

Report to the Chair and Members of the Audit and Control Panel 10th August 2010

Presenting Officer: Norman Wright
Status: For Decision

Police Authority Risk Register August 2010

1 Purpose

- 1.1 To provide Members with the opportunity to review the CPA Risk Register and Action Plan.

2 Recommendations

That Members:

- 2.1 Agree the Risk Register (Appendix A) and Action Plan (Appendix B).
- 2.2 Note that this document is currently being transferred onto the new 4Risk electronic risk management system.

3 Reasons

- 3.1. The 2007 CIPFA/APA guidance for Police Authorities "Delivering Good Governance in Local Government Framework" recommends that an effective risk management system be put in place and that decisions be subject to effective scrutiny and the management of risk. It further recommends that the Authority should ensure that risk management is embedded into the culture of the organisation; with members and managers at all levels recognising that risk management is part of their job.
- 3.2. The management of risk within the Force has recently undergone a transformation with extra resources provided and a new *Service*

Continuity and Risk Management Implementation Programme well underway.

- 3.3. The Authority's Risk Management Policy and Strategy was agreed at the March 2010 Audit & Internal Control Panel meeting. This will steer the arrangements for identifying, monitoring and managing CPA risks.
- 3.4. In order to engender and support a culture of risk management across the Authority and Force, the Chief Executive established a Joint Risk Management Group that meets monthly. This Group reviews the progress being made with the Force implementation programme and will, amongst other things; facilitate consistency between the Authority and Force Risk registers.
- 3.5. The CPA Risk Register is updated after scrutiny by the Joint Risk Management Group (Appendix A). The CPA Risk Register is migrating onto the new *4Risk* software, alongside the Force Strategic Risk Register and the Service Unit Risk Registers. The Action Plan to mitigate risks is set out at Appendix B for Member Review.
- 3.6. At the July meeting of the Joint Risk Management Group it was agreed to insert relevant items from the CPA Baseline Assessment – a risk identification exercise first carried out in January 2010 - onto the CPA Risk Register. In addition to this various partnership risks have been identified around funding of PCSOs and the SARC. Therefore the following changes have been made to the CPA Risk Register:-
 - 3.6.1. Risk PA2 has been expanded to reflect the increased threat to Government funding for policing.
 - 3.6.2. Risk PA4 has been expanded to reflect the growing risk of partnership funding being withdrawn.
 - 3.6.3. New Risk PA9 on member issues has come out of the work on the CPA Baseline Assessment.
 - 3.6.4. New Risk PA10 on scrutiny issues has come out of the work on the CPA Baseline Assessment.
 - 3.6.5. The Risk Register Action Plan has been updated with actions taken and new items.
- 3.7. Project I is on an emerging risk register that was maintained by the project team. At the July joint Risk Management Group it was agreed that these risks will be refined and assessed in order to migrate them to the Force Strategic Risk Register or the CPA Risk Register in the near future.

4. **Implications**

Sustainability – Future Management of Risks

- 4.1 The Joint Risk Management Group meets monthly to assist in the management of risk across both Authority and Force. This will promote the embedding of risk management within integrated business and financial planning processes.

Financial Implications

- 4.2 There are no direct financial implications.

Diversity and Equal Opportunities

- 4.3 There are diversity and equal opportunities implications in that this is an area of business risk that is monitored by the Police Authority.

Risk Management

- 4.4 The ability to identify and manage its risks will enhance the Authority's capability to promote openness and accountability, promote corporate governance and performance improvement.

Human Rights

- 4.5 There are no direct human rights implications in this report.

5 **Conclusions**

- 5.1 This report is part of an ongoing process within both Authority and Force to embed risk management in every aspect of the business.

