

Risk Management**Issued:** 06/03/2014 **Effective:** 25/09/2013 **Next Review:** 25/09/2014

NOT PROTECTIVELY MARKED**PROCEDURE TITLE:** Risk Management**IN SUPPORT OF POLICY:** [Risk Management](#)**CONTACT DETAILS:** Strategy & Planning Manager Ext: 60196

BACKGROUND INFORMATION: Northumbria Police faces a wide and diverse range of strategic, financial and operational risks, both internally and externally, which may threaten its ability to achieve strategic objectives. This procedure supports the Force in ensuring that this uncertainty is identified, captured and managed effectively.

EQUALITY IMPACT ASSESSMENT: [Complete](#)**AUTHORISED PROFESSIONAL PRACTICE GUIDANCE:** [AVAILABLE](#)

[Introduction](#)[Risk Management Overview](#)[Key Principles of Risk Management](#)[Partnership Risk Management Guidance](#)[Health and Safety](#)[Governance](#)[Further Information](#)**1. [Introduction](#)**

The effective identification, assessment and management of risk forms an integral part of the corporate planning and performance management processes. The aim is to:

- eliminate or minimise risk where feasible
- transfer or share risk where appropriate
- manage those risks which necessarily remain
- minimise the costs of risk control
- identify organisational learning and improvement opportunities

To effectively manage and monitor strategic risk, the PCC and Chief Constable will produce and maintain a joint strategic risk register.

Failure to manage and control risk can have significant consequences for the PCC and Chief Constable, and may result in a negative impact on reputation and public confidence.

The force has a range of policies and procedures which look to control and manage risk which is inherent to, or arises from, day to day operational policing. This includes the [National Decision Model](#) and the [10 Risk Principles](#), which are the College of Policing approved method for operational decision-making / risk management. Operational risk is therefore not covered by this procedure.

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It is recognised that whilst many risk management principles are generic, the detail of how risk is managed will vary and be proportionate to the nature of the risk. The following information contains the key principles for the management of risk, guidance on partnership risk management and the links to health and safety risk assessment procedures.

- Key Principles of Risk Management

- Partnership Risk Management Guidance
- Health and Safety Risk Assessment ([Hyperlink](#))

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3. **Key Principles of Risk Management**

There are four steps to risk management:

- Identification of Risk
- Assessment of Risk
- Managing Risk
- Monitoring / Reviewing Risk

Identification of Risk

When identifying risk it is important to consider key areas of business where risks may arise, for example financial (e.g. reduced funding), business continuity (e.g. severe weather), or health & safety (e.g. serious accident) based risk.

Strategic risks are those risks, which have the potential to prevent, or affect, the Office of Police and Crime Commissioner (OPCC) and/or Force's ability to deliver medium to long-term goals and objectives. The identification of strategic risks is the responsibility of Chief Officers, PCC and the Chief Executive.

The following list categorises the main types of risk that the OPCC and Northumbria Police could encounter. The list is not exhaustive:

- National Policy change – risks associated with our ability to respond and adapt to changes in the Governments national agenda.
- Financial – risks that relate to losing monetary resources or incurring unacceptable liabilities.
- Business Continuity - risks associated with the continuation of service(s) after a significant event (disaster, major incident etc).
- People - risks associated with people management, recruitment, retention, development of staff, as well as staff conduct and behaviour issues.
- Health & Safety - risks related to accident prevention and general health and safety.
- Partnership - risks associated with entering, participating and exiting partnerships.
- Equality - risks relating to all aspects of equality and diversity
- Information Management and Security - risks associated with the loss, inaccuracy, storage, retention and backlog of data
- Legal Compliance – risks relating to our ability to comply with applicable laws and regulation (locally and nationally)
- Estate - risks relating to maintenance, security, loss, or damage to property / physical assets
- Public Confidence/Perception - confidence in the Force, PCC and/or its partners is significantly reduced

Assessment of Risk

Once identified, risks will be rated on the basis of the likelihood of the risk materialising and the impact this would have (see table below). It is recognised that rating risk is not an exact science and should be informed by evidence where possible e.g. economic forecasts, trends, historic events, weather patterns, etc.

However, it is also about applying collective professional knowledge and judgement and it is the active consideration of the likelihood and impact of a risk materialising that is more important than a nominal rating itself.

The purpose of the rating of risk is to focus attention to ensure appropriate and proportionate mitigation plans are in place. The table below is designed to assist this process.

