

For Information	
Public/Non Public*	Public
Report to:	Joint Audit & Scrutiny Panel
Date of Meeting:	Thursday 12 February 2015
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Agenda Item:	9

STRATEGIC RISK MANAGEMENT REPORT (2014/15 QUARTER 3)

1. Purpose of the Report

- 1.1 To provide the Joint Audit and Scrutiny Panel with an up to date picture of strategic risk management (to the end of 2014/15 Quarter 3) across Nottinghamshire Police (the Force) and the Nottinghamshire Office of the Police and Crime Commissioner (NOPCC).

2. Recommendations

- 2.1 That the Panel notes the current approach to strategic risk management and considers the assurance that this report provides as to the effectiveness of those arrangements within the Force and the NOPCC.

3. Reasons for Recommendations

- 3.1 A Strategic Risk Management Report is provided to the Joint Audit and Scrutiny Panel every six months to enable the Panel to consider the effectiveness of risk management within the Force and NOPCC, as part of their wider scrutiny of corporate governance arrangements.

4. Summary of Key Points

Risk management policy and process

- 4.1 The Force and the NOPCC have agreed to set a joint policy for the management of risk, in line with the Cabinet Office approved Management of Risk (M_o_R) approach.
- 4.2 This Risk Management Policy has been under review, and is in the final stages of consultation. A Risk Management Process Guide, which provides an overview of risk management techniques and their application in practice, has also been produced.
- 4.3 The revised policy introduces some significant changes to the way the Force and NOPCC will use risk management in their decision making in future. Some of those changes include:

- Each portfolio lead sets a risk management strategy for their area of responsibility, including risk appetite and tolerance levels and the risk management activities they expect to take place
- Portfolio and programme boards maintain strategic risk registers; divisions, departments and projects maintain operational risk registers
- The Force Executive Board and the Audit and Scrutiny Panel receive regular reports on strategic risk management, highlighting current High and Very High risks

4.4 These changes have been trialled over the past 6 months within the area of information risk management, resulting in refinements to the policy so that it can be rolled out to other business areas during 2015.

Strategic risk registers


4.5 Copies of the following strategic risk registers are appended to this report:

- Appendix I – Strategic Operational Policing Risk Register
- Appendix II – Strategic Corporate Services Risk Register
- Appendix III – Strategic Information Risk Register
- Appendix IV – Strategic NOPCC Risk Register


4.6 All risks within the Force’s and NOPCC’s risk registers are classified according to one of the following impact categories:


- Crime and community safety
- Operational efficiency & effectiveness
- Judicial proceedings
- Reputation
- Finances
- Compliance
- Life and safety
- Environment


4.7 The tables below provide an evaluation of the overall level of risk exposure within the Force at present in each of these categories; the current trend; a summary of those specific risks (both threats and opportunities) which are currently assessed as having a High or Very high risk rating; and the planned to response to those risks:


Risk type	Finances		
Overall risk exposure	High	Trend	
Current top risks	Rating	Risk response plans	
The Force exceeds its annual budget for 2014/15	H	Contingency plan: use of reserves	


The Force exceeds its annual budget for 2015/16	H	Development & delivery of an efficiency savings plan for 2015/16
Failure of appeal against A19 tribunal decision	H	Appeal process; contingent liability in accounts


Risk type	Operational efficiency & effectiveness		
Overall risk exposure	High	Trend	
Current top risks	Rating	Risk response plans	
Mechanical or electrical failure at the Bridewell forces closure & temporary loss of custody provision	H	Business case for replacement / upgrade; custody business continuity plans to divert to neighbouring forces	
Loss of mobile data capability as Blackberry stocks run out	H	Upgrade existing BEAT system to be "device agnostic" & purchase alternative mobile devices	
Non-networked IT equipment not supported by Force IS team fails; essential information is not available	H	Forcewide review of non-networked IT equipment and adoption by IS team for future technical support	
Changes to the probation service result in increased demand for Force offender management	H	Governance of offender management through Joint Local Policing & Specialist Services Board & LCJB	


Risk type	Crime & community safety		
Overall risk exposure	Medium	Trend	
Current top risks	Rating	Risk response plans	
No risks currently rated High or Very high	N/A	N/A	

Risk type	Judicial proceedings		
Overall risk exposure	Medium	Trend	
Current top risks	Rating	Risk response plans	
No risks currently rated High or Very high	N/A	N/A	

Risk type	Compliance		
Overall risk exposure	Medium	Trend	
Current top risks	Rating	Risk response plans	
No risks currently rated High or Very high	N/A	N/A	

Risk type	Reputation		
Overall risk exposure	Medium	Trend	
Current top risks	Rating	Risk response plans	
No risks currently rated High or Very high	N/A	N/A	

Risk type	Life & safety		
Overall risk exposure	Low	Trend	
Current top risks	Rating	Risk response plans	
No risks currently rated High or Very high	N/A	N/A	

Risk type	Environment		
Overall risk exposure	Very low	Trend	
Current top risks	Rating	Risk response plans	
No risks currently rated High or Very high	N/A	N/A	