Julie Leng
Acting Chief Executive

Appendix A: CPA Risk Register

Ref	Risk Title (description)	Cause & Effect	Date	Owner	Inherent Risk	Controls & Mitigations	Residual Risk	Residual Actions
PA1	Consultation <i>Risk of failure to comply with legislative and technical requirements for police authorities in relation to public consultation.</i>	Inability to provide the necessary resources (human, financial and partnership) to fully complete the required/planned consultation and communications workload. Consequent impact on the quality and relevance of the results, including feedback loops to the Policing Plan priorities. Potential for criticism from our partners and stakeholders (e.g. HMIC and CDRP).	1/4/7	CPA	Imp. 3 Lik. 3 = 9	1. A joint Consultation Strategy, including a comprehensive Neighbourhood Survey. 2. An established process for setting local policing priorities, starting with the Members' briefing and culminating in the production of a Three Year Policing Plan. 3. Contingency plan to cope with staff shortage within CPA.	Imp. 3 Lik. 2 = 6	1. Continue to work with the Force and partners to maintain a robust consultation service with greater citizen focus. 2. Work with the Force to ensure that the Neighbourhood Survey covers the basic consultation and engagement requirements.
PA2	Effectiveness, VFM and the funding of services. <i>Risk of failure to provide effectiveness and value for money in policing services and to achieve the efficiency saving necessary to enable core services to be protected against a backdrop of tight funding settlements.</i>	1. Govt. funding CSR 2010 may be insufficient to maintain service levels. 2. Possible lack of progress on efficiency savings and national initiatives such as collaboration, workforce modernisation and process reengineering. 3. Possible deterioration in frontline services as budgets are balanced, which in turn results in adverse assessments from HMIC/Audit Commission/Home Office.	17/7/8 and 10/8/10	CPA	Imp. 5 Lik. 5 = 25	1. Long term financial planning process. 2. Efficiency planning and implementation processes. 3. Initiatives to outsource, collaborate, process reengineer and improve the procurement processes.	Imp. 4 Lik. 4 = 16	1. LTFFP to identify future sources of savings and efficiencies required to meet funding gaps. 2. <i>Scoping paper being prepared on likely 25% funding cutback.</i> 3. Demonstrable developments in outsourcing, process reengineering, workforce modernisation, collaboration and other service improvement/efficiency initiatives. 4. Development of an efficiency and productivity strategy.
PA3	Diversity & Equality <i>Risk of failure to</i>	1. Failure of CPA to comply with legal requirements regarding equality schemes and impact	1/4/7	CPA	Imp. 3 Lik. 3 = 9	1. CPA Single Equality Scheme with details of action plan and equality impact assessments.	Imp. 3 Lik. 2 = 6	1. Implement new Equality Standard for Policing. 2. Improve recruitment and

Ref	Risk Title (description)	Cause & Effect	Date	Owner	Inherent Risk	Controls & Mitigations	Residual Risk	Residual Actions
	<i>comply with legal requirements regarding the promotion of diversity and equal opportunities.</i>	assessments. Lack of resources/training in this respect. 2. Failure to monitor force procedures and practices to ensure similar compliance. 3. Ineffective recruitment and retention of BME officers and staff. 4. Consequent risk to reputation if enforcement action or legal action is forthcoming.				2. Force Single Equality Scheme and work to implement new Equality Standard for Policing. This includes BME recruitment and retention considerations. 3. Ongoing diversity, equality and human rights training for members and staff.		retention of BME officers and staff. 3. Monitor the effectiveness of equality impact assessments. 4. Monitor requirements from the new Equalities Bill.
PA4	Partnerships <i>1. Risk of failure to establish effective representation on the local area partnerships – CDRPs, LSPs, Children's Trust Boards and LCJB.</i> <i>2. Risk of withdrawal of partnership funding for PCSOs and SARC.</i>	A lack of effective representation on the statutory partnerships and no direct representation on 3 of 4 LSPs and the LCJB could result in insufficient influence over partnership strategies, policies and funding, including collaborative working, which in turn leads to criticism from partners and stakeholders (e.g. HMIC). <i>Public sector spending cuts and restructuring. Local Authorities may cutback on PCSO funding as part of their 25% cuts. The PCTs will cease to commission so who will fund the SARC (GP consortia?).</i>	1/4/7	CPA	Imp. 4 Lik. 4 = 16	1. Maintenance of effective representation on statutory partnerships by members and officers. 2. <i>LTFP contingencies for the funding of neighbourhood policing.</i> 3. District Commanders represent CPA strategies and policies at LSPs. 4. <i>Partnership Strategy and Code of practice.</i>	Imp. 3 Lik. 3 = 9	1. <i>Authority and Force dialogue with partners to protect shared funding from 2011.</i> 2. Aim to represent CPA strategies and policies within the various partnerships. 3. Establish formalised reporting to CPA panels on partnership arrangements. 4. Continue to press for representation on LSPs and CCJB.
PA5	Governance <i>1. Risk of failure to comply with the provisions of the Code of Corporate Governance and the relevant Acts/Orders/ Regulations.</i>	The legal requirements of the Police Authority, its members and officers, and the delegated authorities may not be fully understood and followed by all concerned. A lack of adherence to the Code or Acts/Orders/ Regulations on an individual or corporate level could lead to bad publicity, loss of reputation, financial loss and possible legal sanction.	1/11/7 & 10/8/10	CPA	Imp. 4 Lik. 3 = 12	1. Code regularly reviewed, updated and disseminated. 2. Members signed for Code of Conduct 2007 Regulations and they sign off declarations of interests and gifts every year. 3. Annual Governance Statement process. 4. <i>Baseline Risk Assessment Jan 2010 identified risks, e.g. CRB checks for members, public</i>	Imp. 4 Lik. 2 = 8	1. Ongoing environmental scanning for new regulatory requirements. 2. Assess the training requirements for compliance by members and staff. <i>Then deliver training required.</i>

