Standard Risk Register

Report Date	13 Jul 2018
Risk Status	Open
Risk Reference	Between 1468 and 1578
Risk Area	Office of the Police and Crime Commissioner

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Risk Reference	Risk Title	Cause & Effect	Inherent Risk Priority (I x L)	Risk Control	Residual Risk Priority (I x L)	Action Required
1470	Diversity & Equality	Under the Equality Act 2010, as a public body we are required to meet the Public Sector General Equality Duty. This requires us in both of our internal and external practices and procedures to: -Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act; -Advance equality of opportunity between people who share a protected characteristic and those who do not; -Foster good relations between people who share a protected characteristic and those who do not. The Equality Duty concerns all staff alongside community members who share 'Protected Characteristics'. These protected characteristics are: Age, Religion & Belief, Race & Ethnicity, Sex, Sexual Orientation, Gender Re-Assignment, Disability, Pregnancy & Maternity and Marriage & Civil Partnerships. Non-compliance could result in reputational damage to the Commissioner and the OPCC, loss of confidence across our communities and possible financial penalties.	I = 4 L = 3 Primary (12)	1. General Equality Impact Assessments 2. Recruitment procedures compliant with equality legislation 3. Independent Advisory Groups available to support the Force/PCC 4. Equality, Diversity and Human Rights Strategy 5. Staff Equality Forum in place. 6. Annual Equality and Diversity Report to Audit Committee. 7. Everyone Matters programme 8. Equality Action Plan 9. A programme of regular cultural and community awareness sessions with key external partners and community contacts.	I = 3 L = 3 Contingency (9)	1. Continue to train staff, engage with a wide range of communities and ensure that awareness continues to be raised both with the OPCC and also the Force. Target Risk: Impact 3, Likelihood 2 The PCC is committed to the Everyone Matters programme however with the pending changes to staffing within that area, reassurances are needed that those changes continue to not only deliver the programme but continue to drive and develop this vitally important area.

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1471	Partnerships	A lack of effective relationships with partners would result in: • insufficient influence over partnership strategies, policies and funding, • ineffective collaborative working • failing to take full account of partner priorities in the Police & Crime Plan • Ineffective or even negative impact of funding/grant awards • Failure to comply with statutory provisions in relation to engagement and working with criminal justice and community safety partners Leads to criticism from partners and stakeholders and ineffective working relationships resulting in reduced levels of collaboration and partnership working, duplicated or missed services and critical review by the Public and the Police and Crime Panel	I = 3 L = 4 Primary (12)	1.Maintenance of effective representation on statutory partnerships 2.Long Term Financial Plan 3.Effective mechanism for the consideration & award of funding/grants 4.Engagement of partners (2-way) in setting priorities 5.PCC reporting to the Police & Crime Panel 6.Events for PCC to engage with partners 7.Regular PCC engagement with partners and senior individuals within Partner Organisation 8.PCC representation on key partnerships and strategic forums to represent PCC strategies and priorities.	I = 3 L = 2 Contingency (6)	1.Establish formalised reporting to PCC & Police & Crime Panel on partnership performance. Target Risk - Impact 2, Likelihood 2

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Risk Reference	Risk Title	Cause & Effect	Inherent Risk Priority (I x L)	Risk Control	Residual Risk Priority (I x L)	Action Required
1472	Organisational Governance	A lack of adherence to good governance procedures Acts/Orders/Regulations could lead to bad publicity, loss of reputation, financial loss and possible legal sanction resulting in critical review by Police & Crime Panel and/or External Audit, poor decision making and adverse publicity and public attention. Poor governance processes leads to poor decision making	I = 5 L = 3 Primary (15)	1.Governance and decision making procedures in place regularly reviewed and updated. 2.PCC signs up to a voluntary Code of Conduct including declarations of interests and notification of gifts and hospitality. 3.PCC staff subject to Code of Conduct including declarations of interests and notification of gifts and hospitality. 4.Annual Governance Statement process. 5.Internal (& external) audit scrutiny and reporting 6.Oversight by Audit Committee 7.Monitoring Officer and Deputy Monitoring Officer. 8.Ongoing environmental scanning for new regulatory requirements. 9.Code of Corporate Governance in place and reviewed by the Audit Committee 10. Robust Governance arrangements are in place for major Collaborations. Which are subject to regular Audit. 11. Governance arrangements for scrutiny of Police Force are now embedded and effective and the PCC has the information to hold the Chief Constable to account	I = 3 L = 2 Contingency (6)	Target Risk - Impact 3, Likelihood 2 Target Risk - Impact 3, Likelihood 2

