

**Report of the Chief Executive to the Chair and Members
Of the Audit and Internal Control Panel: 3rd September 2009**

**Presenting Officer:
Author: Norman Wright
Status: For Decision**

Police Authority – Risk Register

1 Purpose

- 1.1 To update the Police Authority Risk Register in order to bring it into line with the new Force risk register format and in accordance with the policy to review the document at regular intervals.

2 Recommendations

That Members:

- 2.1 Agree the Police Authority Risk Register as detailed in Appendix 1.
- 2.2 Note that the new scoring matrix used has led to the inherent and residual risk scores being recalculated. They are thereby not comparable with the previous risk scores reported to this Panel.
- 2.3 Agree the draft Action Plan - Appendix 2. This was developed from the Risk Register and will enable key action points and clear lines of responsibility to be identified.

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 organization, with members and managers at all levels recognising that risk management is part of their job.

- 3.2. The Police Authority Risk Register has been revamped to follow the scoring matrix and the format that has been developed for the Force Risk Register. Scores for risk impact are from 1 for insignificant impact to 5 for catastrophic impact. Scores for risk likelihood are from 1 for negligible and unlikely to occur in the next 5 years to 5 for probable within the current year. These two elements of risk are multiplied to provide a risk score, with 25 being the maximum score. Residual risk scores of 6 or more are deemed to require management scrutiny, with contingencies in place to reduce the risk, and 6-monthly review of the risk.

4. **Implications**

Sustainability – Future Management of Risks

- 4.1 In future there will be a monthly risk management meeting, including the Chief Executive, the Head of Corporate Planning and Performance and the Chair and Vice Chair of the Audit and Internal Control Panel. This forum will develop the risk management process, including the integration of the Force and Authority Risk Registers. It will also oversee the management of strategic risks, including business continuity planning. Initial considerations will include the sourcing of new risk management software and the need to ensure a consistent approach to scoring within the risk matrix. The first meeting will be held in September 2009.

Financial Implications

- 4.2 There are financial implications in that the funding of policing and the cost of managing risk are considered as part of this process.

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 human rights implications in this report.

5 **Conclusions**

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

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Appendix 1: CPA Risk Register August 2009 (new format)

| Ref | Risk Title (description) | Cause & Effect | Date | Owner | Inhnt Risk | Controls & Mitigations | RsdI 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 and achievement of the minimum technical requirements for local confidence surveys (NPIA). Resulting 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 that is properly scoped and funded. 2. An established process for setting local policing priorities, starting with the Members' briefing and culminating in the production of a Three Year Strategy and Annual Policing Plan. 3. Contingency plan in the event of long term 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 continues to meet the NPIA minimum technical requirements for local confidence surveys. |
| PA2 | Effectiveness & VFM. <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 and enhanced against a backdrop of tight funding settlements.</i> | 1. Govt. funding post CSR 2007 may be insufficient to maintain service levels. 2. Possible caps on precept rises in future. 3. Possible lack of progress on efficiency savings and national initiatives such as collaboration, workforce modernisation and process reengineering. 4. Results in a deterioration in frontline services as budgets are balanced, which in turn results in adverse assessments from HMIC/Audit Commission/Home Office. | 17/7/8 | CPA | Imp. 4 Lik. 3 = 12 | 1. Long term financial planning process. 2. Efficiency planning and implementation processes. 3. Annual use of resources assessment. 4. Current initiatives to collaborate, process reengineer and improve processes. | Imp. 4 Lik. 2 = 8 | 1. LTFFP to identify future sources of savings and efficiencies required to meet any funding gaps. 2. Demonstrable developments in process reengineering, workforce modernisation and collaboration. 3. Development of an efficiency and productivity strategy. |

| Ref | Risk Title (description) | Cause & Effect | Date | Owner | Inhnt Risk | Controls & Mitigations | RsdI Risk | Residual Actions |
|-----|---|--|--------|-------|---------------------------------|--|--------------------------------|--|
| PA3 | Diversity & Equality <i>Risk of failure to comply with legal requirements regarding the promotion of diversity and equal opportunities.</i> | 1. Possible failure by CPA to comply with legal requirements regarding equality schemes and impact 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. | 1/4/7 | CPA | Imp. 3 Lik. 3 = 9 | 1. CPA Single Equality Scheme with details of action plan and equality impact assessments. 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. 4. Outline Schedule of reports covers Authority and Force diversity and equality requirements. | Imp. 3 Lik. 2 = 6 | 1. Fully implement new Equality Standard for Policing. 2. Improve recruitment and 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>Risk of failure to establish effective representation on the local area partnerships – CDRPs, LSPs, Children's Trust Boards and LCJB.</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). | 1/4/7 | CPA | Imp. 3 Lik. 3 = 9 | 1. Maintenance of effective representation on statutory partnerships by members and officers. 2. District Commanders represent CPA strategies and policies at LSPs. | Imp. 3 Lik. 2 = 6 | 1. Further clarify partnership strategy and produce a Code of Practice for Partnership Working. 2. Establish formalised reporting to CPA panels on partnership arrangements. |
| PA5 | Governance <i>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 | 1/11/7 | 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 and use of resources assessment process undertaken annually and reported to members. | Imp. 4 Lik. 2 = 8 | 1. Thoroughly plan for the 2010/11 inspection by HMIC/Audit Commission. 2. Continue environmental scanning for new regulatory requirements. 3. Assess the training requirements for compliance by members and staff. |

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|-----|---|--|--------|-------|---------------------------------|---|--------------------------------|---|
| | | sanction. | | | | | | |
| 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 and grievances, with a consequent affect 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. 2. Review the need for a comprehensive equal pay audit and job evaluation exercise. 3. Consider need for further training in grievance and discipline procedures. |
| PA7 | Replace HQ <i>Risk of the current HQ becoming increasingly expensive and unfit for purpose.</i> | The current economic and regulatory (development) 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. Strategic procurement and Major Projects Panel established 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. 3. Arrange for professional project management. 4. Deliver an affordable, fit for purpose HQ. |

Appendix 2.

