

# Risk Review Report



<b>Report Date</b>	12 Sep 2016
<b>Risk Status</b>	Open
<b>Risk / AFI Area</b>	Office of the Police and Crime Commissioner
<b>Risk Classification</b>	Inherent - Primary, Residual - Primary, Inherent - Contingency, Residual - Contingency

## Risk Review Report



Office of the Police and Crime Commissioner						
Risk / Action Plan	Risk / AFI Title	Cause & Effect	Inherent Risk Priority (I x L)	Risk Control	Residual Risk Priority (I x L)	Action Required
1470	Diversity & Equality <b>Risk / AFI Owner:</b> John Bage <b>Last Updated:</b> 13 Mar 2015 <b>Latest Review Date:</b> <b>Latest Review By:</b> <b>Latest Review Comments:</b>	Failure to comply with legal requirements regarding equality schemes and impact assessments, failure to monitor force procedures and practices to ensure similar compliance and failure to implement the requirements of the Equality Act 2010 and the Equality Act 2010 (Specific Duties) Regulations 2011 leads to a risk to reputation if enforcement action or legal action is forthcoming resulting in potential legal action and costs aswell as critical review by Police & Crime Panel and external organisations	I = 4 L = 3 Primary (12)	<ol style="list-style-type: none"> <li>1. Implement Equality Standard for Policing.</li> <li>2. Equality Impact Assessments for all significant issues/decisions.</li> <li>3. Recruitment procedures compliant with equality legislation</li> <li>4. Independent Advisory Groups available to support the Force/PCC</li> <li>5. Monthly monitoring data produced for the Chief Constable</li> <li>6. Force Equality, Diversity and Human Rights Strategy</li> <li>7. Staff Equality Forum in place.</li> <li>8. Annual Equality and Diversity Report to Audit Committee.</li> <li>9. Everyone Matters programme</li> </ol>	I = 3 L = 3 Contingency (9)	<ol style="list-style-type: none"> <li>1. Ensure Equality Review Action Plan recommendations are being delivered and embedded.</li> <li>2. Continued oversight of Force response to the issues raised in recent legal case.</li> <li>3. Oversight and scrutiny of Force's People Strategy.</li> </ol>

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1471	<b>Partnerships</b> <b>Risk / AFI Owner:</b> John Bage <b>Last Updated:</b> 14 Mar 2016 <b>Latest Review Date:</b> <b>Latest Review By:</b> <b>Latest Review Comments:</b>	<p>A lack of effective relationships with partners would result in:</p> <ul style="list-style-type: none"> <li>• insufficient influence over partnership strategies, policies and funding,</li> <li>• ineffective collaborative working</li> <li>• failing to take full account of partner priorities in the Police &amp; Crime Plan</li> <li>• Ineffective or even negative impact of funding/grant awards</li> <li>• Failure to comply with statutory provisions in relation to engagement and working with criminal justice and community safety partners</li> </ul> <p>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</p>	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	I = 3 L = 2 Contingency (6)	1.Aim to represent PCC strategies and priorities within the various partnerships. 2.Establish formalised reporting to PCC & Police & Crime Panel on partnership performance. 3.Establish PCC representation on Local Partnerships. 4.Establish partner strategic forums inc youth, victims, 3rd sector, business community Target Risk - Impact 2, Likelihood 2

