Agenda Item No

14

JOINT INDEPENDENT AUDIT COMMITTEE
22nd February 2023

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 RPO meet on a regular basis to discuss both registers.

3. The PCC's risk register is reviewed each month as part of the standing agenda for the OPCC Management Meeting. The current risk register (V7.71 February 2023) records 12 risks in total, with 4 currently rated as critical, scoring RED 12 and above and 8 as non-critical, scoring AMBER 9 and below.

4. The OPCC management team held a meeting on the 30th of January 2023 to discuss the current approach to risk management in the OPCC, the appetite for risk (considering the PCC's objectives), and a review of the risk register's content. A summary of key points discussed and actions arising are contained in the below paragraphs.

   4.1. Following discussion by the OPCC team it was agreed that the current risk appetite should remain unchanged. However, a more robust approach should be taken to updating and reporting on the status of risks that sit outside of the OPCC's appetite. This should include reporting to JIAC on the rationale for 'accepting' these risks and any anticipated changes / developments.

   4.2. Changes were agreed to several risk definitions, scores, and the updating of both existing and developing controls was conducted across the register. A particular focus was placed on those risks which currently sit outside of the scope of the OPCC's risk appetite and those risks that had remained static for some time. It was agreed that further dedicated time would be set aside at future monthly management meetings to confirm the status of risks.

4.3. New ‘developing controls’ were discussed and added to the register.

4.4. In addition, it was recognised that there was an increased need to focus attention on the risk register as a key management tool bearing in mind the ongoing changes to the governance and assurance processes operated by the OPCC and force.

4.5. It was agreed that a ‘Heat Map’ would be created for the OPCC register and trialled over the coming months including its use in reporting to JIAC.

4.6. The RPO confirmed with the OPCC team that JIAC are to hold a bespoke risk management and assurance workshop involving the force and OPCC. This is being planned for April 2023.

4.7. The approach to risk awareness training for OPCC team members was agreed including a 3-year cycle of refresher training for the RPO on key elements of risk management, to ensure awareness remains current. Along with in-house refresher training for team members and new arrivals.

5. Since the last review of the risk register by the JIAC on the 5th of December 2022 and the subsequent OPCC risk review meeting held on the 30thJanuary the following key changes have been made to its content. (All changes have been recorded in the registers change log).

5.1. **C06 “*Failure to attract new and retain & develop existing members of the OPCC team”*** is the revised risk previously described as *“Failure to maintain sufficient capacity to match growth in the scope of OPCC business and responsibilities”.* This new risk description better encompasses the key workforce risks for the OPCC, such as succession planning and attracting suitable candidates from the challenging recruitment market. The risk also has a new current score applied of 3x3 Amber from the previous 2x4 Amber.

5.2. **C01- (Outside of risk Appetite)** ***“Failure to persuade the government of Lincolnshire’s case for a fairer share of national funding”***
This risk has remained at the maximum risk score (both inherent and current) since it was added to the register. It is beyond the direct control of the PCC, although he and the Chief Constable continue to lobby the government at every opportunity to highlight their case. Developments will be monitored and reported to JIAC.

5.3. **C057** - ***“Failure to prepare for the potential impact on the workforce, service delivery, & commissioned services, because of the sudden rise in the ‘cost of living’ & the ‘cost of doing business”.*** This risk has been broadened out to incorporate ‘commissioned service’ providers following national reporting of fears that some vital services may have to be reduced or face failing completely due to providers inability to cope with the implications of rising costs within existing contractual arrangements. The SDM will investigate with our service providers at both a national and local level to establish what if any action needs to be taken. This risk score will remain unchanged until further evidence has been gathered.

5.4. **RISK REMOVED C052 -** ***“Failure of the force to prepare appropriate strategic and operational delivery plans for all key organisational functions including ICT, Fleet, Estates etc.”.*** Following discussion at the

OPCC risk review meeting this risk has been removed from the register as it is now considered to be an issue ie the risk has been realised. It has been added to the OPCC 'Issues Log' to track developments and engagement with the force on this issue.

5.5. **C044 – (outside of the risk appetite)** "Failure of the force to deliver operational effectiveness" This risk description has been changed to better reflect the risk to the PCC. It now reads as **"Failure of the force to provide sufficient evidence-based assurance of operational effectiveness". The score remains at 3x4 Red.** There are ongoing discussions with the force regarding new governance / reporting / tracking processes with the potential to provide assurance – the OPCC awaits further developments in these processes.

5.6. **C041–** ***"Failure to maintain or develop beneficial regional collaborations."*** The regional collaborative landscape is a very sensitive area of police business that can represent a challenge in developing new and beneficial collaborations. However recent developments including changes in senior leadership across the region and agreement on funding and budgets has led to a re-scoring of this risk to better reflect current circumstances. This risk has reduced from being outside of the OPCC appetite - red 12 to an Amber 8. The target score was also changed to Amber 6, a more realistic reflection of the collaborative landscape.

5.7. ***C058 - (outside of risk appetite) – "Failure to deliver a new ERP system concurrent with a supported outgoing system"*** – This risk has been re-scored and increased from an Amber 2x4 to a RED 3x4 due to the uncertainty surrounding the schedule for the implementation of the new system. The CFO has requested a copy of the current PID from the force to better understand the intended delivery schedule.

5.8. **C02** – **(outside of OPCC risk appetite)** "**Failure to achieve and demonstrate efficiencies, value for money (VfM) and optimum workforce productivity"** Developing controls have been added to this risk that once effected will hopefully reduce its score to within risk appetite. The CFO committed to directing a review of the forces VfM plan once completed in March 2023 and, also to look at establishing some national comparative measures to better assess the force's overall efficiency.

6. The PCC's risk register V7.71 February 2023 is attached at **Appendix A** to this report.

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.