

**Report of the PCC CFO to the Chair and Members of the Joint Audit Committee**

**28th February 2019**

**Presenting Officer: Mr Michael Porter, Chief Finance Officer**

**Status: For information**

**Strategic Risk Register**

**1. Purpose**

1.1 To provide Members with an update on the progress of the PCC’s risk register.

**2. Recommendations**

2.1 That Members note the content of the report.

**3. Background**

3.1 The PCC is taking an integrated approach to embedding its risk register within the OPCC. The strategic register is managed on the Insight4GRC system and also continues to be reviewed in line with the OPCC’s own Risk Management Policy.

3.2 The Risk Register is being reviewed and reported on a half yearly rolling basis. The objective of the review is to update risk controls, scoring, and check progress against outstanding actions and to explore new or emerging risks.

1. **Progress and Changes since the last update**
   1. All risks have been reviewed since the last report to Members. This has resulted in only very minor changes to those risks that were already in existence to reflect changes that have occurred over the last few months, to reflect new actions and/or move completed actions into Risk Controls and 2 Risks have been closed during the period these were:

* Risk 1493 – Staffing Structures, Grading and Job Evaluation
* Risk 1578 – Financial Sustainability
  1. There has however been the emergence of 2 new risks since the register was last reported to the Committee in July 2018. One is an extension of the Risk that was referred to in the report to Members in July but had not been added to the Risk Register at that point.
  2. This was as follows:

The exercise of the PCC’s appropriate authority remit in respect of officers of Chief Constable rank presents a uniquely complex, interwoven combination of competing organisational priorities – including but not limited to compliance with the law and procedure; setting and maintaining exemplary standards; communicating clearly with the public about a complex regulatory area; managing internal and external stakeholders; assuring organisational stability; and underpinning good wellbeing practice in respect of officers concerned. Volumes of such cases remain low but their complexity for these reasons and others, remains intense. Current cases involve matters of ongoing significant public interest and are resource-intensive.

* 1. At the time of adding this to the report in July 2018 the complaints that were subsequently raised against the previous Chief Constable Mike Veale had not been made.
  2. Now that complaints have been made, these and all such matters (e.g. alleged conduct) are handled in strict accordance with the law and in close consultation with the IOPC and other stakeholders if and as appropriate. These matters remain an OPCC statutory officer priority; it is important the Members should be aware that the corollary of this is that these cases remain resource intensive.
  3. In addition to the above risk one other risk has arisen since the OPCC Risk Register was last reported to the Committee, this has yet to be added to the Risk Register but is as follows:
  4. **Force Executive Resilience –** The abrupt retirement of the former Chief Constable has clearly created an unexpected vacancy within the most senior post within the Force. This has occurred at a similar time to the substantive Deputy Chief Constable being successful in being appointed to a role in another Police Force.
  5. As a result, the 2 most senior Police Officer posts are currently vacant on a Substantive basis. Both of these roles are currently being undertaken via short term secondments. These arrangements, whilst helping to support the Force in the current circumstances, and managing the current risk, are by their nature temporary. The process has begun to recruit a new Chief Constable to further reduce this risk.
  6. These risks will be added to the Risk Register with appropriate Controls and Actions and monitored as per normal practice.
  7. An overview of all current ‘open’ risks on the PCC’s Risk Register, based on Inherent Risk is shown in the table below:**Inherent Risk Priority (I x L)**
* **Residual Risk Priority (I x L)**

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|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **5 - Catastrophic** | **Contingency (5)** | **Contingency (10)** | **Primary (15)** | **Primary (20)** | **Primary (25)** |
| **4 - Significant** | **Contingency (4)** | **Contingency (8)** | **Primary (12)** | **Primary (16)** | **Primary (20)** |
| **3 - Moderate** | **Low (3)** | **Contingency (6)** | **Contingency (9)** | **Primary (12)** | **Primary (15)** |
| **2 - Minor** | **Low (2)** | **Low (4)** | **House Keeping (6)** | **House Keeping (8)** | **House Keeping (10)** |
| **1 - Insignificant** | **Low (1)** | **Low (2)** | **House Keeping (3)** | **House Keeping (4)** | **House Keeping (5)** |
|  | **1 - Negligible** | **2 - Rare** | **3 - Unlikely** | **4 - Possible** | **5 - Probable** |

* 1. With the following table showing the Residual Risks:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **5 - Catastrophic** | Contingency (5) | Contingency (10) | Primary (15) | Primary (20) | Primary (25) |
| **4 - Significant** | Contingency (4) | Contingency (8) | Primary (12) | Primary (16) | Primary (20) |
| **3 - Moderate** | Low (3) | Contingency (6) | Contingency (9) | Primary (12) | Primary (15) |
| **2 - Minor** | Low (2) | Low (4) | House Keeping (6) | House Keeping (8) | House Keeping (10) |
| **1 - Insignificant** | Low (1) | Low (2) | House Keeping (3) | House Keeping (4) | House Keeping (5) |
|  | **1 - Negligible** | **2 - Rare** | **3 - Unlikely** | **4 - Possible** | **5 - Probable** |

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* **Residual Risk Priority (I x L)**
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**5. Risk Register**

5.1 The Insight4GRC methodology and Risk Management Policy is in place and work is continuing to embed it into the day to day work of the OPCC.

5.2 All of the risks have and will continue to be allocated to individual Officers with regular updates required.

5.3 A copy of the Strategic Risk Register is included at todays meeting.

**6. Implications**

6.1 Finance

There are no known financial implications at the present time. However, as the process progresses the financial implications will be continually reviewed.

6.2 Diversity and Equal Opportunities

There are no diversity or equal opportunities implications arising from the content of this report.

6.3 Human Rights Act

There are no Human Rights Act implications arising from the content of this report.

6.4 Sustainability

Risk Management is a vital element in ensuring the sustainable delivery of services and delivering the PCC’s priorities.

6.5 Risk

Risk Management is crucial in ensuring the sustainable delivery of services and delivery of the PCC’s priorities through the effective identification and management of the principal risks to the delivery of corporate objectives.

**7. Conclusion**

* 1. The risk register and the work to embed risk management within the work of the OPCC is on-going and work will continue to ensure progress is maintained and risks are appropriately captured and managed.