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						meetings notices deadlines and timescales for authorising budgets and precepts.		
PA6	Employment Law <i>Risk of costs and litigation in relation to current workforce policies and the failure to apply effective employment law practices.</i>	Possible failure to apply correct employment law procedures with respect to the Equal Pay Act, the Employment Rights Act and other pieces of legislation, associated Regulations and Codes of Practice. This could lead to claims for equal pay, unfair dismissal, constructive dismissal and grievances, with a consequent effect on reputation and financial loss.	1/11/7	CPA	Imp. 4 Lik. 3 = 12	1. Current HR policies and procedures, with associated training. 2. Limited equal pay audit in 2008. 3. Established grading panel.	Imp. 4 Lik. 2 = 8	1. Review HR policies and procedures for effectiveness and compliance (ongoing). 2. Carry out a more comprehensive equal pay audit and job evaluation exercise. 3. Consider need for further training in grievance and discipline procedures. 4. Consider these issues, including TUPE, within the outsourcing process.
PA7	Replace HQ <i>Risk of the current HQ becoming increasingly expensive and unfit for purpose.</i>	The current economic and regulatory (buildings) climate may render the replacement of the Force HQ unaffordable in the short to medium term.	1/7/8	CPA	Imp. 4 Lik. 3 = 12	1. Police Authority Executive to oversee the sourcing of a new HQ. 2. Processes in place to commence the sale and purchases required to provide a new police HQ.	Imp. 4 Lik. 2 = 8	1. Develop costed options for a new HQ. 2. Effectively manage the local authority planning process, including public consultation. 3. Arrange for professional project management. 4. Deliver an affordable, fit for purpose HQ.
PA8	Fraud Financial loss to the authority as a consequence of acts of commission or omission by Members, staff or contractors	No organisation is immune from the risk of fraud	1/3/10	CPA and Force	Imp. 3 Lik. 3 = 9	1 Whistle-blowing Strategy. 2 Counter Fraud and Corruption Strategy. 3 Confidential e-mail system. 4 Work of the Professional Standards Department. 5 Work of the Internal Audit Services 6 Codes of Practice 7 Disciplinary codes. 8 Police conduct	Imp. 3 Lik. 2 = 6	Annual review of effectiveness. Cyclical review of counter Fraud and Corruption arrangements by Internal Audit

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						<p>9 regulations. Systems of management including Delegation Scheme</p> <p>10 Financial Standing Orders (including Contract Standing Orders) are in place. Compliance is monitored by the Audit Panel.</p> <p>11 Force Standing Financial Instructions embodying arrangements including separation of duties, which are supported by disciplinary codes of practice.</p> <p>12 Budgetary control system with monthly analysis and review.</p>		
PA9	<u>Member Issues</u>	<p>1. Risk of losing significant experience at the 4 yearly elections. May lead to poor scrutiny and service levels.</p> <p>2. Risk of a more politicised governing body in the medium term through legislative changes. Could impact on fairness and public confidence issues.</p> <p>3. Risk of non-attendance at meetings due to over-commitment or lack of commitment.</p>	10/8/10	CPA	Imp. 3 Lik. 3 = 9	<p>1. Induction training regime already in place.</p> <p>2. Experienced officers in place to assist new Members.</p> <p>3. Code of Corporate Governance and other management systems well established.</p> <p>4. Strong chair to ensure Membership focus on duties. Existing Membership Regulations cover attendance issues.</p>	Imp. 3 Lik. 2 = 6	1. Ongoing monitoring of the situation, bringing issues to the Leadership Panel, as appropriate.

Ref	Risk Title (description)	Cause & Effect	Date	Owner	Inherent Risk	Controls & Mitigations	Residual Risk	Residual Actions
PA10	<u>Scrutiny Issues</u>	<ol style="list-style-type: none"> 1. Risk that scrutiny can't be evidenced against CPA's statutory requirements. 2. Risk that reporting and monitoring is not to an acceptable standard and within an acceptable timescale. 	10/8/10	CPA	Imp. 3 Lik. 3 = 9	<ol style="list-style-type: none"> 1. Minutes of meetings now fully reflect scrutiny of reports by Members. 2. Outline schedule of reports ensures that timely monitoring takes place. 3. Protocols in place to brief Members and officers and to send out relevant notes and minutes. 	Imp. 3 Lik. 2 = 6	<ol style="list-style-type: none"> 1. Examine findings from Police Authority Inspection – amend processes and procedures as required. 2. Ongoing monitoring of the situation, bringing issues to the Leadership Panel, as appropriate.

