Agenda Item No

16

JOINT INDEPENDENT AUDIT COMMITTEE
25th April 2022

SUBJECT	**PCC RISK REGISTER**
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's 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 2021 – 2025.

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 regular 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 risk register (V7.64 April 2022) records 12 risks in total, with 6 currently rated as critical, scoring RED 12 and above and 6 as non-critical, scoring AMBER 9 and below.

4. Since the previous review by the JIAC in March 2022 the PCC's risk register has had two risks terminated following the end of the G4S commercial partnership on 31 March 2022. The terminated risks are:

   4.1. C09 – ***"Failure to ensure that G4S objectives are delivered (with available resources)."***

   4.2. C040 – **"*Failure to deliver an efficient transition from the current G4S contract to effective alternative solutions in a timely manner".***

5. Existing and developing controls have been refreshed across the register to better reflect the current situation. The current scores for 3 risks have been reduced, these are all recorded in the change log from the 24th of March entry onwards (Page 9 of 9).

5.1. Five critical risks were identified as having current scores that were equal to their inherent scores ie the identified controls were ineffective. These risks were reviewed in detail at the April OPCC management meeting and as a result 2 had their current scores reduced these are:

5.1.1. C041 – ***"Failure to maintain or develop beneficial regional collaborations"*** This risk had a current and inherent score of 4x4 – RED 16 on consideration this was reduced to 3x4 – RED 12. The rationale being that despite continuing areas of disagreement and uncertainty within the collaboration and a dynamically changing environment with a mix of newly elected PCC's and new Chief Constables the collaboration had continued to deliver including a recently agreed budget and a draft process for future budget setting.

5.1.2. C054 – ***"Failure to Maintain a strong working relationship with the Police and Crime Panel."*** This risk had a current and inherent score of 4x4 – RED 16 on consideration the current score was reduced to 2x4 – AMBER 8. The rationale being that despite the Panel's concerns over an incomplete Chief Constable recruitment process and the transparency of some decision making, resulting in the involvement of the IOPC, the relationship with the Panel remained effective with good ongoing dialogue between the OPCC and P&C Panel. Recent examples include the unanimous approval of the policing precept proposed by the PCC, and a successful confirmation process for the new Deputy PCC.

5.2. The current risk scores of the three other critical risks with matching inherent and current scores remain unchanged, these are:

5.2.1. C01 – ***"Failure to persuade Government of Lincolnshire's case for a fairer share of national funding, including lack of recognition of the rural costs in the formula; compounded by potential budget cuts presented by HM Treasury in next spending review period (2020–2024)".*** While the decision to provide Lincolnshire with a fairer share of national funding is beyond the direct control of the PCC he remains hopeful that with continued lobbying and his position on the national reference group for revision of the funding formula the likelihood of this risk being realised may reduce in the near future. In addition, the force has been successful "in bidding for 'special grant' funding which has helped the force's financial position in the short-term.

5.2.2. C052 – *"**Failure of the force to prepare appropriate strategic & operational delivery plans for all key organisational functions including ICT, Fleet and Estates".*** The force have not yet produced a full set of strategic and operational delivery plans for key organisational functions. It is hoped that now other priorities have been concluded this will allow the force to again focus on producing them. The OPCC will a request a revised timeline for their production.

5.2.3. C02 – "***Failure to achieve and demonstrate efficiencies, value for money (VfM) and optimum workforce productivity"*** The risk controls are under ongoing review (including a refreshed VFM strategy) by the finance team. A range of work (developing controls) is underway which will help the organisation to better understand its current position. However the impact / results of this work will not be evident for at least the next 2-3 months. (The current risk score will continue to be monitored).

5.3. Other notable changes since the JIAC's last review include:

5.3.1. C06 – this risk was reworded to better reflect the current situation of the OPCC. The previous wording - *"Lack of Capacity & Resilience in the Office of Police and Crime Commissioner"* was replaced with – ***"Failure to maintain sufficient capacity to match growth in scope of OPCC business and responsibilities"***. This risk is currently at its target score.

5.3.2. C056 – "***Failure to Adequately respond to the Home Office proposals regarding PCCs taking responsibility for Fire & Rescue Service Governance".*** The publication of recommendations from part two of the Home Office review of the PCC' role has revealed a reduced interest in PCC's taking responsibility for the governance of fire & rescue services. The current risk score has therefore reduced from AMBER 2x3 to GREEN 1x3.

6. The PCC's risk register V7.64 April 2022 is attached at **Appendix A.**

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.