



**To:** Business Co-ordination Board  
**From:** Chief Executive, OPCC  
**Date:** 11 August 2016

## **Strategic Risk Management**

### **1. Purpose**

- 1.1 The purpose of this paper is to provide an update on Strategic Risk Management to the Business Co-ordination Board (the "Board") and to provide sight of the new format for the Strategic Risk Register.

### **2. Recommendation**

- 2.1 The Board is asked to note the contents of the report and consider the proposed next steps in the Board Assurance Framework process.

### **3. Update**

- 3.1 Risk management is embedded into both the work of the Constabulary and that of the Office of the Police and Crime Commissioner ("the OPCC") on an ongoing and continuous basis. The Strategic Risks were last considered by the Board on 25 February 2016.
- 3.2 The OPCC reviews the risks on a quarterly basis and provides updates to the Board on a six monthly basis.
- 3.3 The OPCC have reviewed the format of the strategic risk register as well as the risks and have adopted a new format in order to align with our strategic alliance partners; this is currently work in progress with regards completion of all of the fields.
- 3.4 This format is the same as Bedfordshire's format which weights Impact rather than the ratings being a simple likelihood x impact calculation. It includes a summary on the front page which shows where the risks are on a matrix and a brief summary of each risk, with any new risks raised highlighted in red text.
- 3.5 This review has also ensured the information included is at a strategic level rather than low level information which was making the previous register unwieldy. It has

also deleted duplication within risks.

- 3.6 The new format presented at Appendix A shows the risk, causes and effects of the risk with the initial risk score. It then shows what controls are in place and what the controls assurances are followed by a current risk score. Finally it shows future actions and where the OPCC/Risk Owner would like the risk rating to be in the future. In this way it looks forward like the Board Assurance Framework process.
- 3.7 The objectives for each risk will be reviewed to ensure there is an explicit link to the Police and Crime Plan when the new plan is complete.
- 3.8 There is one new risk added to the register at 3.7 regarding funding of the Emergency Services Network.
- 3.9 At a recent meeting of the Beds, Cambs and Herts Risk Managers and Collaboration Team it was agreed that the three forces would align their risk matrix to a 5x5 rather than the current 4x4. The new risk matrix can be seen below.

RISK MATRIX					
LIKELIHOOD					
	1	2	3	4	5
	Unlikely	Possible	Likely	More likely than not	Probable
5 Catastrophic	15	19	22	24	25
4 Significant	10	14	18	21	23
3 Moderate	6	9	Tolerance Level 13	17	20
2 Minor	3	5	8	12	16
1 Insignificant	1	2	4	7	11

  

Risk ratings key:	
Dark red	Critical risks
Red	High risks
Amber	Medium-high risks
Yellow	Medium risks
Green	Low risks

- 3.10 The strategic risk register is under review to ensure the scores reflect the new risk matrix and will be updated in liaison with risk owners and the register at Appendix A does not have these amendments included yet.

**4. Board Assurance Framework next steps**

- 4.1 The Board Assurance Framework (“BAF”) provides a method for the effective and focused management of the principal risks to meeting an organisation’s objectives.

This better links risk management and work to achieve the organisation's objectives. It also 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 a sufficient pace. 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. A BAF linked to the 2013-16 Plan was developed and presented to the Board on March 2015.

- 4.2 A Police and Crime Commissioner is required to issue a Police and Crime Plan as soon as practicable after taking office, specifically before the end of the financial year which they are elected (31 March 2017). The plan must determine, direct and communicate the Commissioner's priorities during their period in office. The Commissioner intends to start a three-month period of engagement and consultation in order to inform the Plan. It is proposed that the draft Plan will be taken to the Police and Crime Panel in September for formal comment.
- 4.3 The Commissioner's police and crime objectives form the basis and framework for the Board Assurance Framework so that it provides an effective and focused management of the principal risks to meeting those objectives.
- 4.4 The Board Assurance Framework will therefore be developed and implemented in tandem with the new Police and Crime Plan.

## 5. Recommendation

- 5.1 The Board is asked to note the contents of the report and consider the proposed next steps in the Board Assurance Framework process.

## BIBLIOGRAPHY

<b>Source Document</b>	<p>Joint Audit Committee 23<sup>rd</sup> June 2016 <a href="..\..\Joint Audit Committee\16 06 23\16 06 23 - JAC - Agenda Item 008 - Strategic Risk Register cover.docx">..\..\Joint Audit Committee\16 06 23\16 06 23 - JAC - Agenda Item 008 - Strategic Risk Register cover.docx</a></p> <p>Organisation Support Programme Board 22<sup>nd</sup> June 2016 <a href="..\..\Risk Register\8 - BCH Risk Process 06-16 v3 (002).docx">..\..\Risk Register\8 - BCH Risk Process 06-16 v3 (002).docx</a></p>
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