Appendix B: CPA Risk Register Action Plan

Risk Item	Required Actions and Controls	Status
<p>PA1. Consultation. Risk of failure to comply with legislative requirements for police authorities in relation to public consultation.</p>	1. Maintain a contingency plan in the event of long-term staff absence.	Completed
	2. Agree and implement a joint consultation strategy with the Force, including the introduction of a Neighbourhood Survey that meets the basic requirements for consultation, including confidence and perception measures, and complies with the NPIA minimum technical requirements for local confidence surveys.	Joint strategy completed. Neighbourhood Survey commenced April 2009 and has been revamped by CPA/CP&P prior to going live October 2009.
<p>PA2. Effectiveness, Value for Money and the funding of services. Risk of failure to provide effectiveness and value for money in policing services and to achieve the efficiency saving necessary to enable core services to be protected and enhanced against a backdrop of tight funding settlements.</p>	1. Continue to support the Corporate Planning and Governance function in work to integrate the financial, workforce and business planning processes and strengthen the Force's corporate governance arrangements.	Ongoing with support from CPA
	2. Police Authority and Force to produce a scoping paper on the implications of a 25% cutback in Government funding. This to be further developed with options that can be fed into the LTFP.	Ongoing, taken up by ACO (Finance and Commissioning) and Treasurer.
	3. Police Authority scrutiny of costed plans and options for future efficiency savings and service options which take into account national initiatives such as workforce modernisation & collaboration. This to include the delivery of a Force Efficiency and Productivity Strategy.	Covered by the LTFP planning and approval process
	4. Improved monitoring and reporting of service and efficiency improvement initiatives to the Police Authority, resulting in enhanced quarterly reporting to police authority.	Covered by the LTFP planning and approval process.
	4. LTFP to identify future sources of savings and efficiencies required to meet any funding gaps that emerge.	Covered by the LTFP planning and approval process.
<p>PA3. Diversity and Equality. Risk of failure to comply with legal requirements regarding the promotion of diversity and equality.</p>	1. Continue to scrutinise the Force and Authority processes and procedures for Single Equality Scheme management and equality impact assessments to ensure that they are robust and compliant.	Ongoing (included in outline schedule of reports 2010/11).
	2. Complete consultation on disability and gender equality schemes as per legal requirements for 3-year review.	Taking place May – July 2010 as part of Single Equality Scheme

Risk Item	Required Actions and Controls	Status
		consultation (Force lead).
	3. Ensure that the force and authority Action Plans are monitored and reviewed.	Included within action point 1.
	4. Continue to monitor for new legislation to be included within the Single Equality Scheme	Review of impact of Equality Act 2010 ongoing. Single equality Scheme to be amended accordingly.
	5. Work with the Force to develop the new Equality Standard for Policing.	Completed April 2010.
	6. Work with the Force to increase the recruitment and retention of BME officers and staff.	Ongoing, but note that recruitment freeze will make this difficult to achieve in the short to medium term.
PA4. Partnerships. 1. Risk of withdrawal of partnership funding for PCSOs and SARC. 2. Risk of failure to establish representation on the local area partnerships - CDRPs, LSPs, Children's Trust Boards, LCJB and other relevant partnerships 3. Risk of adverse comment from HMIC/Audit Commission inspection of the Police Authority.	1. Police Authority and Force to continue dialogue with partners to try to protect shared funding from 2011 onwards.	Ongoing.
	2. Establish Strategy and a Code of Practice for Partnership Working.	Completed via report to January 2010 P&R Panel.
	3. Establish annual reporting to the Operational Policing Panel on partnership and collaboration issues.	Ongoing (Included within the outline schedule of reports for 2010/11).
	4. CPA to press for representation on 3 LSPs and the CCJB	Ongoing requests by members and officers.
	5. Authority to continue to monitor the Force in the development of collaboration and partnership projects, with a view to achieving cost savings and service improvements.	Ongoing (collaboration and partnership reports in outline schedule of reports for 2010/11) (Also see item PA2 above).
PA5. Governance. Risk of failure to comply with the provisions of the Code of	1. Provide training for stakeholders in the provisions of the Code of Corporate Governance and ensure that this forms part of induction training for all Members and officers of CPA	Part completed 2008. To be fully completed by March 2011, taking in new Members. (Strategy &