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1472	<p>Organisational Governance</p> <p><b>Risk / AFI Owner:</b> John Bage</p> <p><b>Last Updated:</b> 13 Mar 2015</p> <p><b>Latest Review Date:</b></p> <p><b>Latest Review By:</b></p> <p><b>Latest Review Comments:</b></p>	<p>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 &amp; Crime Panel and/or External Audit, poor decision making and adverse publicity and public attention.</p> <p>Poor governance processes leads to poor decision making</p>	<p>I = 5 L = 3 Primary (15)</p>	<p>1. Governance and decision making procedures in place regularly reviewed and updated.</p> <p>2. PCC signs up to a voluntary Code of Conduct including declarations of interests and notification of gifts and hospitality.</p> <p>3. PCC staff subject to Code of Conduct including declarations of interests and notification of gifts and hospitality.</p> <p>4. Annual Governance Statement process.</p> <p>5. Internal (&amp; external) audit scrutiny and reporting</p> <p>6. Oversight by Audit Committee</p> <p>7. Monitoring Officer and Deputy Monitoring Officer.</p> <p>8. Ongoing environmental scanning for new regulatory requirements.</p> <p>9. Code of Corporate Governance in place and reviewed by the Audit Committee</p> <p>10. Governance arrangements are in place for major Collaborations</p>	<p>I = 4 L = 2 Contingency (8)</p>	<p>1. Ensure governance arrangements for scrutiny of Police Force are effective and that the PCC has the information available to hold the Chief Constable to account. (New scrutiny arrangements are currently being implemented).</p> <p>2. Ensure governance arrangements for Collaborations are providing sufficient information for the PCC to demonstrate oversight and so that their strategic direction can be managed. (Internal Audit have again looked at this area and further improvements will be made on the back of the findings)</p> <p>3. Build on any recommendations and actions that arise from the Internal Audit advisory review on Collaborations.</p> <p>Target Risk - Impact 3, Likelihood 2</p>

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Risk / Action Plan	Risk / AFI Title	Cause & Effect	Inherent Risk Priority (I x L)	Risk Control	Residual Risk Priority (I x L)	Action Required
1474	Fraud <b>Risk / AFI Owner:</b> Michael Porter <b>Last Updated:</b> 14 Mar 2016 <b>Latest Review Date:</b> <b>Latest Review By:</b> <b>Latest Review Comments:</b>	Failure to manage processes, controls and procedures leads to increased risk and occurrence 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 <b>Risk / AFI Owner:</b> Michael Porter <b>Last Updated:</b> 14 Mar 2016 <b>Latest Review Date:</b> <b>Latest Review By:</b> <b>Latest Review Comments:</b>	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.	I = 3 L = 2 Contingency (6)	1. The organisation should look to work with financial plans that balance for at least a 2 year period.  2. Implications of National Budgets and indications of future funding settlements should be considered in terms of the impact on future financial plans and scenarios developed as appropriate  Target Risk - Impact 3, Likelihood 3

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1479	<p>Reductions in Central Funding</p> <p><b>Risk / AFI Owner:</b> Michael Porter</p> <p><b>Last Updated:</b> 09 Sep 2016</p> <p><b>Latest Review Date:</b></p> <p><b>Latest Review By:</b></p> <p><b>Latest Review Comments:</b></p>	<p>Failure to manage the combined impact of continuing reductions in central funding, and other national changes around Pensions and National Insurance 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.</p>	<p>I = 5 L = 4</p> <p>Primary (20)</p>	<p>1. Long Term Financial Planning process.</p> <p>2. Efficiency planning and implementation processes.</p> <p>3. Initiatives to collaborate, process re-engineer, civilianise and improve procurement processes.</p> <p>4. Value for Money analysis and benchmarking across Police Forces.</p> <p>5. Scrutiny of revenue and capital spend.</p> <p>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.</p> <p>7. Internal and External Audit reviews of financial planning and arrangements for use of resources</p> <p>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</p> <p>9. LTFP is balanced for the next 4 years based on current indications in relation to Central Funding.</p>	<p>I = 3 L = 2</p> <p>Contingency (6)</p>	<p>1. Working closely with Partner organisations to deliver more collaborative and efficient services.</p> <p>2. Consultation and communication with the public of the impact of continued reductions in funding.</p> <p>3. Continue scenario planning for various levels of funding levels across over the LTFP period with the aim of always having a balanced plan for at least a 2 year period.</p> <p>Target Risk - Impact 3, Likelihood 3</p>

