



Cambridgeshire
Police & Crime
Commissioner

To: Joint Audit Committee

From: Chief Executive

Date: 29 June 2015

ENHANCEMENT OF CORPORATE GOVERNANCE THROUGH A BOARD ASSURANCE FRAMEWORK

1. Purpose

1.1 The purpose of this paper is to report to the Joint Audit Committee (“the Committee”) on the improvement of the management of strategic risk achieved through the introduction of a Board Assurance Framework.

2. Recommendation

2.1 The Committee is invited to consider the draft Board Assurance Framework.

2.2 It is proposed that the Board Assurance Framework should be reviewed by the Joint Audit Committee on a six monthly basis.

3. Background

3.1 The management of risk is well embedded in both the Constabulary and the OPCC with visible application at all levels. This includes an understanding and development of risk principles through each layer: from the operational front-end, up to the strategic oversight.

3.2 At the strategic level (which this paper focusses on), a joint risk register is held between the OPCC and the Constabulary. The risk register assesses individual risks and how they are being mitigated. It is increasingly being recognised that there are significant interdependencies between the organisations’ strategic risks and these need to be effectively addressed if the Police and Crime Plan’s (“the Plan”) objectives are to be met.

3.3 A Board Assurance Framework (BAF) provides a method for the effective and focused management of the principal risks to meeting an organisation's objectives. A BAF linked to the Plan has been developed. This better links risk management work and work to achieve the organisation's objectives, and provides increased visibility and assurance that work which needs to be done to achieve objectives and decrease the likelihood of risks materialising is being taken forward at sufficient pace.

4. Process and governance

4.1 We took the opportunity to increase the sophistication in the way we identify, assess, and action our (joint) strategic risk register. The creation of a Board Assurance Framework seeks to enhance corporate assurance, providing information to the relevant executive board (Business Co-Ordination Board for OPCC and Force Executive Board for the Constabulary). This identifies where assurance activities are not present or where they need to be strengthened.

4.2 Lessons from industry as well as successful public sector risk management approaches suggest that more effective scrutiny can be provided through a visually representative document. Such a document should identify the gaps that exist, highlight the tolerance of risk that the organisations are willing to accept, provide clear detail on how gaps will be reduced and, crucially, show progress over time.

4.3 This is being achieved through the introduction of a Board Assurance Framework. The Framework links the corporate objectives, strategic risks, current mitigating actions and internal and external assurances. It identifies further mitigating actions for each area of risk.

4.4 An assessment has been made against each of the five Police and Crime Plan objectives utilising a 4 x 4 matrix of Likelihood and Impact. Each is given a score in line with the existing risk management process (**Impact:** Minor (1), Moderate (2), Significant (3), Major (4). **Likelihood:** Remote (1), possible (2), probable (3), more likely than not (4)).

4.5 Where the inherent risk (the risk before any mitigation takes place) is a combination of any of the following, then this is recorded on the Strategic Register:

- Impact 4/Likelihood 4
- Impact 4/Likelihood 3
- Impact 4/Likelihood 2
- Impact 3/Likelihood 4
- Impact 3/Likelihood 3
- Impact 2/Likelihood 4

4.6 The Board Assurance Framework document ensures that there is a clear link between strategic objectives and the strategic action required to mitigate risk.

4.7 Additionally, the Assurance Framework provides clarity on the strand of the Plan that it impacts on and how this influences the Her Majesty's Inspectorate of Constabulary's

assessment of the Constabulary through the Police Effectiveness, Efficiency and Legitimacy (PEEL) framework.

4.8 A joint Constabulary/OPCC authored Board paper will be produced on a quarterly basis, documenting the Board Assurance Framework and progress made.

4.9 The draft Board Assurance Framework document is attached for review at Appendix A.

5. Conclusion

5.1 The Board Assurance Framework sets out the Plan objectives (the strategic objectives), the strategic risks, current mitigating actions and internal and external assurances. It identifies further mitigating actions for each area of risk.

5.2 The way the Framework is visually represented helps to bring a wider understanding of risk management across both Constabulary and the OPCC.

5.3 It complements the Performance Framework, focusing on the strategic objectives of the Plan. The Performance Framework is a key controls assurance.

6. Recommendation

6.1 The Committee is invited to consider the draft Board Assurance Framework.

6.2 It is proposed that the Board Assurance Framework should be reviewed by the Joint Audit Committee on a six monthly basis.

BIBLIOGRAPHY

Source Documents	Risk Management Policy Risk Management Procedure Board Assurance Framework draft
Contact Officer	Superintendent Jon Hutchinson, Cambridgeshire Constabulary Dorothy Gregson, Chief Executive, Cambridgeshire Office of the Police and Crime Commissioner