Police Authority Risk Register Action Plan July 2009 (Draft)

| 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> | <ol style="list-style-type: none"> 1. Maintain a contingency plan in the event of long-term staff absence. 2. Agree and implement a joint consultation strategy with the Force, including the introduction of a Neighbourhood Survey that meets the NPIA minimum technical requirements for local confidence surveys. | <p>Completed</p> <p>Joint strategy completed. Neighbourhood Survey commenced April 2009 and to be revamped by CP&P prior to October 2009.</p> |
| <p>PA2. Effectiveness and Value for Money. 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> | <ol style="list-style-type: none"> 1. Continue to support Force organisational governance project, e.g., integration of the financial, workforce and business planning processes. This to include the delivery of a Force Efficiency and Productivity Strategy. 2. 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. 3. Improved monitoring and reporting of service and efficiency improvement initiatives to the Police Authority, resulting in enhanced quarterly reporting to police authority. 4. LTFP to identify future sources of savings and efficiencies required to meet any funding gaps. | <p>Ongoing with support from CPA</p> <p>Covered by the LTFP planning and approval process.</p> <p>Covered by the LTFP planning and approval process.</p> <p>Covered by the LTFP planning and approval process.</p> |
| <p>PA3. Diversity and Equality. Risk of failure to comply with legal requirements regarding the promotion of diversity and equality.</p> | <ol style="list-style-type: none"> 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. 2. Ensure that the force and authority Action Plans are monitored and reviewed. 3. Continue to monitor for new legislation to be included within the Single Equality Scheme. 4. Work with the Force to develop the new Equality Standard for Policing. 5. Work with the Force to increase the recruitment and retention of BME officers and staff. | <p>Ongoing (included in outline schedule of reports 2009/10).</p> <p>Included within action point 1.</p> <p>Included within action point 1.</p> <p>April 2010.</p> <p>Ongoing (included in outline schedule of reports 2009/10).</p> |
| <p>PA4. Partnerships. 1. Risk of failure to establish representation on the local area</p> | <ol style="list-style-type: none"> 1. Establish a Code of Practice for Partnership Working. | <p>Strategy Manager by end of 2009.</p> |

| Risk Item | Required Actions and Controls | Status |
|--|---|---|
| <p>partnerships - CDRPs, LSPs, Children's Trust Boards, LCJB and other relevant partnerships - thus possibly compromising the effectiveness of CPA's partnership working arrangements and its influence over the allocation of LAA and other funding streams.</p> <p>2. Risk of adverse comment from HMIC/Audit Commission inspection of the Police Authority.</p> | <p>2. Establish annual reporting to the Operational Policing Panel on partnership and collaboration issues.</p> <p>3. 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.</p> | <p>Ongoing (included within the outline schedule of reports for 2009/10).</p> <p>Ongoing (collaboration and partnership reports in outline schedule of reports for 2009/10.) (Also see item PA2 above).</p> |
| <p>PA5. Governance. Risk of failure to comply with the provisions of the Code of 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> | <p>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</p> <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>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>4. Environmental scanning for new legal requirements, reporting to the relevant panel.</p> <p>5. Plan for the future HMIC/Audit Commission inspection of CPA, regularly reporting on progress to Members.</p> | <p>Part completed 2008. To be fully completed by end of 2009 (Strategy & Performance Mgr).</p> <p>Ongoing annual AGS process and Annual Audit Report. Internal Audit completed in Aug.2009.</p> <p>Ongoing annual AGS process and Annual Audit Report.</p> <p>Monitoring Officer and Strategy & Performance Manager - ongoing.</p> <p>CPA supported by consultant - 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>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 annually to the Police Authority.</p> <p>4. Review HR policies around grievance and discipline for efficacy and effectiveness, changing and providing further training, as necessary.</p> | <p>Chief Constable to propose actions and report in accordance with the timetable - which is yet to be agreed</p> |
| <p>PA7. Replace Police HQ. Risk of the current HQ becoming increasingly expensive and unfit for purpose.</p> | <p>1. Assess and cost the requirements and options for a replacement H.Q. ahead of any commitment to proceed with sale or purchase.</p> <p>2. Appoint a professional project management team</p> | <p>Chief Executive and Chief Constable to establish project management and reporting</p> |

| Risk Item | Required Actions and Controls | Status |
|-----------|--|---------------|
| | <p>to oversee the project, reporting regularly to the Police Authority on progress.</p> <p>3. Obtain outline planning permission for the Ladgate Lane site and any relocation site, as required and within appropriate timescales.</p> | arrangements. |