

## **Leicestershire Police Authority**

### Risk Maturity

Internal Audit Report (11.08/09)  
24 March 2009

FINAL

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The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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## 1 Executive summary

### 1.1 Introduction

Risk Maturity is defined as

“the extent to which a robust risk management approach has been adopted and applied as planned by management across the organisation, to identify, assess, decide on responses to, and report on opportunities and threats that affect the achievement of the organisation’s objectives.”<sup>1</sup>

In particular we have been considering not only what framework our clients have in place to identify, assess, record and monitor risks, but how that information is used within the organisation.



The aim of a thematic review is to undertake an audit at a large number of clients, and simultaneously collect data. The risk maturity review is being undertaken across our client base to provide comparative information for benchmarking purposes. At the end of the year we will provide a report based on best practice identified.

The Force has reviewed the Corporate Risk Strategy this year and it outlines the requirements for managing risks. The risks are assessed based upon a 4x4 matrix which is operated within the Orchid risk management system.

The Strategic Risk Register and Top Risk Registers cover the high level risks for the Force and the Area / departmental risk registers cover those with lower scores. The Police Authority has a separate Risk Register. The Risk Registers are all maintained within the Orchid risk management system. The system will automatically issue reminders where risks are due to be reviewed and the Force Risk Manager has the opportunity to review all risks and amendments on the system providing an independent review mechanism.

The Risk Registers are subject to review based on the set review dates within the Force, and the Authority presently monitors their risk register on a regular monthly basis. The Audit Committee, Force Risk Management Group and Chief Officers Group monitor the high level / strategic risks on an ongoing basis and receive updates throughout the year.

Through the discussions with the Deputy Chief Constable he considers the Force are risk managed and are moving upwards within the risk enabled section, based upon the definitions set out above.

Since our last review the Police Authority has established a risk register and this is subject to monthly review and is reported and discussed at the Audit Committee meetings.

We have left minor recommendations within the main report based upon recognised good practice and these will contribute towards enhancing the arrangements for managing risk and further embedding risk across the organisation as a whole to improve the level of risk maturity in the future.

The Force are leading on risk management within the East Midlands Collaboration and are presently involved in advising and progressing potential opportunities for other Forces to procure the Orchid system for management of their risks as well as the potential to include joint access to the collaborations risk registers in the future.

### 1.2 Your Risk Maturity

<sup>1</sup> Institute of Internal Auditors

**Based upon the work undertaken, our assessment of Northamptonshire Police Authority / Force's current position on the risk maturity spectrum is Risk Managed and moving towards becoming risk enabled.**

RISK MATURITY	NAÏVE	AWARE	DEFINED	MANAGED	ENABLED
YOUR ASSESSMENT OF YOUR CURRENT RISK MATURITY				✓	
OUR ASSESSMENT OF YOUR CURRENT RISK MATURITY				✓	
YOUR TARGET RISK MATURITY					✓

The key findings from this review are:

- We have made 3 'merits attention' recommendations, which will help towards embedding of risk management arrangements across the organisation as a whole and contribute to the achievement of an increased level of risk maturity for the future. These are set out in the action plan in section 2 of the report.

### 1.3 Approach to Risk Maturity Review

Risk Maturity can be assessed on the basis of:

- the commitment to risk management by senior levels of management;
- the presence of working risk registers (with prioritised risks; assigned actions; assurances feeding back into the process) and an aggregated shortlist of highest risks reported to the board;
- the extent to which risk management is embedded throughout the organisation;
- co-ordination with strategic partners; and
- evidence that risks and opportunities are considered to inform decision making.

We have interviewed the Deputy Chief Constable, Treasurer, Chair of the Audit Committee, the Force Risk Manager and the Call Management Centre Manager during the review in order to understand your risk management processes, where you consider the organisation is currently placed on the risk maturity spectrum and the organisation's attitude to risk management.

The objective of this review was to assess the organisation's risk maturity. We also gathered data and information to feed into a benchmarking exercise that we will publish later in the year.

#### Limitations to the scope of the audit:

This review does not comment on whether individual risks are appropriately managed, or whether the organisation has identified all of the risks and opportunities facing it.

Our work does not provide any absolute assurance that material error, loss or fraud does not exist.

We do not endorse a particular means of risk management. It remains the responsibility of the Board and senior management to agree and manage information needs and to determine what works most effectively for the organisation.

