Agenda Item No

14

**JOINT INDEPENDENT AUDIT COMMITTEE**
**2 August 2023**

| SUBJECT | **PCC RISK REGISTER** |
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| REPORT BY | **CHIEF EXECUTIVE & CHIEF FINANCE OFFICER** |
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| **SUMMARY AND PURPOSE OF REPORT**<br><br>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. In addition, both force and OPCC registers and the Chief Constable's assurance map appear at the quarterly Joint Assurance Review (JAR) meetings involving the CFO & CEX from the OPCC and the CFO & DCC from the force. This helps ensure mutual awareness of the overall risk and control environment and that the Force and the OPCC registers are aligned where appropriate.

3. The PCC's risk register is reviewed each month as part of the standing agenda for the OPCC Management Meeting. **A copy of the PCC's risk register V7.76 July 2023 is attached to this report at Appendix A.**

4. **Risk Register – Summary**
   The executive summary pages (1-3) of the register highlight key information including risk distribution across inherent, current and target scores. In addition, there is a risk 'heat map' being trialled, which provides a simple overview of current risk and any recent changes in scoring along with a brief explanatory narrative. The final section of the register contains the change log which details any significant updates made to the register in the previous 12 months.

5. The risk register records 13 risks in total, with 4 currently rated as critical, scoring RED 12 and above and 9 as non-critical, scoring AMBER 9 and below.

   5.1. **Critical Risks** - Updates
   These risks are routinely reviewed at each full monthly management meeting to ensure any new or developing controls can be assessed against the current risk score.

5.1.1. Risk C01 – The Chief and PCC continue to lobby and work with the Home Office to obtain a sustained 'fairer share' of national funding. (Note: Additional 'one off' funding has recently been obtained to meet specific policing needs in the short term).

5.1.2. Risk C02 – Developing controls have been added to this risk that once effected will hopefully reduce its score to within risk appetite. The CFO has committed to directing a review of the forces VfM plan, completed in March 2023 and, also to look at establishing some national comparative measures to better assess the force's overall efficiency.

5.1.3. Risk C041 – There have been significant changes in both PCCs and Chief constables in the region with more change likely following the May 2024 PCC elections. Regional budgets are also under review with agreement on equitable contributions being sought. Recent HMICFRS ROCU inspection results have also required a review of some regional / force operating models including their resourcing requirements. The regional collaborative environment is in a state of flux and risk scores remain high until a more settled status develops.

5.1.4. Risk C058 – There is a planned programme of work underway to scope and deliver a new ERP solution – the risk remains high due to the scale and potential impact of the work required and its nascent status. A reduced score is dependent on accurate and timely delivery of complex and wide-ranging plans effecting key organisational functions.

5.2. **Non-critical Risks** - Updates

Non-critical risks feature at the monthly OPCC management meetings to ensure their status is regularly reviewed and any new / developing controls are considered and updated in the register. A particular focus is placed on those risks that have remained static for some time. Key updates to this category of risks are provided below.

5.2.1. Risk 1 - C06 - This risk description has been amended to better encompass 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 9 from the previous 2x4 Amber 8. The training matrix for the OPCC is being refreshed and the Graduate Support Officer recruitment for 2023-24 is underway with new links to the 'Graduate Employability' scheme of Lincoln University being established with the aim of improving the future supply of graduate candidates for the force and OPCC.

5.2.2. Risk 11- C057 - 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 but stable until further evidence is gathered in the coming months.

5.2.3. Risk 7 - C044 **(Reduced to within risk appetite)** There are a range of developing controls that have been introduced by the force (recorded in the register) that have reduced this score to bring it within risk appetite. The force has published an annual plan "Making Lincolnshire Safe" and held a corporate planning event including a strategic Gap analysis to

identify and prioritise key activity. In addition, there are ongoing discussions with the force regarding new governance / reporting & delivery tracking processes with the potential to provide improved assurance – work in this area is ongoing. Successful navigation of these proposed changes should see the further reduction of this risk in the medium term.

5.2.4. Risk 13 - C059 **(Reduced to within risk appetite)** There are a range of developing controls that have been introduced by the force (recorded in the register) that have reduced this score to bring it within risk appetite. (Many are shared with risk 7 above – of specific relevance is the Gap analysis activity conducted at the recent Force corporate planning event in July 2023 – this has the potential to provide further assurance for this area of risk through OPCC scrutiny of the force approach to prioritising and effecting remedial activity against the gaps identified.

**6. Risk & Assurance Workshop**

6.1. A risk and Assurance workshop was successfully held on the 6thJune 2023 – Minutes and actions from this meeting were recorded and distributed to JIAC members, force and OPCC participants for their consideration / action.

## 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.