Closed strategic risks

4.8 The following strategic risks have been closed since the previous report:

Risk description	Date closed	Reason for closure
Opportunity to bid successfully for more than £1m from the Police Innovation Fund	August 2014	The risk (opportunity) was exploited successfully
Unauthorised access to Force information by an employee	November 2014	Risk to be assessed by individual information asset owners (IAOs)
Unauthorised third party access to Force information	November 2014	Risk to be assessed by individual information asset owners (IAOs)

Other risk management activity

4.9 There is a substantial amount of risk management activity currently taking place throughout the Force, supported by the Force risk practitioner. Some examples that the Panel should be aware of are as follows:

- Risk analysis of identified efficiency saving opportunities to enable prioritisation and tighter control over planned activity to reduce costs
- Development of an Information Asset Register (IAR) which will form the basis of a comprehensive approach to managing information risk
- Understanding the risks associated with implementation of Delivering the Future projects
- The application of the Risk Management Policy within programme and project management, including the Delivering the Future Programme
- Analysis of safety and compliance risks within the force's custody facilities to aid prioritisation of building works
- A review of health and safety incident data to identify significant risk factors and inform future preventative strategies
- A review of misconduct data to identify significant risk factors and inform future preventative strategies

- A review of the Psychosocial Risk Analysis report prepared for the Force by Dr Jonathan Houdmont in 2014, to identify potential risk reduction activities relating to workforce stress

5 Financial Implications and Budget Provision

- 5.1 The only current financial implications for the Force associated with the implementation of the Risk Management Policy come from the cost of membership of the public sector risk management association, Alarm. The annual subscription for the Force risk practitioner costs £160.
- 5.2 As part of the revised Risk Management Policy the Force and NOPCC have committed to maintaining at least one member of staff who is an accredited Management of Risk (M_o_R) registered practitioner. M_o_R training typically costs around £1,000 and is valid for 5 years. The current post holder's registration expires in November 2018.

6 Human Resources Implications

- 6.1 Providing professional advice on risk management is the responsibility of one Strategic Support Officer within the Planning and Policy team (Business and Finance department), who is trained as an M_o_R Registered Risk Practitioner and who is also responsible for advising on business continuity management.
- 6.2 General responsibility for managing risk forms an integral part of the job descriptions of individuals throughout the Force. An essential aspect of policy implementation will be the design and delivery of appropriate training to those individuals, which will be undertaken by the Force risk practitioner during 2015.

7 Equality Implications

- 7.1 There are no known equality implications associated with the implementation of the Risk Management Policy.
- 7.2 Where a particular risk is identified that could have an impact on the Force's or NOPCC's equality objectives that risk will be managed in line with the Risk Management Policy.

8 Risk Management

- 8.1 One of the main aims of the Risk Management Policy is to achieve consistent application of risk management principles and techniques across all areas of the Force and NOPCC.
- 8.2 If the Force and NOPCC do not practice effective risk management within their decision making there is a risk of non-compliance with the principles set out in the Joint Code of Corporate Governance. This risk was identified in the Force's Annual Governance Statement 2014 and is currently being managed

within the Business and Finance department risk register, with a risk rating of Medium.

9 Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 The Force and Office of the Police and Crime Commissioner have agreed to set a joint Risk Management Policy based on the adoption of the M_o_R approach. This policy is currently in the final stages of consultation with division and department heads and should be published during the next Quarter.
- 9.2 An understanding and appreciation of strategic risk is important in determining the priorities in the Police and Crime Plan, and subsequently informing the development of effective strategies, policies and plans to address those priorities. It is expected that the implementation of the revised Risk Management Policy will lead to improved understanding of strategic risk and therefore impact positively on the achievement of Police and Crime Plan objectives.

10 Changes in Legislation or other Legal Considerations

- 10.1 The preparation and publication of an annual governance statement in accordance with the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' is necessary to meet the statutory requirement set out in Regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006 for authorities to prepare a statement of internal control. This includes the requirement to have "effective risk management systems in place".
- 10.2 A review of the Force's monthly Horizon Summary report has not identified any forthcoming changes in legislation that would affect the Force's and NOPCC's risk management arrangements.
- 10.3 Where potential changes in legislation or other legal considerations represent a significant threat or opportunity for the Force or the NOPCC these are evaluated and managed in line with the Risk Management Policy.

11 Details of outcome of consultation

- 11.1 The joint Risk Management Policy has been developed in consultation with the Chief Executive, the Chief Officer Team (COT), division and department heads and the Programme Management Office (PMO). This consultation is still open, but to date the most significant change that has been made was to the statement of risk capacity on the advice of the Commissioner's Chief Finance Officer.

12. Appendices

- 12.1 **Appendix I** – Strategic Local Policing Risk Register, 2014/15 Quarter 3
- 12.2 **Appendix II** – Strategic Corporate Services Risk Register, 2014/15 Quarter 3
- 12.3 **Appendix III** – Strategic Information Risk Register, 2014/15 Quarter 3
- 12.4 **Appendix IV** – Strategic NOPCC Risk Register, 2014/15 Quarter 3