**1.4 Recommendations Summary**

The following tables highlight the number and categories of recommendations made, showing which have been brought forward from previous audits. The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them.

**Recommendations made during this audit:**

	FUNDAMENTAL	SIGNIFICANT	MERITS ATTENTION
RECOMMENDATIONS MADE	0	0	3

**Recommendations implemented since the previous risk management audit**

DATE OF PREVIOUS AUDIT: December 2007

RECOMMENDATION CATEGORIES	FUNDAMENTAL	SIGNIFICANT	MERITS ATTENTION
NUMBER OF RECOMMENDATIONS MADE DURING PREVIOUS AUDIT		1	1
NUMBER OF RECOMMENDATIONS IMPLEMENTED		1 (BEING IMPLEMENTED AND IS ONGOING)	1
RECOMMENDATIONS NOT YET FULLY IMPLEMENTED:		1 PARTLY - ONGOING	0

We have confirmed that the Police Authority has established their risk register and this is being monitored monthly and subject to report via the Audit Committee and this feeds into the annual statements as applicable.

We confirmed that the training programme for risk managers and risk co-ordinators has been delivered and will be ongoing as required. Further training is scheduled in February onwards towards embedding risk further into the day to day business and this will include the risk assessment bow tie training as mentioned in the main report. (NB: This recommendation was previously agreed with a completion date for 2011).

**2 Action Plan**

The priority of the recommendations made is as follows:

FUNDAMENTAL	SIGNIFICANT	MERITS ATTENTION
ACTION IS IMPERATIVE TO ENSURE THAT THE OBJECTIVE FOR THE AREA UNDER REVIEW IS MET	REQUIRES ACTION TO AVOID EXPOSURE TO SIGNIFICANT RISK IN ACHIEVING THE OBJECTIVE FOR THE AREA UNDER REVIEW.	ACTION IS ADVISED TO ENHANCE CONTROL OR IMPROVE OPERATIONAL EFFICIENCY

REF	RECOMMENDATION	CATEGORISATION	ACCEPTED Y/N	MANAGEMENT COMMENT	IMPLEMENTATION DATE	MANAGER RESPONSIBLE
Para. 1	Ensure risks and associated controls are made clear and specific to provide greater clarity and to ensure control mechanisms can be monitored for compliance.	Merits Attention	Y	Agreed - Police Authority Agreed - Force Is part of the embedding process and related training has been scheduled to commence in February 2009	February 2009  To be confirmed	Treasurer  To be confirmed
Para. 9	Include the organisations risk appetite within the Strategy document.	Merits Attention	Y	Agreed Progressed via FRMG 19 December 2008 and being actioned now.	Completion date to be confirmed	Force Risk Manager
Para. 20	The Call Management Centre should include risk management as a standing item at the monthly SMT meetings in future.	Merits Attention	Y	Agreed This is to be phased in during 2009.	To be confirmed	To be confirmed

3. The Risk Maturity Checklist

		Consideration of risk maturity	Internal Audit Findings and Evidence	Recommendation
Risk Aware	1	<p>Does the organisation have a risk register?</p> <ul style="list-style-type: none"> <li>▪ Are risks documented and assessed in terms of impact and likelihood?</li> <li>▪ Are risks assessed on both inherent and residual bases?<sup>2</sup></li> <li>▪ Does the risk register assign values to each risk (i.e. are they prioritised)?</li> <li>▪ Has the organisation documented the controls to mitigate each risk?</li> <li>▪ Is an action plan in place identifying further action required to reduce risk/address gaps or weakness in controls?</li> </ul>	<p>Both the Force and the Police Authority have in place Risk Registers and these are held within the Force's risk management software system (Orchid) which is used to set up and monitor risks on an ongoing basis. The risks are assessed taking into account impact and likelihood and the controls in place to provide an overall risk score. The residual risk score is the overall score after the controls are taken into account.</p> <p>Where required actions are set out on the risk registers and subject to ongoing review according to the timeframes set within the system.</p> <p>From an overview of the risks on the Risk registers for the Police Authority and the Call Management Centre we found that in some cases the documented controls set out were not deemed to be SMART and would benefit from a review to sharpen them up to provide details of each specific risk and the relevant controls. (This is also mentioned also in Para. 5).</p>	<p>Ensure risks and associated controls are made clear and specific to provide greater clarity and to ensure control mechanisms can be monitored for compliance.</p> <p>(Merits Attention)</p>
	2	<p>Has the organisation conducted a risk assessment since preparing its risk register?</p> <ul style="list-style-type: none"> <li>▪ How often are risks reviewed?</li> <li>▪ Is this frequency adequate given the size and complexity of the organisation and the sector and environment in which it operates?</li> </ul>	<p>We confirmed that for the Strategic Risks risk assessments have been completed covering the causes, consequences, opportunities and controls /mitigation.</p> <p>The Force Risk Manager confirmed that this process is being established across the organisation as a whole now as part of the planned progression to embed risk more fully. The training workshops are planned to start in February 2009.</p> <p>Risks are subject to review after a maximum period of 24 weeks, though generally they are reviewed more frequently than this and this is generally dependant on the risk score. The review period is set up within the risk management software and the system automatically prompts the risk owner to review the risks in accordance with the timeframe set. The Force Risk Manager also receives automatic emails as a prompt to notify him in the event the reviews have not been actioned. In this event he will follow the issue up with the assigned risk owner. This provides an independent review process to ensure they are kept up to date, in addition to the senior management team meetings which monitor risks at the local level.</p>	

