



Report of the PCC CFO to the Chair and Members of the Joint Audit Committee
30th March 2023

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.

4 Progress and Changes since the last update

- 4.1 All Risk entries have been reviewed up to this report and the associated updates are provided in the attached Risk Register.
- 4.2 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'.
- 4.3 The Inherent Risk for Risk 1478 (Financial Planning) has been re-assessed since the last update of the Risk Register seen by Members. The increase reflects that it was initially too low.
- 4.4 The Residual risk is also higher and continue to reflect that the organisation currently only has a balanced financial plan for 2 years (whereas previously it was 4 years, and this is the target of the organisation). Significant levels of both pay inflation and non-pay inflation continue to create additional challenges to the financial plans of the organisation.
- 4.5 Risk 1472 (Organisational Governance) remains open but is now at its Target level and will continue to be monitored. Following the PCC's successful appointment of a new Chief Constable, the new Chief Constable has subsequently appointed a permanent Deputy Chief Constable, and this has been followed by the appointment of 2 Assistant Chief Constables who will both start in March 2023.
- 4.6 This is the first time for several years that the Chief Officer Team within the Force has had a full complement of substantive, permanent Chief Officers.
- 4.7 This aligned with the other controls within this area provide the PCC with all of the key mechanisms for ensuring that good organisational governance arrangement can be delivered.
- 4.8 Risk 1487 (Commissioning of Services) has seen an increase in the residual risk rating after reflecting on the findings within the internal audit work in this area. A number of the existing controls that were being relied upon have been removed as they were no longer in place and new actions added to return this area to the previous target risk level.
- 4.9 Two new risks have been added during the last 6 months:
 - 1751 – Working with Partners (which has been split out from Risk 1487)
 - 1752 – Sexual Assault Referral Centre

4.10 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)

5 - Catastrophic	Contingency (5)	Contingency (10)	Primary (15)	Primary (20)	Primary (25) 2
4 - Significant	Contingency (4)	Contingency (8)	Primary (12)	Primary (16) 5	Primary (20) 2
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

4.11 With the following table showing the Residual Risks:

5 - Catastrophic	Contingency (5)	Contingency (10) 1	Primary (15) 1	Primary (20)	Primary (25)
4 - Significant	Contingency (4)	Contingency (8) 2	Primary (12) 4	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

- 4.12 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.

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

- 7.1 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.