Impact & Likelihood = Risk level	
	Impact

Likelihood	1. VERY LOW	2. LOW	3. MEDIUM	4. HIGH	5. VERY HIGH
1. VERY LOW					
2. LOW					
3. MEDIUM					
4. HIGH					
5. VERY HIGH					

The outcome of a risk rating assessment will identify the risk as being **low**, **medium** or **high**.

Managing Risks

When considering how to manage the identified risks one option is to simply acknowledge and **tolerate** the risk with no specific action or control. This is unlikely to be the case for any high or medium rated risk. More likely it will be necessary to **treat** the risk and reduce the likelihood/impact of it occurring; alternatively it may be feasible to **transfer** the risk (in full or part) through the use of external contractors, insurance cover etc. Ideally the aim should be to **terminate** the risk by eliminating the chance of it happening.

When managing risk it is useful to consider the following points:

- What are the main causes or contributing factors to the risk?
- Are controls already in place to manage this risk? If so consider the following:
- Is the risk sufficiently mitigated and therefore requires no further action?
- Is the risk over controlled, i.e. are controls disproportionate to the benefit gained? (In these circumstances, the level of control activity should be reduced accordingly)
- Are additional controls required to mitigate the risk? (control measures must be proportionate to the level of risk identified)
- Who is the designated risk owner?
- Who is responsible for the management and implementation of the controls?
- When should the implementation of the control be completed?

The identification, assessment and management of risk can result in opportunities to improve how business is carried out.

In some instances an identified risk may remain a high or red risk even after all plausible steps have been taken to mitigate it. In such cases the risk would need to be closely monitored and reviewed.

Monitoring / Reviewing Risk

The Joint Strategic Risk Register is owned by the PCC and the Chief Constable, who will ensure strategic risk owners monitor changes to the strategic risks and consider the following:

- Progress of additional controls
- Indicators of success
- External/Internal influences
- Early warning indicators that will affect the risk – e.g. performance information, government plans, local perception measures, etc.

Risk management is a dynamic process. Risks, controls and mitigations will be periodically reviewed by the designated risk owners and updated in response to changing internal and external events, capturing new risks as they emerge and removing old risks when they cease to be of concern.

To ensure that identified risk controls are implemented and monitored, a review will be carried out by the designated risk owner on at least a quarterly basis.

The findings of this monitoring will be reported to, and considered on, a quarterly basis at the Strategic Management Board (SMB) within the Force, and Core Management Team within the OPCC. Any amendments to the risk status as a result of ongoing monitoring will be considered at SMB and/or the Joint PCC and Chief

Constables Business Meeting.

Corporate Development will support strategic risk owners to monitor changes to the Strategic Risk Register and provide a quarterly overview report to SMB and/or other forums as required.

Within the OPCC the Chief Executive and Treasurer will consider the risks with appropriate support where required from officers of the OPCC or other service experts.

Local risks will be managed and monitored by Area Commanders or Heads of Department, who will escalate emerging high risks to the appropriate Chief Officer and to SMB. Emerging high risks will be assessed at SMB to determine if they require strategic management.

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4. Partnership Risk Management Guidance

Partnerships are now a key part of effective public service delivery, bringing significant benefits, but also risk. Partnership arrangements and activity will be assessed to consider risks which may affect the force. Utilising the Key Principles of Risk Management ([Hyperlink](#)) an assessment will be carried out to consider all partnership related risk.

All staff should be aware of the risks associated with partnership working and the impact on those involved if the partnership were to fail.

Corporate Development will provide advice and support to Area Commands and Departments to help to identify and mitigate risks linked to existing and new partnership arrangements.

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5. Health and Safety

[Link](#) to Health and Safety risk assessments, which ensure that risk is effectively managed in the workplace by undertaking a risk assessment to comply with Health and Safety legislation.

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6. Governance

The PCC and Chief Constable, as corporations' sole, have overall responsibility for risk management for their respective areas of responsibility. However, all staff have a responsibility to identify risks that could affect the achievement of strategic, local or personal objectives and have an obligation to manage risk where appropriate.

Area Commanders and Department heads are responsible for the identification, assessment and management of risks, which affect their local delivery of the Police and Crime Plan and Chief Constables Delivery Plan. Risks, which have the potential to prevent the force from achieving its aims or objectives, will be escalated to the appropriate Chief Officer and to the SMB where controls will be identified as and when appropriate.

The OPCC manages the Strategic Risk Register on behalf of the PCC, provides guidance, monitors risk management activity and provides risk management information and updates to external inspection/audit bodies.

Corporate Development manages the Strategic Risk Register on behalf of the Chief Constable and provides guidance and information to managers and external inspection/audit bodies.

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7. Further Information

Further advice is available from the Strategy and Planning Section within Corporate Development.