

CORPORATE RISK MANAGEMENT**Paul Godden, Corporate Development Department**

1. PURPOSE OF THE REPORT

- 1.1 To provide members with an update on the management of strategic risk as contained within the Police and Crime Commissioner and Chief Constable's Joint Strategic Risk Register.

2. BACKGROUND

- 2.1 The Office of Police and Crime Commissioner (OPCC) and Northumbria Police share a Joint Strategic Risk Register (Appendix A) which has been designed to ensure the effective management of strategic risk, whilst reducing the bureaucracy associated with historic practices.
- 2.2 Each strategic risk is assigned a Chief Officer and OPCC owner, who has responsibility for the management of controls and the implementation of new controls, where necessary.

3. CURRENT POSITION

- 3.1 Owners have reviewed the strategic risks for which they have ownership, and provided updates. Key changes are outlined as follows:

New Risk**Risk area – Financial**

Risk – Further cuts to Home Office Police grant funding over and above those included within the MTFS could be announced in the budget on 8 July 2015.

- This could result in a significant reduction in available finances, impacting on the ability to provide frontline services and service provision, with less flexibility to innovate and provide front-line services. The announcement on budget day will be analysed and an impact assessment completed.

Risk Closed

An existing risk is closed.

Risk area – Financial

Risk – Failure to successfully transfer banking providers by the 1st April 2015.

- Banking arrangements have been agreed with Barclays, and the transfer of funds occurred on 1st April 2015. The new bank account is open, with no associated on-going risk.

Existing Risk(s)

Additional controls have been identified or implemented for the following risks and will help reduce the likelihood or impact of the risk if it were to occur.

Risk area – Information management and security

Risk – Significant Cyber-attack on Force systems.

- Cyber essential assessment – The Force will undertake an assessment of its technical capability to rebuff a cyber-attack during the period September to December 2015. This assessment will identify issues and recommendations to help the force prevent a successful attack in the future.

Risk area – Estates

Risk – ‘Failure to dispose of HQ site in a timely manner’ amended to ‘Failure to dispose of HQ site and other estate assets as valued within the MTFS and annual budget 2015/16.’

Additional consequences:

- Potential significant impact on the MTFS and 2015/16 capital and revenue budgets that could result in:
 - A shortfall of funding and overspend during the MTFS period.
 - A shortfall of funding and overspend beyond the MTFS period.
 - Requirement to borrow to fund the capital programme.
 - Requirement to borrow to meet funding shortfall.
 - Possible breach of agreed borrowing limits.

Additional controls:

- Monthly monitoring of the sale process and review of valuations.
- Regular forecasting and monitoring of the Prudential Code authorised borrowing limits.

4. FINANCIAL CONSIDERATIONS

4.1 There are no additional financial considerations arising from this report.

5. LEGAL CONSIDERATIONS

5.1 There are no legal considerations arising from the content of this report.

6. EQUALITY CONSIDERATIONS

6.1 There are no equality implications arising from the content of this report.

7. RISK MANAGEMENT CONSIDERATIONS

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

8. CONCLUSION

- 8.1 Current risk management processes and procedures continue to help 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.

9. RECOMMENDATION

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