

JOINT INDEPENDENT AUDIT COMMITTEE
31 October 2018

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SUBJECT		PCC RISK REGISTER & CC/PCC RISK MANAGEMENT STRATEGIES
REPORT BY	CHIEF EXECUTIVE & CHIEF FINANCE OFFICER	
CONTACT OFFICER	JULIE FLINT, CHIEF FINANCE OFFICER TEL: 01522 947222	
SUMMARY AND PURPOSE OF REPORT		
To review the PCC's Risk Register.		
RECOMMENDATION	That the Committee reviews the PCC's Risk Register.	

A. SUPPORTING INFORMATION

1. The top strategic risks that would prevent or distract the Commissioner from achieving his goals are recorded in the PCC Risk Register. The risks have been identified based on the PCC's objectives that are stated in his Community Safety, Policing and Criminal Justice Plan April 2017 – March 2021.
 - 1.1 The PCC's Chief Finance Officer (CFO) and Research and Performance Officer (RPO) attend the Force's Confidential Risk Management Board and Force Risk Management Board respectively. This ensures that the Force's register and the PCC's register are aligned where appropriate. In addition the Force Risk Policy & Review Officer and the Research and Performance Officer meet on a monthly basis to discuss issues arising from both registers (and the joint Assurance Map).
 - 1.2 The PCC's risk register is reviewed every other month (alternating with the Assurance Map) as part of the standing agenda for the OPCC Management Meeting (MM). The current register (V7.24) records 15 risks in total, with 7 rated as critical, scoring RED 12 and above and 8 non-critical, scoring AMBER 9 and below.
 - 1.3 Since the previous report to JIAC in July 2018 two new risks have been added - Ref C045 AMBER & C046 RED. Overall there are now 4 RED risks with an increasing risk profile and 3 RED risks with no change in profile. There are 8 AMBER risks, 5 of which have seen no change in direction and the remaining 3 have a downward / reducing direction of travel.
 - 1.4 The PCC's risk register V7.24 October 2018 is attached at **Appendix A**.

1.5 Update Summary

Key updates to the commissioners risk register are summarised below:

- There have been two new risks added to the register since the July 2018 JIAC report.
- **NEW Risk C046 – “Failure to contain expenditure within available resources”**
 - A significant forecast overspend for the current financial year together with significant additional financial pressures within the MTFP have been identified and need to be addressed as a matter of urgency.
 - Timeline for initial review of recovery plan & ongoing savings plans has been agreed between OPCC and Force.
 - Recovery and savings plans currently under development by the force include:
 - A comprehensive recovery plan for FY 2018/19 is due to be delivered by the CC in early November.
 - A plan to deliver a balanced budget for 2019/20 and MTFP is due to be delivered by the CC in Early November.
 - The recommendations from the CFOs (October 2018 Police & Crime Strategic Board paper 4a) regarding the introduction of increased financial control are with the CC for consideration, outcome due by early November.
 - Currently risk score is RED 12.
- **NEW Risk C045 – “Failure to obtain satisfactory Value for Money from the disposal of West Parade Police station (Lincoln City)”**
 - Discussions are ongoing regarding appropriate disposal options.
 - Current risk score is AMBER 9.
- **Risk C02 – “Failure to achieve and demonstrate efficiencies, value for money (VfM) and optimum workforce productivity”**
 - Risk score increased from RED 12 to RED 16.
 - Revised risk score is related to risk issues highlighted within new risk C046 (‘containing expenditure within available resources’).
 - Recovery and savings plans under development by the force.
 - Timeline for urgent production and review of plans has been agreed between force and OPCC.
- **Risk C044 – “failure of the force to deliver operational effectiveness”**
 - This risk continues to have an upward direction of travel.
 - Force operational delivery plans are in progress (since November 2017).
 - Narrowing range of assurance is available - regarding progress against strategic plans (operational delivery).
 - .Force assurance reports to OPCC ceased in November 2017 - Discussions regarding alternative sources of assurance for key areas of business are now underway.
 - Force scheduled to complete development of operational plans by end of December 2018.(Extended from June 2018)

- Decline in some key performance indicators for the force.
- **Risk C06 – “Lack of capacity & resilience in the Office of the Police and Crime Commissioner”.**
 - This risk has a reducing risk profile.
 - The OPCC has successfully appointed to 3 roles:
 - Victims services delivery manager – due to commence 29 October 2018
 - Victims services communications officer – due to commence 24 October 2018.
 - Administration apprentice – anticipated start date in late October. (Subject to vetting process)
- **Risk C037 – “Resilience & instability in the Chief Officer team.”**
(significant changes in the Chief Officer team).
 - This risk has a reduced score - from RED 12 to AMBER 8 as current chief officer team now established in permanent roles.
 - Chief constable appointed Feb 2017
 - Permanent DCC appointed Feb 2018 (from ACC / acting DCC role)
 - Permanent ACC appointed June 2018
 - Temporary ACC retained as additional ACC (limited period)
 - ACO Resources appointed - 19 May 2017(2 Year Contract)

Note: All updates to the PCC’s risk register are recorded in its change log.

B. FINANCIAL CONSIDERATIONS

There are resource implications related to some of the risk control measures that arise from the implementation of these activities. These are managed by the appropriate Chief Officers in each organisation.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

Any relevant legal and human rights related risks are included in the PCC’s risk register.

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES (including any impact or issues relating to Children and Young People.)

Any relevant personnel, equal opportunities and diversity related risks are included in the PCC’s and Force’s risk registers.

E. REVIEW ARRANGEMENTS

The Risk Management Strategies for both the PCC and the Force will be reviewed by JIAC on an annual basis.

F. RISK MANAGEMENT

Risk governance is an integral part of the Joint Independent Audit Committee’s remit. It is reflected on the Forward Plan accordingly.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.