



**Audit Committee
20 July 2021
Risk Register**

Classification	Private
Purpose	For discussion
Issue	This paper presents the latest version of the risk register for consideration.
Recommendation(s)	To consider the content of the report.
Financial and resourcing implications	Financial and resourcing implications are threaded throughout the risk register narrative.
Equality and diversity implications	The risk register has a specific risk identified in relation to the GOC approach to equality and diversity.
Communications implications	The Risk Register is reported to Council at its February and July meetings. It is considered by Audit Committee at every meeting.
Annex(es)	A: Risk register scoring system and key definitions B: Risk register
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Key messages from the paper:

- Audit Committee receive the risk register at each meeting for review and scrutiny. The risk register is presented to Council twice a year in private session.
- Throughout 2020 and into early 2021 the risk register was prepared through the lens of the coronavirus pandemic. While coronavirus remains, the risk register has been updated to reflect a more settled operation within GOsC.
- Key risks are 'delay to regulatory reform; adverse impact on patients and the profession from the review of number of regulators; FTP decisions being challenged and concerns around robustness of the education sector'.
- A new risk has been added around the independent review commissioned by the Department of Health and Social Care (DHSC) into the number of regulators, and that the options presented adversely impact on patient safety and/or a reduction in status for the profession.
- The risk around the impact of a national emergency has been redrafted to reflect the risk that GOsC does not learn lessons arising from its recent experience of regulating through a global pandemic.
- A narrative for each risk is set out in the paper from paragraphs 6 - 23.

Background

1. The risk register is presented to every meeting of Audit Committee and to Council twice a year for discussion and scrutiny. A summary of the scoring system and the key definitions are at Annex A.
2. In March 2020, Audit Committee advised the Executive not to prepare an additional coronavirus risk register and instead to focus resources on the business at hand as the GOsC was effectively in a business continuity scenario.
3. The Executive took that advice and risk register from March 2020 to date was prepared through the lens of the global coronavirus (COVID-19) pandemic, taking into account the context as we continue our core business.
4. In March 2021, Audit Committee suggested that as the business operation was more settled, a redrafting of the global pandemic risk be considered. This has been reflected in the current risk register where the risk presented is about GOsC not learning lessons from its experience of regulating through a global pandemic.
5. The risk register can be found at Annex B.

Discussion

Narrative around key risks

6. The risk register is ordered so that the highest risks are shown first, reducing in severity. The first five risks have been classified as 'red' risks, highlighting their significance, before any mitigations take effect. It is expected that these risks will remain high on the risk register for the foreseeable future.
7. The first risk is risk of a delay to regulatory reform over which we have little to no control. The DHSC are currently consulting on the policy proposals for all healthcare regulators; however, the legislative reforms will be implemented for the General Medical Council (GMC) first, with all other regulators following afterwards, mostly likely starting with the next largest, therefore being the Nursing and Midwifery Council and then possibly the Health Care Professions Council. The difficulty is that DHSC have provided no timeframe for when the reforms might be implemented for all regulators, and we are at risk of not receiving legislative reform, for many years, if indeed at all. This risks a two-tier regulatory system where some regulators are able to streamline their processes and others are working from outdated, prescriptive legislation.
8. The second risk is linked to the first, and represents a new entry on the register. This is a risk connected to the independent review of the number of regulators which may propose options that adversely impact on patients and the profession.
9. Within the DHSC consultation on the policy proposals, it makes reference to the next steps for reform, although it asks no consultation questions or proposes any changes. The consultation makes reference to the White Paper - which precedes the Health and Care Bill - and specifically the expansion of powers for the Secretary of State for Health to change the regulatory landscape through the use of secondary legislation. The expanded powers include the potential for removing a profession from regulation to closing a regulator.
10. The new risk articulates the risk that the context within which osteopaths practise is not understood leading to risks that the future regulatory system does not enhance patient safety and/or leads to a reduction in status for osteopaths. We have articulated the impact of the risk as being the stagnation in the development of the profession.
11. By way of mitigation, we have set out that we will proactively engage with the independent consultants (when known who has been appointed) as well as working in collaboration with our regulatory partners. Looking further ahead, we will be working with the Audit Committee on an assurance report assessing our performance in the context of regulatory reform and this should provide an evidence base to help inform the discussions with the independent consultants.
12. The third risk is connected to Fitness to Practise decisions are incorrect, or perceived to be incorrect and subject to challenge by patients, registrants, the PSA and/or other stakeholders. This risk has increased in severity as we have

recently had two appeals which we have needed to defend; one was successfully defended at the High-Court, the other has been referred to the Court of Appeal.

