

POLICE AND CRIME COMMISSIONER**NORTHUMBRIA POLICE****JOINT INDEPENDENT AUDIT COMMITTEE****16 JUNE 2014**

CORPORATE RISK MANAGEMENT – ANNUAL REPORT 2013/14**NORTHUMBRIA POLICE CORPORATE DEVELOPMENT**

1. Purpose of the Report

- 1.1 To update the Joint Independent Audit Committee on the management and monitoring of strategic risk within the Office of the Police and Crime Commissioner (OPCC) and Force during 2013/14.
- 1.2 Provide an update on the change to the register since it was last reported on in February 2014.

2. Background

- 2.1 The OPCC and Northumbria Police have a Joint Strategic Risk Register (Appendix A) and risk management procedure (Appendix B). The development of the register and procedure was informed by national guidance and has been reported to the Independent Audit Committee.
- 2.2 Strategic risks have been assigned to Chief Officer and OPCC owners, who have responsibility for the management of risk controls and the implementation of new controls where necessary.
- 2.3 Area Commanders, Department Heads and OPCC are responsible for the identification of emerging risks which have the potential to prevent the Force and PCC from achieving objectives.

3. Current Position

- 3.1 The Joint Strategic Risk register is currently divided into 11 categories. 31 strategic risks have been identified against the 11 categories, one of which (Failure to secure Home Secretary approval for Stage 2 Transfers scheme) has been effectively managed and will be removed from the register.
- 3.2 All strategic risks are reviewed by the assigned Chief Officers and OPCC senior management on a quarterly basis. This has, in some cases, resulted in the identification of additional controls to reduce the impact/likelihood of the risks materialising.
- 3.3 Corporate Development provides a quarterly report to the Strategic Management Board (SMB) and Joint Independent Audit Committee on the status of the strategic risk register. Recommendations from both meetings are considered and included within the register where appropriate.
- 3.4 The Joint Independent Audit Committee monitors the development of risk management and corporate governance arrangements. Committee recommendations have led to changes to process and the introduction of two additional strategic risks;
- Prolonged fuel shortages;
 - Significant and sustained breakdown in the working relationship between PCC and Chief Constable.

- 3.5 An internal audit on Risk Management was completed on 22nd May 2014. The audit looked to ensure;
- A robust policy and procedural framework exists.
 - There is a clear understanding of risk and that roles and responsibilities relating to strategic and operational risks are clearly defined and understood.
 - Strategic and operational risks are prioritised to ensure the level of control and monitoring is appropriate.
- The audit concluded that the control systems and procedures in place were operating well with no recommendations made.
- 3.6 The Joint Chief Financial Officer, in consultation with the Chief Executive, is responsible for advising the PCC on insurance and risk management.
- 3.7 The Mid Term Financial Strategy (MTFS) contains a financial risk assessment, which is undertaken during the Revenue and Capital Budget setting process to ensure all risks and uncertainties affecting the Force's financial position are identified. An assessment of the likelihood and impact of each risk and the associated management controls are reviewed on a regular basis.
- 3.8 The force has a range of policies and procedures which control and manage risk inherent to day to day operational policing. This includes the National Decision Model and the 10 Risk Principles, which are the College of Policing (CoP) approved method for operational decision-making / risk management.
- 3.9 Since the register was last reported to the Committee in February 2014, Chief Officers and OPCC have reviewed the Strategic Risks for which they have ownership, and provided updates. Some of the key changes include:

Legal Compliance

Risk - Failure to secure Home Secretary approval for Stage 2 Transfers scheme.

- Stage Two Transfer is now complete and the risk is now closed.

Business Continuity

Risk - Major ICT / Telecommunications systems failure.

- British Telecom has reviewed its 999 services with the aim of reducing the risk of small localised service loss.

Risk - Power failure at key sites.

- 'Uninterrupted Power Supply' (UPS) boxes have been fitted to key computers and act as a buffer during a power surge/outage, to protect the computer.

Partnerships

Risk - Failure to maximise the potential impact of LCJB.

- The LCJB Terms of Reference and Governance Structure are being revised further. Future agendas are being developed to ensure meetings are more purposeful.

Equality

Risk - The force, OPCC or an associated individual acts in a discriminatory way

- Equality Impact Assessment (EIA) refresher training has been delivered.
- A review of high risk policies and procedures and associated EIAs (Custody, PVP, etc) is ongoing.
- A Diversity and Equality awareness raising and publicity information will be released over the over the next month.

Estates

Risk - Failure to deliver Forth Banks on time and in budget.

- All indications are that building will be on target and within budget. The risk has therefore been reduced from amber to green.

Risk - Failure to dispose of HQ site in a timely manner.

- A reassessment of the risk due to the introduction of additional controls has resulted in the risk being reduced from red (high) to amber (medium).

4. Conclusion & Overall Opinion

- 4.1 Current Force and OPCC risk management processes and procedures are helping to ensure the effective management of those risks which have the potential to adversely affect the delivery of Force and Police and Crime Commissioner (PCC) strategic aims and objectives.

5. Equal opportunities implications

- 5.1 There are no equal opportunities implications arising from the report.

6. Human rights implications

- 6.1 There are no human rights implications arising from the report.

7. Risk Management implications

- 7.1 There are no additional risk management implications arising directly from this report.

8. Financial implications

- 8.1 There are no financial implications directly arising from the report.

9. Recommendation

- 9.1 The Committee is requested to note the contents of this report.