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Risk Reference	Risk Title	Cause & Effect	Inherent Risk Priority (I x L)	Risk Control	Residual Risk Priority (I x L)	Action Required
1474	Fraud	Failure to manage processes, controls and procedures leads to increased risk and occurence of fraud resulting in bad publicity, financial loss, possible legal sanctions and critical review by external agencies.	I = 4 L = 5 Primary (20)	1.Whistle-blowing Strategy. 2.Counter Fraud and Corruption Strategy. 3.Confidential e-mail system. 4.Internal Audit Services. 5.Internal disciplinary policies. 6.Systems of management including Delegation Scheme. 7.Financial Regulations (including Contract Standing Orders). 8.Budgetary control system with monthly analysis and review. 9.Audit Committee 10.Zero tolerance' policy	I = 3 L = 3 Contingency (9)	1. Continued and Annual review of all policies and processes relied upon as existing controls to ensure that it is clear how they apply to the Office of the PCC. Target Risk - Impact 3, Likelihood 3
1478	Financial Planning	Failure to ensure effective financial control and financial planning processes for the 'PCC Group', (i.e. the Office of the PCC, the Chief Constable, and Grants provided to, or services commissioned by, Partner organisations.) leads to poor decisions and wasting public money resulting in reduced services, poor value for money and adverse commentary and scrutiny for external bodies.	I = 4 L = 4 Primary (16)	Key Mitigations: 1. PCC CFO in place 2. Force CFO in place 3. Work of internal audit 4. Work of external audit 5. Quarterly Scrutiny Meetings where Finances and Resource are discussed. 6. Regular Meetings of the PCC and Force Leadership teams to discuss plans and finances 7. Regular reporting and scrutiny of current year financial performance and longer terms plans 8. Regular meetings and communications with partners who currently receive grants from the PCC 9. Regular meetings of the PCC and Force CFO's 10. Balanced financial plan in place for next 4 years based on current assumptions. 11. Earmarked Reserves created for higher pay awards and a legal/insurance reserve.	I = 3 L = 2 Contingency (6)	1. Consideration needs to be given to the response of the organisation if higher than budgeted and forecast pay awards materialise. 2. Consideration needs to be given to the financial impact and response to known and possibly future Data Breaches. Target Risk - Impact 3, Likelihood 2

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Risk Reference	Risk Title	Cause & Effect	Inherent Risk Priority (I x L)	Risk Control	Residual Risk Priority (I x L)	Action Required
1479	Constraints in Central Funding	Failure to manage the combined impact of continuing constraints in central funding, and other national changes around Pensions and Pay Awards leads to potential shortage of funds to deliver key services resulting in reactive and poor decisions to balance the budget or an overspend which could put the financial stability of the organisation at risk.	I = 5 L = 4 Primary (20)	1.Long Term Financial Planning process. 2.Efficiency planning and implementation processes. 3.Initiatives to collaborate, process re-engineer, civilianise and improve procurement processes. 4.Value for Money analysis and benchmarking across Police Forces. 5.Scrutiny of revenue and capital spend. 6. PCC CFO in place and required to annually review the level of financial reserves the PCC holds and report on the Adequacy of the Reserves and the Estimates used in the LTFP. 7. Internal and External Audit reviews of financial planning and arrangements for use of resources 8. Clear communication, by the Office of the PCC, to the Force and other Partners who receive funding, of how much funding is likely to be available in the future and what the PCCs priorities are 9. LTFP is balanced for the next 4 years based on current indications in relation to Central Funding and based on the delivery of known savings plans. 10. Earmarked Reserve has been established to manage Pay Awards being higher than budgeted so that in year pressures can be managed .	I = 3 L = 3 Contingency (9)	1. Continue to work closely with Partner organisations to deliver more collaborative and efficient services. 2. Continue to consult and communicate with the public of the impact of continued constraints in funding. 3. Continue scenario planning for various levels of funding levels and pay awards across the LTFP period. 4. Link into national work on next Comprehensive Spending Review to ensure Cleveland's case is made for sufficient funding. 5. Link in to National work on any review of the Police Funding Formula to ensure that Cleveland's views are taken into account and make the case for a fair share of funding for the Police Force Area. Target Risk - Impact 3, Likelihood 2

