Agenda Item No

12

JOINT INDEPENDENT AUDIT COMMITTEE
16 April 2019

SUBJECT	**PCC RISK REGISTER & CC/PCC RISK MANAGEMENT STRATEGIES**
REPORT BY	**CHIEF EXECUTIVE & CHIEF FINANCE OFFICER**
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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.

2. 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).

3. 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. The current register (V7.27) records 16 risks in total, with 8 currently rated as critical, scoring RED 12 and above and 8 non-critical, scoring AMBER 9 and below.

4. The current overall risk profile is described below:

    - One new risk has been added to the register ('Brexit' – AMBER rating).
    - Overall there remain 5 RED risks with an increasing risk profile and
    - 3 RED risks with no change in trajectory.
    - There are a total of 8 AMBER risks, 6 of which have a static profile, and the remaining 2 have a downward, reducing profile.

5. The PCC's risk register V7.27 March 2019 is attached at **Appendix A**.

6. Key updates to the commissioners risk register since the January 2019 JIAC meeting are summarised below:

6.1. **New Risk C047 – failure to: Adequately prepare for Britain's withdrawal from the European Union (Brexit).** *Note: at the time of writing the current deadline for Britain's exit from the EU is subject to change - (Originally 29 March 2019 with a subsequent transition period ending on 31 December 2020).*

- Guidance from the Home Office and contingency plans are in place.
- The DCC is the regional policing lead for 'Brexit' related issues
- Work undertaken by Lincolnshire Resilience Forum (civil contingencies) in preparation for Brexit – ACC West is Chair of the LRF with links to national infrastructure / support.

6.2 **Risk C046 – "Failure to contain expenditure within available resources"**
Current risk score is RED 12.

6.2.1 The previously forecast 2018/19 overspend has reduced significantly, largely due to a significant under spend on the Major Incidents budget.

6.2.2 A balanced budget has been set for 2019/20. The PCC took the decision to maximise the precept up to the referendum limit, however the budget still requires £3.2m of savings to balance. The savings have been allocated to budget heads and procedures have been put in place to deliver against the savings targets.

6.2.3 Significant additional financial pressures exist within the MTFP and are being addressed; a high level plan to achieve the savings is in place.

6.2.4 The PCC has received confirmation from the Home Office of its intention to award £1.8m of Special Grant to Lincolnshire subject to satisfactory assessment of the claim by HMICFRS. Best use of this funding is currently being explored.

6.3 **Risk C037 – Resilience & instability in Force chief officer team.**

6.3.1 This risk score has increased from AMBER 8 to RED 12 (3x4) and the existing and developing controls have been amended to reflect:

- The reduction in senior officers / staff:
  - Loss of one temporary ACC
  - Chief of staff redundancy (appointed Feb 2018).
- Current DCC to retire in June 2019 – subsequent recruitment process.
- Current ACO's contract due to expire in May 2019.

6.4 **Risk C044 – "failure of the force to deliver operational effectiveness"**

6.4.1 Risk score remains at RED 12.with an upward direction of travel.

6.4.2 Force operational delivery plans remain in progress, with their planned completion initially anticipated in June 2018, then extended to December 2018 and recently re-scheduled to April 2019. Some delivery plans, in draft form, were recently presented at a force senior management visioning event in mid-march 2019..

6.4.3 There has been a sustained decline in some key performance indicators for the force, with some crime types being 'in exception' on the force's performance dashboard for several months and overall crime rates have risen significantly.

6.4.4 The OPCC and force are currently discussing a revised approach to performance monitoring and reporting – this includes both the content and frequency of key elements in the governance framework.

7 All updates to the PCC's risk register are recorded in its change log on pages 9 to 12.

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.