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Risk / Action Plan	Risk / AFI 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, <b>Risk / AFI Owner:</b> Michael Porter <b>Last Updated:</b> 14 Mar 2016 <b>Latest Review Date:</b> <b>Latest Review By:</b> <b>Latest Review Comments:</b>	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.	I = 3 L = 3 Contingency (9)	1. A review of the resources of the Office is needed given the additional work around Commissioning and Grants.  2. Phase 2 of the wider review of the office structure and roles and responsibilities is to be concluded.  3. Ensure new responsibilities are reflected in the remainder of the job descriptions of the employees of the PCC and that these are then graded.  Target Risk - Impact 3, Likelihood 2
1485	Objectives of the Office of the PCC <b>Risk / AFI Owner:</b> Michael Porter <b>Last Updated:</b> 14 Mar 2016 <b>Latest Review Date:</b> <b>Latest Review By:</b> <b>Latest Review Comments:</b>	Failure to focus on the deliver 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.	I = 4 L = 3 Primary (12)	1. A revised Police and Crime Plan is currently being finalised. Based on the objectives the PCC was elected on.  2. The Force's Towards 2020 Strategy will more clearly underpin the Police and Crime Plan.  3. A revised scrutiny and reporting structure and content has been develop and requires full implementation.  4. A revised process for reporting to the Police and Crime Panel and the content of this reporting is to be embedded.  5. Continued implementation of the revised structures and ways of working within the OPCC are required to drive forward improvements.  Target Risk - Impact 4, Likelihood 2

## Risk Review Report



### Office of the Police and Crime Commissioner

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1486	Holding the Chief Constable and the Force to account <b>Risk / AFI Owner:</b> Michael Porter <b>Last Updated:</b> 14 Mar 2016 <b>Latest Review Date:</b> <b>Latest Review By:</b> <b>Latest Review Comments:</b>	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. Quarterly scrutiny meetings in place for Performance, Finance and Audit.	I = 5 L = 3 Primary (15)	1. Effectiveness of current processes for holding the Chief Constable to account to be reviewed in relation to scrutiny meetings. 2. Content of current meetings and outputs from the scrutiny process to be reviewed. 3. Examples of best practice to be sought. 4. Clearer links to the Police and Crime Plan to be established.  The above have all been undertaken however not yet finalised and embedded  Target Risk - Impact 3, Likelihood 3
1487	Commissioning of services and work with partners <b>Risk / AFI Owner:</b> Michael Porter <b>Last Updated:</b> 08 Sep 2015 <b>Latest Review Date:</b> 12 Sep 2016 <b>Latest Review By:</b> Michael Porter <b>Latest Review Comments:</b> Most areas underway which will result in either a report to the next Audit Committee or further feedback in the next month	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.	I = 4 L = 3 Primary (12)	1. A commissioning strategy is to be developed for the PCC which clearly sets out how this area of work is to be delivered. 2. Implementation of the actions arising from the Internal Audit review of this area to be implemented. 3. Further internal audit review of this area and the new provider to be undertaken in 2016-17. 4. A better understanding is needed of the needs of both Victims and Witnesses within Cleveland to ensure that services are provided that meet their needs. 5. Organisation needs to continue to move away from Grants and towards Commissioning/Contracting for the delivery of services. Target Risk - Impact 3, Likelihood 3



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1493	Staffing Structures, Grading and Job Evaluation <b>Risk / AFI Owner:</b> Michael Porter <b>Last Updated:</b> 08 Sep 2015 <b>Latest Review Date:</b> <b>Latest Review By:</b> <b>Latest Review Comments:</b>	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. Job Evaluation project board is in place. 2. 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. Implementation of Job Evaluation scheme, subject to consultation with staff, union and agreeing pay model.  3. Communicate with staff around progress, process and timeframes for addressing concerns and issues.  Target Risk - Impact 3, Likelihood 3