Item



**Report of the PCC CFO to the Chair and Members of the Joint Audit Committee**

**27th February 2020**

**Presenting Officer: Mr Michael Porter, Chief Finance Officer**

**Status: For information**

**Strategic Risk Register**

**1. Purpose**

1.1 To provide Members with an update on the progress of the PCC’s risk register.

**2. Recommendations**

2.1 That Members note the content of the report.

**3. Background**

3.1 The PCC is taking an integrated approach to embedding its risk register within the OPCC. The strategic register is managed on the Insight4GRC system and also continues to be reviewed in line with the OPCC’s own Risk Management Policy.

3.2 The Risk Register is being reviewed and reported on a half yearly rolling basis. The objective of the review is to update risk controls, scoring, and check progress against outstanding actions and to explore new or emerging risks.

1. **Progress and Changes since the last update**
   1. There has been a significant review of the Risk Register since the last report to Members in July 2019. Which has resulted in the closure of a number of risks:

* 1468 – Consultation
* 1471 – Partnerships
* 1479 – Constraints in Central Funding
* 1481 – Structure with the right capacity to support the PCC
* 1482 – Police and Crime Panel
* 1483 – Professional working relationship with the Police Force.
* 1484 – Police and Crime Plan
  1. Of the above risks only the following were on the Strategic Risk Register and therefore reported to the Committee:
  2. 1471 – Partnerships
  3. All actions of this risk have been implemented and the Residual Risk was assessed as 4 (low) – which was the Target level and therefore has been closed.

* 1. 1479 - Constraints in Central Funding
  2. There has been a significant shift in the Governments approach to the funding of the Police service over the last 12 months, with a commitment that this will continue into future years.
  3. The risk that was highlighted has therefore been closed, although other areas will be considered as the plans of the Force and the clarity about future Spending Reviews are provided in terms of delivery of services that meet the demands and needs of the public in a manner that provides value for money.
  4. 1481 – Structure with the right capacity to support the PCC
  5. All actions in this area have been delivered against including the deliver against the last elements of the restructure and therefore this risk has been closed. Clearly on the election of the new PCC and details about their plans emerge then this is the type of area that will need to be revisited.
  6. There remains one risk that sits outside of the Risk Register which has been included within the previous reports as follows:

The exercise of the PCC’s appropriate authority remit in respect of officers of Chief Constable rank presents a uniquely complex, interwoven combination of competing organisational priorities – including but not limited to compliance with the law and procedure; setting and maintaining exemplary standards; communicating clearly with the public about a complex regulatory area; managing internal and external stakeholders; assuring organisational stability; and underpinning good wellbeing practice in respect of officers concerned. Volumes of such cases remain low but their complexity for these reasons and others remains intense. Current cases involve matters of ongoing significant public interest and are resource-intensive.

* 1. An overview of all current ‘open’ risks on the PCC’s Risk Register, based on Inherent Risk is shown in the table below:**Inherent Risk Priority (I x L)**
* **Residual Risk Priority (I x L)**

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**Inherent Risk Priority (I x L)**

* **Inherent Risk Priority (I x L)**
* **Residual Risk Priority (I x L)**
* **Target Risk Priority**

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| --- | --- | --- | --- | --- | --- |
| **5 - Catastrophic** | Contingency (5) | Contingency (10) | Primary (15) | Primary (20) | Primary (25) |
| **4 - Significant** | Contingency (4) | Contingency (8) | Primary (12) | Primary (16) | Primary (20) |
| **3 - Moderate** | Low (3) | Contingency (6) | Contingency (9) | Primary (12) | Primary (15) |
| **2 - Minor** | Low (2) | Low (4) | House Keeping (6) | House Keeping (8) | House Keeping (10) |
| **1 - Insignificant** | Low (1) | Low (2) | House Keeping (3) | House Keeping (4) | House Keeping (5) |
|  | **1 - Negligible** | **2 - Rare** | **3 - Unlikely** | **4 - Possible** | **5 - Probable** |

* 1. With the following table showing the Residual Risks:

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| --- | --- | --- | --- | --- | --- |
| **5 - Catastrophic** | Contingency (5) | Contingency (10) | Primary (15) | Primary (20) | Primary (25) |
| **4 - Significant** | Contingency (4) | Contingency (8) | Primary (12) | Primary (16) | Primary (20) |
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|  | **1 - Negligible** | **2 - Rare** | **3 - Unlikely** | **4 - Possible** | **5 - Probable** |

* **Inherent Risk Priority (I x L)**
* **Residual Risk Priority (I x L)**
* **Inherent Risk Priority (I x L)**
* **Residual Risk Priority (I x L)**

**5. Risk Register**

5.1 The Insight4GRC methodology and Risk Management Policy is in place and work is continuing to embed it into the day to day work of the OPCC.

5.2 All of the risks have and will continue to be allocated to individual Officers with regular updates required.

5.3 A copy of the Strategic Risk Register is included at todays meeting.

**6. Implications**

6.1 Finance

There are no known financial implications at the present time. However, as the process progresses the financial implications will be continually reviewed.

6.2 Diversity and Equal Opportunities

There are no diversity or equal opportunities implications arising from the content of this report.

6.3 Human Rights Act

There are no Human Rights Act implications arising from the content of this report.

6.4 Sustainability

Risk Management is a vital element in ensuring the sustainable delivery of services and delivering the PCC’s priorities.

6.5 Risk

Risk Management is crucial in ensuring the sustainable delivery of services and delivery of the PCC’s priorities through the effective identification and management of the principal risks to the delivery of corporate objectives.

**7. Conclusion**

* 1. The risk register and the work to embed risk management within the work of the OPCC is on-going and work will continue to ensure progress is maintained and risks are appropriately captured and managed.