

JOINT INDEPENDENT AUDIT COMMITTEE

7 DECEMBER 2015

*Short Report – For Information***STRATEGIC 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 Risk owners and associated heads of departments have reviewed the strategic risks for which they have ownership, and provided updates. Key changes are outlined as follows:

New Risk**Risk area – Partnerships**

Risk – Increase in collaborative working with an increasing range of partners due to budget constraints.

Consequence:

- Reputational damage by association with partner.
- Financial risk where investment by the force has been made in conjunction with partner.
- Reduced operational efficiency and effectiveness due partner non-delivery.

Controls:

- Potential partners are considered with these risks in mind at the outset.
- Effective partnership agreements including robust governance, financial controls and exit strategies.
- Inter-force collaboration agreements (Section 22A)

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 - National Policy changes

Risk - Failure to recognise and adapt to the national Transforming Rehabilitation agenda.

Additional controls:

- Following a recent HMIC inspection, the Integrated Offender Management (IOM) model is to be reviewed. Draft Terms of Reference are being developed to be approved by the Chief Officer Team.

Risk area – Finance

Risk - Further cuts to Home Office Police Grant Funding arising from the 2015 Spending Review.

Additional controls:

- Scenario planning for cuts between 25% to 40% are being prepared and discussed before the autumn announcement regarding Police Funding. This will be used to inform management of the financial capacity to deal with the range of cuts and enable early identification of the scale of actions that could be required.
- MTFS will need to be reviewed and re-prioritised to match spending plans with available resources.
- Reserves will be optimised to help with the phasing of the delivery of savings

Risk area – Partnerships

Risk – Failure to maximise the potential impact of LCJB.

Additional controls:

- A report entitled 'Working in Step' was published 22 October 2015 which concluded that LCJBs are inefficient. There is a national drive to review and reinvigorate - including a performance framework. The Force is awaiting the outcome of the national initiative.

Risk area – Equality

Risk – The Force, OPCC or an associated individual acts in a discriminatory way.

Additional controls:

- IPCC Discrimination Guidance is in place and awareness raising together with an action plan for implementation is being developed by PSD.

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.’

Additional controls:

- Offers returned currently under evaluation.

4. CONCLUSION

- 4.1 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.

5. RECOMMENDATION

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