

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

**29th September 2022**

**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 continues to take an integrated approach to embedding its risk register within the OPCC. The Risk 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 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. All Risk entries have been reviewed up to this report and the associated updates are provided in the attached Risk Register.
   2. Following feedback from the internal auditors, each risk area continues to include additional narrative on assurance records; and demonstrable evidence of these assurances taking place are embedded within ‘Insight4GRC’.
   3. The Residual Risk for Risk 1478 (Financial Planning) has increased since the last update of the Risk Register seen by Members. The increase reflects that the organisation currently only has a balanced financial plan for 2 years (whereas previously it was 4 years). In addition to these, significant levels of both pay inflation and non-pay inflation are likely to create additional challenges to the financial plans of the organisation.
   4. Risk 1716 remains open, as whilst the PCC has successfully appointed a new Chief Constable, further reassurance is required on the stability of the wider Chief Officer Team, with recruitment processes to appoint a Deputy Chief Constable still ongoing.
   5. Risk references 1472, 1485 and 1486 will all be subject to examination by the OPCC over the coming months, to ensure that the Governance structures in place are documented and that the Police and Crime Plan objectives fully drive the Chief Constable’s forward plan.
   6. The Model 3 complaints services has been rolled out by the OPCC. Significant progress has been made to mitigate the risks set out as part of the process of taking on this new area and work is on-going to address the remaining risks too. A review of this area will be undertaken to ensure that this team are embedded and delivering successfully as planned. A recruitment process has recently concluded to fill all roles within the team after a couple of recent leavers.
   7. A Heatmap 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)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 5 - Catastrophic | Contingency (5) | Contingency (10) | Primary (15) | Primary (20) | Primary (25)  **2** |
| 4 - Significant | Contingency (4) | Contingency (8) | Primary (12) | Primary (16)  **3** | Primary (20)  **3** |
| 3 - Moderate | Low (3) | Contingency (6) | Contingency (9)  **1** | 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 |

* Inherent Risk Priority (I x L)
* Residual Risk Priority (I x L)
* Target Risk Priority
* **Inherent Risk Priority (I x L)**
* **Residual Risk Priority (I x L)**
* **Target Risk Priority**
  1. With the following table showing the Residual Risks:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 5 - Catastrophic | Contingency (5) | Contingency (10) | Primary (15)  **2** | Primary (20) | Primary (25) |
| 4 - Significant | Contingency (4) | Contingency (8)  **4** | Primary (12)  **1** | Primary (16) | Primary (20) |
| 3 - Moderate | Low (3) | Contingency (6) | Contingency (9)  **1** | Primary (12) | Primary (15) |
| 2 - Minor | Low (2) | Low (4)  **1** | 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. All risks will continue to be reviewed and monitored as the year progresses, with an expectation that a planning session will be arranged for senior managers within the OPCC to come together to provide a focussed review of all current risks as well as ensuring that there are no gaps in the current risks. Some additional training is also planned to widen the access to the Risk system to further aid risk understanding, management and assessment.

Inherent Risk Priority (I x L)

* Residual Risk Priority (I x L)
* Target Risk Priority
* **Inherent Risk Priority (I x L)**
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* **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 OPCC Strategic Risk Register is included as an appendix to this report.

**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 OPCC strategic Risk Register and the work to embed risk management within the work of the OPCC remains on-going and work will continue to ensure progress is maintained and risks are appropriately captured and managed.