Risk Reference	Risk Title	Cause & Effect	Inherent Risk Priority (I x L)	Risk Control	Residual Risk Priority (I x L)	Action Required
1481	Structure with the right capacity to support the PCC,	Failure to put in place a fit for purpose structure with the right capacity to support the PCC clearly indicating who is appointed to under take the statutory roles of Chief Executive/Monitoring Officer and Chief Finance Officer leads to poor governance and undefined roles and responsibilities leading to ineffective working practices and criticism from external agencies.	I = 4 L = 4 Primary (16)	1. Chief Executive and Monitoring Officer in place, with deputy arrangements also defined. 2. Chief Finance Officer appointed. 3. The Office has embedded the changes required post the Stage 2 transfer and the additional responsibilities that resulted from the transfer. 4. First phase of the implementation of a revised structure has been completed and roles are being recruited to. 5. Revised Job descriptions have been put in place for almost of the roles within the OPCC. 6. Resources within the office are now in place to deal with the additional work around Grants and Commissioning. 7. Resources are now in place for delivering against the PCC's priorities around criminal justice.	I = 3 L = 3 Contingency (9)	1. Phase 2 of the wider review of the office structure and roles and responsibilities is to be concluded. 2. Ensure new responsibilities are reflected in the remainder of the job descriptions of the employees of the PCC and that these are then graded. 3. With an ever increasing workload within the OPCC and more responsibilities likely to be directed toward the PCC and therefore the Office consideration will need to be given to the ability to deliver these without an increase in both resources and budget within the OPCC. Target Risk - Impact 3, Likelihood 2
1485	Objectives of the Office of the PCC	Failure to focus on the delivery of the key organisational objectives of the Office of the Police and Crime Commissioner leads to time wasted on non key areas and absorbing resources into peripheral areas resulting in a poor service to the people of Cleveland in the areas most needed.	I = 4 L = 4 Primary (16)	1. Action Plans for all objectives are in place 2. Regular meetings take place to review progress both internally and with Partners as required. 3. The Force's Towards 2020 Strategy aligns with and underpins the Police and Crime Plan. 4. A revised scrutiny and reporting structure has now been fully implemented. 5. A revised process for reporting to the Police and Crime Panel is now in place.	I = 4 L = 3 Primary (12)	1. Completing the current review of the Police and Crime Plan, which incorporates engagement and consultation with Partners, Public and Force. 2. Ensuring the Police and Crime Plan is seen as the key Strategic document for driving forward the organisation and that the plans for the Force align with this. Target Risk - Impact 4, Likelihood 2

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1486	Holding the Chief Constable and the Force to account	Failure to put in place adequate processes to effectively hold the Chief Constable and the Force to account for performance and use of resources as per statutory requirements leads to a reduction in the ability to shape the strategic direction of the Force resulting in key objectives not being met, adverse publicity, poor services to the people of Cleveland and adverse comments from external agencies.	I = 5 L = 4 Primary (20)	1. Attendance/involvement at key force performance meetings. 2. Regular one to one meetings between the PCC and CC. 3. Clear Governance framework in place 4. Scrutiny meetings in place for all aspects of Force Performance which is now embedded and focussed on a much wider range of areas of scrutiny. 5. Clearer links with the Police and Crime Plan and Force Strategies have been established. 6. Closer working across both organisations in the development of the Police and Crime Plan	I = 4 L = 2 Contingency (8)	1. Continue to develop the scrutiny programme to ensure key areas of concern are reviewed Target Risk - Impact 4, Likelihood 2
1487	Commissioning of services and work with partners	Failure to effectively commission services and work with partners generally to deliver the Commissioner's key objectives and priorities leads to a lack of joined up working, poorly specified service needs resulting in poor decisions around which services should be commissioned and/or the wrong services being delivered.	I = 4 L = 4 Primary (16)	1. Grant agreement template in place. 2. Clear guidelines on PCC website of how the PCC will commission services and how funding can be applied for. 3. Good partnership links and networks. 4. Service commissioned for Victims Referral Services. 5. Commissioning Strategy has been developed. 6. Actions from Internal Audit Reviews have been completed. 7. Reviews and Audits of services provided with Grants are being undertaken in-house to ensure delivery against Grant terms and inform future decisions. 8. Services now commissioned for Restorative Justice and Independent Sexual Advisor Services and Sexual Assault Referral Services	I = 4 L = 3 Primary (12)	1. Continue to improve our understanding of the needs of both Victims and Witnesses within Cleveland to ensure that services are provided that meet their needs. 2. Organisation needs to continue to move away from Grants and towards Commissioning/Contracting for the delivery of services. Target Risk - Impact 4, Likelihood 2