13. The decision to appeal to the Court of Appeal is not one which was taken lightly as we are cognisant of the potential reputational and financial impact if we were to be unsuccessful. However, after consideration of the situation, it was felt that there was a matter of wider public interest which swayed our decision to appeal. We have expanded our future mitigations to ensure we learn any appropriate lessons arising from the High-Court and Court of Appeal cases.
14. The fourth high risk reflects pressure on the osteopathic education sector which was amplified as a result of the global pandemic and which has not diminished. We continue to be in close communication with the osteopathic education institutions (OEIs) and are providing reports to the Policy and Education Committee (PEC) on the sector response. It is correct to report that those within the sector are working closely together; however, there will naturally be fragilities/pressures within individual OEIs over which the GOsC has no control.
15. In 2020 we were advised of a merger between two osteopathic education institutions - the European School of Osteopathy and the British College of Osteopathic Medicine. The PEC are monitoring this situation as part of its work; however, from a strategic risk perspective it will be interesting to observe how the rest of the sector responds to the merger and whether this is the start of a greater degree of consolidation. From that strategic perspective we would be interested whether this merger has a direct impact on quality of education and patient care (either positively or negatively) and, separately for the GOsC, in terms of places available to students and possibly reduced costs of monitoring.
16. The final red risk (before mitigation) describes how our strategic ambitions might be undermined by pressures placed on sustainability. This includes registration fee income falling below expectations and/or expenditure being greater than forecast, as well as any potential stagnation in the profession. We continue to monitor our registration and financial data for any trends which may arise.
17. The next set of risks are classified as 'orange' risks before mitigation. The first risk reflects a revised narrative arising from our response to the global pandemic. While the global pandemic has not ended, the direct impact on the GOsC has reduced, meaning we can adjust how this risk is reported. We have changed emphasis to the risk of GOsC not learning lessons from its experience of regulating through a National Emergency, meaning that in the event of new situation arising we are slow to respond with a negative impact on the delivery of our statutory responsibilities.
18. The next risk relates to our IT and digital infrastructure not being able to support GOsC activity and/or the future business transformation programme has been a feature of the risk register over the last 12-15 months. This risk articulates a failure to act and to grasp the opportunities which we have identified, and to use COVID-19 as a disruptor for positive change.

19. The next three orange risks remain unchanged and relate to delivery of our key responsibilities around (1) implementing the continuing professional development scheme (2) implementing the actions arising from the Equality, Diversity and Inclusion audit, and (3) implementing the new Communications and Engagement Strategy 2021-24.
20. The penultimate risk - significant change to the control environment - is currently rated 'yellow'. The risk rating has gradually reduced since September 2019, because while there has been a significant amount of change which the Executive has managed, assurance can be taken from clean external audits around payroll and the financial year-ends in 2020 and 2021.
21. We have reworded this risk to reflect that the remote working and transition to a new post, Head of Resources and Assurance, slightly increases the risk of a financial control breach. We see this risk reducing after mitigation to the lowest possible level as we plan to rollout online training for staff and non-executives, for example, on fraud/money laundering, and also our new postholder will have developed a greater understanding of the business and control environment.
22. The final risk was a new entry to the register in March 2021 and relates to the wellbeing of those who work for the GOsC during a sustained period of homeworking, lockdown and now with the increased risk of transmissibility of the virus. We are conscious that in a small organisation we are heavily reliant on the staff team and on members of the Governance structure to deliver the business plan and meet our statutory duties and we need to ensure their resilience and wellbeing is maintained. We are also mindful that as we look to reopen Osteopathy House, this may bring new challenges, foreseen and unforeseen.
23. From a staff perspective, we have a number of mitigations which have been considered by the Remuneration and Appointments Committee and these include frequent team meetings; discussions/training around resilience and mental health awareness; a staff survey and questionnaires assessing the attitudes of staff towards returning to the office when restrictions lift.

Recommendation: To consider the content of the report.

Risk Register scoring system and key definitions

Risk scoring system

1. The risk seminar identified that best practice in risk management was to place a greater emphasis on the impact of risk calculated by the formula:

(impact x likelihood) + impact
2. In addition, the scoring system was expanded from a 3x3 scoring model to a 4x4 scoring model, with the purpose of trying to tease out greater depth and understanding of the risk profile.
3. The new model continues to operate on a traffic light system (where red = high, yellow = medium, green = low) with the introduction of an 'orange' rating to identify those risks which are not quite high risk, but which might need greater scrutiny than other medium category risks. In many ways, members might consider this scoring system like a heat map.
4. The risk scoring model is set out below.

IMPACT	High (4)	8	12	16	20
	Significant (3)	6	9	12	15
	Medium (2)	4	6	8	10
	Low (1)	2	3	4	5

Unlikely (1)	Possible (2)	Probable (3)	Highly probable (4)
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LIKELIHOOD

Definitions

5. In order to assist the Executive score risks, some simple definitions have been created to describe what is meant by each impact level and each likelihood level.
6. The Executive recognises the Audit Committee has spoken about attaching a financial weighting to the definitions. This has not happened in this iteration due to the Executive not having sufficient time with the recent focus being on our response to the coronavirus impact; however, we intend to revisit this in future iterations.

Annex A to 4

The definitions are as follows:

Impact	
High	Most severe form of impact. Disruption to the business has the potential to be catastrophic
Significant	High degree of impact. Disruption to the business has the potential to be significant
Medium	Medium degree of impact. There will be disruption, but it is not business critical
Low	Low degree of impact

Likelihood	
Unlikely	There is a remote chance that the risk will occur
Possible	There is some chance that the risk will occur although it is more likely not to happen
Probable	There is a reasonable chance the risk will occur
Highly probable	The risk is more likely to happen than not

Movement in risk score since last review

7. The visual representation of the movement in the risk score will be shown as follows:

Change in risk score since last review	
↑	Risk score has increased since the last review
↔	Risk score has stayed the same since the last review
↓	Risk score has decreased since the last review