency or completion date	Status
Development of policies and procedures to ensure consistency	Phil Hallam	April 21, regular review following	Ongoing
Staff training and development to ensure that decisions are fair and justifiable	Phil Hallam	Sep 21 for initial training to be completed, then regular development	Planned
Quality assurance of decision-making via a review group	Phil Hallam	TBD	Planned
Education and training advisory forum	Phil Hallam	Monthly	In place

1. We become financially unsustainable

Tracy Watterson, executive director – people and business support

There is a risk that we are unable to balance our business delivery and priorities against finite financial resources. This could be caused by underdeveloped budgetary and headcount controls, poor financial management processes, a misalignment of business priorities and resources, lack of scrutiny or overoptimistic forecasts.

This could lead to us losing control of our finances and headcount and a failure to meet our regulatory commitments and ambitions set out in our strategy and business plan. It could also lead to loss of confidence in our ability to manage our corporate functions and possible closing of the organisation.

Inherent risk	Residual risk	Target risk
20 Likely Critical	10 Slight Critical	5 Very unlikely Critical

Mitigation	Owner	Frequency or completion date	Status
Scrutiny of management accounts at the Executive Leadership Team and Department of Education	Tracy Watterson	Monthly	In place
Annual pay remit approval from Secretary of State	Tracy Watterson	Annually, September	In place
Annual budget setting process in place	Tracy Watterson	Annually, Nov -Mar	In place
CEO reviews with sponsor departments	Colum Conway	Quarterly	In place
Budgetary control and procurement training	Tracy Watterson	March 21	planned
Financial control handbook in place	Tracy Watterson	May 21	planned
Robust policies and procedures to ensure we are effectively managing our money	Tracy Watterson	Reviewed annually and as needed	Currently under review
Development of a fee income model and strategy for consulting on fee increases	Phil Hallam	Consultation on fee increases scheduled for Spring 2022	Planned

11. We fail to retain our people and lose organisational skills, knowledge, and experience

Tracy Watterson, executive director – people and business support

There is a risk that we do not retain people with the right skills. We may also be unable to deploy our people with sufficient adaptability and agility and may find that we fail to use and manage the sum of our knowledge. This may be caused by changes in the external environment, an inability to embed out organisational values and behaviours or low morale. This could all be detrimental to our ability to deliver on our commitments, regulatory, corporately and our ambitions.

Inherent risk	Residual risk	Target risk
20 Likely Critical	**8** Slight Major	**8** Slight Major

Mitigation	Owner	Frequency or completion date	Status
People engagement survey action plan	Tracy Watterson	May	In place
Support for flexible working	Tracy Watterson	Ongoing	In place
Wellbeing support, monthly 121s, sickness absence monitoring	Tracy Watterson	Monthly	In place
Development of an inclusive People Strategy and workforce plan	Tracy Watterson	September 2021	In progress
Monitoring of percentage of fixed term contract, ideally no more than 25% of total workforce	Tracy Watterson	Monthly	On going
Learning and development offer in place for our people and support for promotion and lateral moves	Tracy Watterson	Ongoing	In progress
Close monitoring of reasons for leaving	Tracy Watterson	Monthly	Ongoing
Recognition scheme	Tracy Watterson	Monthly	Ongoing