Risk Item	Required Actions and Controls	Status
<p>Corporate Governance and the relevant Acts, Orders and Regulations. This could entail anything from personal misconduct to incorrect exercise of delegated authorities or a corporate failure to apply legal procedures.</p>		Performance Mgr).
	<p>2. Check on compliance with the provisions of the Code of Corporate Governance via internal control; for example, checking that the Code of Conduct, Contract Standing Orders and Registers of Interests and Gifts are being adhered to, reporting on such as part of the Annual Governance Statement process.</p>	<p>Ongoing annual AGS process and Annual Audit Report. Internal Audit of Governance completed in Aug.2009 Contract Standing Orders currently under review.</p>
	<p>3. Maintain arrangements for compliance with the requirements of the National Fraud Initiative and Whistle-Blowing regulations, reporting on such as part of the Annual Governance Statement process</p>	<p>Ongoing annual AGS process and Annual Audit Report.</p>
	<p>4. Environmental scanning for new legal requirements, reporting to the relevant panel.</p>	<p>Monitoring Officer and Strategy & Performance Manager - ongoing. (Note reports to the P&R panel in June and to the Ops Policing Panel in July 2010)</p>
	<p>5. Plan for the future HMIC/Audit Commission inspection of CPA, regularly reporting on progress to Members.</p>	<p>CPA in line with national timetable 2009/10.</p>
<p>PA6. Employment Law. Risk of costs and litigation in relation to current workforce policies and the failure to apply effective employment law practices.</p>	<p>1. Review the need for an equal pay audit of whole establishment.</p>	<p>Chief Constable to propose actions and report in accordance with the timetable - which is yet to be agreed</p>
	<p>2. Follow this up with a job evaluation exercise in order to establish a fair system of remuneration.</p>	
	<p>3. Fully risk-assess any proposals for workforce modernisation, job restructuring or outsourcing in light of recent legislation, litigation and cost issues experienced by the public sector, reporting to the Police Authority.</p>	<p>Chief Constable and Chief Executive (ongoing)</p>
	<p>4. Review HR policies around grievance and discipline for efficacy and effectiveness, changing and providing further training, as necessary.</p>	<p>New policies introduced 2010.</p>

Risk Item	Required Actions and Controls	Status
<p>PA7. Replace Police HQ. Risk of the current HQ becoming increasingly expensive and unfit for purpose.</p>	1. Assess and cost the requirements and options for a replacement H.Q. ahead of any commitment to proceed with sale or purchase.	Chief Executive and Chief Constable to establish project management and reporting arrangements.
	2. Appoint a professional project management team to oversee the project, reporting regularly to the Police Authority on progress	As above PA7 1
	3. Obtain outline planning permission for the Ladgate Lane site and any relocation site, as required and within appropriate timescales.	As above PA7 1
<p>PA8. Fraud Financial loss to the authority as a consequence of acts of commission or omission by Members, staff or contractors.</p>	1 Annual review of effectiveness.	Part of the AGS process overseen by the Audit & Internal Control Panel
	2 Cyclical review of counter Fraud and Corruption arrangements by Internal Audit	Last undertaken in 2009.
<p>PA9 Member Issues</p> <p>1. Risk of losing significant experience at the 4 yearly elections. May lead to poor scrutiny and service levels.</p> <p>2. Risk of a more politicised governing body in the medium term through legislative changes. Could impact on fairness and public confidence issues.</p> <p>3. Risk of non-attendance at meetings due to over-commitment or lack of commitment.</p>	<p>1. Comprehensive induction training in place.</p> <p>2. Experienced officers in place to guide new members.</p> <p>3. Code of Corporate Governance and other management systems in place.</p>	Largely in place. Still to fully document induction training.
	1. Potential to lobby the Government on the risks involved with their proposed approach to police governance.	Awaiting decision on policy.
	<p>1. Membership Regulations cover non-attendance issues.</p> <p>2. Strong Chair to oversee member attendance.</p>	In place.
<p>PA10 Scrutiny Issues</p> <p>1. Risk that scrutiny can't be evidenced against CPA's statutory requirements.</p> <p>2. Risk that reporting and monitoring is not to an acceptable standard and within an acceptable timescale.</p>	<p>1. Ensure that minutes of meetings fully reflect the scrutiny of reports by members.</p> <p>2. Create comprehensive outline schedule of reports in advance.</p>	In Place
	1. Put protocols in place to brief Members and officers and to ensure that relevant minutes and notes are sent out to all concerned.	Largely in place. Still require more disciplined approach to reporting back from meetings.

