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**JOINT INDEPENDENT AUDIT COMMITTEE
October 2023**

SUBJECT	Strategic Risk Management Report
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SUMMARY AND PURPOSE OF REPORT	
The purpose of this report is to provide the Joint Independent Audit Committee (JIAC) with an update regarding strategic risk management across the Force.	
RECOMMENDATION	<ol style="list-style-type: none"> 1. It is recommended that JIAC notes the Force’s current strategic risk register (Appendix 1) and the mitigation that the Force has put in place for each risk. 2. It is recommended that JIAC notes the accompanying appendix (Appendix 2), which outlines more in-depth explanations of the mitigations in place in relation to the Force’s highest-level strategic risk.

A. SUPPORTING INFORMATION

The Force’s strategic risk management process was established in Autumn 2022 and the strategic risk register is presented to the Force Executive Board on a quarterly basis. This process provides a formal governance approach to strategic risk, ensuring that all senior managers are involved in the risk management process.

Corporate Development have met with departmental heads to review their risk registers as well as to brief them on the new risk management process. This process continues with a focus on ensuring that risks are appropriately assessed, as well as giving a general awareness of risk management in decision making processes. This is supported with a refresh of the Force’s Risk Management intranet page.

In 2023 Mazars carried out a follow up audit in relation to Risk Management. Their report gave the force a rating of ‘significant assurance’. Some of the report comments include.

- Responsibilities relating to risk management are clearly defined in the Joint Corporate Risk Management Policy.
- Risks can be identified to members of each department’s SMT, with these being reported to the Risk Working Group by Chief Superintendents and Heads of Departments.

- Potential and identified Strategic Risks are escalated to the Strategic Risk Board, chaired by the DCC, for review and approval for addition to the Strategic Risk Register.
- Risk registers are maintained for departments and thematic areas using the JCAD system by risk register owners (i.e., Heads of Departments and Chief Superintendents).

The audit identified the following two recommendations to provide scope for improving the control environment for audit:

The Force and OPCC should ensure that risk registers reporting to governance bodies includes target scores for risks, to ensure appropriate scrutiny of planned future controls.

Force response: JCAD includes a ‘target score’ section and this has been included in all risk review meetings, this section is reviewed alongside Inherent and Residual risk scoring. This ensures a clear target score is detailed so mitigations can be aligned with the goal of achieving the needed target score.

The Force and OPCC should ensure that risk register reviews include confirming that all necessary fields have been completed for all risks and that appropriate current controls are in place to support the residual risk score.

Force response: The Risk and Business Continuity Officer will continue to review all risk registers and make any necessary amendments. All sections are to be populated in line with the expected scoring, and this is managed through the regular risk meetings held with risk register owners.

Risk Grading Criteria

The strategic risk register identifies the key strategic risks to the force. This document is constantly being reviewed through the new governance process. However, in the main, these risks represent long-term issues and typically remain on the register for long periods.

All risks are scored on an ascending scale of 1-4 in terms of impact and likelihood. Multiplication of these 2 figures leads to a Risk Score, which is expressed as a Red/Amber/Yellow/Green rating.

Impact	Very High	4	8	12	16
	High	3	6	9	12
	Medium	2	4	6	8
	Low	1	2	3	4
		Low	Medium	High	Very High
Probability					

Risk Control

Once a risk has been analysed and scored, a basic **risk strategy** is determined by the Responsible Officer. The chosen strategy falls into one of the following four categories below.

- Treat – Take action to reduce the probability or mitigate the impact of the risk.
- Tolerate – Accept the risk and take no further action currently.
- Transfer – Make someone else responsible for the risk, such as through contracting out, a service level agreement, or an insurance policy.
- Close – Withdraw from the activity that is at risk.

If the chosen risk strategy is to **treat** the risk, then consideration is given to the **risk controls** that already exist and those which would need to be put in place to reduce the probability of the risk occurring or mitigate its impact should it occur.

B. FINANCIAL CONSIDERATIONS

There are no direct financial implications because of this report. Financial implications because of each risk will be assessed and managed on an individual basis.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

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.

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES

(Including any impact or issues relating to Children and Young People)

Providing professional advice on risk management is the responsibility of the Corporate Development team. General responsibility for managing risk forms an integral part of the job descriptions of individuals throughout the Force.

E. REVIEW ARRANGEMENTS

The Committee are advised of progress in relation to risk management at each meeting.

F. RISK MANAGEMENT

Risks are detailed as appropriate within appendices to this report.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.