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1493	Staffing Structures, Grading and Job Evaluation	The lack of a fully implemented job evaluation scheme, allied to staff undertaking roles that are not reflected in their current job descriptions leads to demotivated staff, failure to meet corporate plan and potential equal pay claims, resulting in financial and reputational cost to the organisation, important tasks not being delivered and key personnel leaving the organisation and/or becoming disengaged.	I = 4 L = 5 Primary (20)	1. Responsibilities of most roles are now reflected in job descriptions and these have been graded.	I = 4 L = 5 Primary (20)	1. Ensure responsibilities of each role are reflected in the job descriptions of employees of the PCC and that those jobs are appropriately graded. (Stage 1 of this now complete). 2. Complete and implement Phase 2 of the review of the structure of the OPCC, including grading, job descriptions and responsibilities are all aligned. 3. Communicate with staff around progress, process and timeframes for addressing concerns and issues. Target Risk - Impact 3, Likelihood 3

Risk Reference	Risk Title	Cause & Effect	Inherent Risk Priority (I x L)	Risk Control	Residual Risk Priority (I x L)	Action Required
1578	Financial Sustainability	The Force continues to incur significant unexpected and unbudgeted costs which result from the actions of employees and/or the Force as a whole. The latest of these are data breaches which adds to the on-going legal risk management and litigation caseload risk. The data breaches could result in a significant fine for the Force - of up to £17m - which would in effect render the organisation bankrupt. While a fine of this level is very unlikely the impact of a significant fine would be very challenging for the organisation to manage and will have a significant impact in service delivery on either the short or medium term. In addition to this the continuing volume of Employment Tribunal caseload and general exposure of the Force to litigation risk adds to the potential financial risks within the organisation. General Reserves are planned to be £5.1m by the end of the current financial year and £4.3m by the end of 2019/20 and therefore there is little scope to use these reserves without replacement as they're already viewed as being as low as the CFO would want them to be. It is not 'just' the impact of any likely fine on the finances and reputation of the organisation but also the	I = 5 L = 5 Primary (25)	PCC CEO and CFO will continue to exercise influence around legal and ET caseload via DCC and Evolve Legal Director and direct involvement in cases of large quantum. PCC CFO assesses the adequacy of reserves held by the organisation formally on an annual basis. PCC CFO has put in place an additional Earmarked Reserve for Insurance/Legal costs	I = 5 L = 5 Primary (25)	1. PCC CFO to scenario plan for the impact of any possible fines as a result of the known data breaches. 2. PCC CEO and CFO to instigate advice to provide guidance on likely level of any fine(s) 3. PCC CFO to review and re-assess the current level of General Reserves and whether the current plan is sustainable given the continued financial shocks. 4. Scrutiny programme to be put in place to provide the PCC and Statutory Officers with the assurances that Data is being appropriately managed by the Force and what actions are being taken to mitigate and reduce the risks of this type of breach occurring in the future. 5. PCC CFO and CEO to be fully briefed on all on-going legal and litigation risks that the Force is management and for a review of this in line with current provisions and reserves to be undertaken.

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		increasing regularity of these types of events that increase the overall risk profile of the organisation. This in turn increases the insurance policy costs of the organisation and also impacts on the level of reserves that the PCC's CFO believes is prudent for the organisation to hold. Both of these will limit and/or reduce financial resources available for service delivery.				