

RISK MANAGEMENT PROCESSES

Purpose

1. This paper is intended to provide the Audit Committee with an understanding of the risk management processes employed by the Chief Constable (CC) and the Office of the Police and Crime Commissioner (OPCC). It does not detail which risks have been identified, nor does it make comment on assessments or responses to those risks.

Process

2. The management process is designed to reduce the CC and the PCC vulnerability to risk and follows a basic five step approach of:
 - Identify
 - Assess
 - Respond
 - Monitor and Review
 - Report

Identify

3. There is no single method for identifying Risks. The process is informed by the Police and Crime Plan, the Delivery Plan and the Joint Strategic Assessment. Identification may also be through methods such as the escalation by individuals, outcomes from meetings (Performance, People Strategy, Organisational Learning, Change Management etc.), dedicated sessions, networking, environmental scanning, audits and inspections.
4. Following identification, each Risk is described to assist the development of understanding of threat and to allow third party support. Each description is in three parts; Event, Consequence and Outcome.

Assess

5. Assessment is a two part, three tiered approach, firstly determining an Initial Risk and then a Residual Risk. Both parts include consideration of Likelihood, Control/s and Impact.
6. Corporate guides are provided to promote consistent risk scoring. The table below shows the different ratings within each theme. These are multiplied together to provide an overall risk score of somewhere between 1 and 125. A 'Total Score' Impact tool can be used to identify Risks as Major, Moderate, Acceptable or Minor. This is a useful guide only.
7. The CC has identified a Risk Appetite of 30. There is an understanding that accepting and retaining Risks at any level can be appropriate and healthy and in line with ACPO Risk Principles.

	Likelihood	Controls	Impact
5	Almost Certain	Non-existent	Critical
4	Probable	Unacceptable	Major
3	Unlikely	Uncertain/Untested	Moderate
2	Rare	Good	Minor
1	Almost Never	Very Good	Minimal

Respond

- Each Risk is discussed and agreed at the relevant management level and mitigation is identified and developed. An owner for the mitigation is also identified at this stage and where this owner is not within the relevant business area, communication and agreement ensures Risks being managed appropriately. Risks may then sit in more than one Risk Register.

Monitor and Review

- All Risks and actions to mitigate are documented in the relevant Risk Register/s. These are stored on the Firstpoint (SharePoint) site. The actions are updated and Risks are re-evaluated to determine ongoing need and/or alternative or additional mitigation.
- The detail of the processes for each management team may vary depending on the structure and environment. For example some SMT leads will discuss their Register as an agenda item at SMT meetings with update work being completed by Staff Officers, while other SMT leads may take direct personal responsibility for reviewing and updating their Register.
- Although local arrangements are used, the basic Risk Management principles remain the same. The centralised holding of the Registers allows for audit, feedback and reminders from the Continuous Improvement Team.

Report

- Local Risk Registers (LRR) are owned by each business area Senior Management Team (SMT), they describe those risks that primarily affect that functional area only and so can be managed locally. Owners for local risks are therefore the Department Head or members of his or her SMT.
- Department Heads can request that a local Risk is escalated to the Corporate Risk Register (CRR) if the Risk has an increasing potential to effect wider business areas or the whole Force, or the Departmental Head is unable to mitigate the Risk without Chief Officer support or intervention (e.g. regarding significant changes in funding, process or policy, partnerships, change programme etc.)

14. The updating of Corporate and Local risks in terms of mitigating activity and revised Risk scores will be carried out quarterly. The Corporate Risk Register (CRR) is owned and managed at Chief Officer level and discussed at Senior Command Team. Chief Officers are responsible for the co-ordination of planning and activity around each Corporate Risk and each escalated Local Risk with the relevant Departmental Heads. This process is therefore bottom up.
15. The OPCC maintains a Risk Register which is owned and managed by the Police and Crime Commissioner (PCC) and reviewed by the PCC and Chief Executive. This is very much a top down approach and provides a common sense check against the CC's CRR. Both Risk Registers are discussed at the Commissioners Management Board on a monthly basis.

Conclusion

16. The committee is asked to note the risk management process.

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