<sup>2</sup> Inherent risk is the level of risk (in terms of impact and likelihood) before controls are applied. Residual risk is the level of risk remaining after controls have been applied.

	Consideration of risk maturity	Internal Audit Findings and Evidence	Recommendation	
<b>Risk Defined</b>	3	<p>Where management identify new risks or emerging issues, these are captured on the risk register or at least considered at a Board meeting / Risk Management group to consider the significance of the risk.</p>	<p>The Deputy Chief Constable confirmed that potential new risks can be highlighted through day to day business operations as well as from external sources including ACPO, NPIA, scanning, the senior management structure including the collaborative arrangements in place across the region.</p> <p>The Treasurer of the Police Authority advised that they have similar mechanisms in place to ensure they are kept up to date on changes in legislative requirements as well as through day to day business activities which may highlight potential new or emerging risks.</p> <p>Risks may also be raised through Strategic Chief Officers Group, Chief Officers Group or the Force Risk Management Group. The Force Risk Management Group also includes a Member of the Police Authority.</p> <p>Through discussions held with Call Management we were advised that risks may be raised by staff in the department, which may include health and safety issues, management on a day to day basis or at the Senior Management Team meetings.</p>	
	4	<p>Has the organisation developed and agreed a risk matrix? Has this been communicated?</p>	<p>The risk matrix in place ranges from very high down to low risk and takes account of the potential impact utilising a 4x4 matrix. Details are held within the risk system for information to those with assigned responsibilities.</p>	
	5	<p>Has the risk register(s) been developed so that risks can be considered both in terms of inherent risk and residual risk?</p> <p>Are the documented controls specific enough for the audit committee / management to understand what the control is that is being relied on to manage or reduce the risk?</p> <p>Within the risk register(s) are risks assigned to responsible officers at an appropriately senior level?</p>	<p>The risk registers are produced taking account of the inherent risk and the overall risk score takes account of the weighting applied to the controls set out which are documented on the risk management system.</p> <p>Through overview of the strategic risks we consider these risks are specific and the associated controls are clear and include the timelines required for completion. The Register also includes a section detailing risk status which ranges from controlled, awaiting control to managed.</p> <p>However, through review of the Police Authority risks we noted that in some instances the risks and controls are not very clear to easily confirm the actual risks or controls to the Authority. The Treasurer and the Chair of the Audit Committee agree there is potential to provide greater clarity of these risks and they plan to discuss this issue at a meeting already scheduled for January 2009 with the Force Risk Manager. In addition they are looking to group and link some of the current risks under specific headings as well.</p> <p>From our overview of the Call Management Centre risks greater clarity could be provided as to the actual risks and associated controls. As an example it may be useful to record the actual</p>	<p>Refer to Para. 1</p>

	Consideration of risk maturity	Internal Audit Findings and Evidence	Recommendation
		frequency that meetings / controls are to be carried out (where applicable) to help towards the 'weighting' of scoring them to produce the overall residual risk scores. (Refer also to Para.1).	
6	Has the organisation set and communicated clear strategic objectives?	The Policing Plan for the period 2008-11 was approved through the F&GP Committee on 18 March 2008 and is web-based. We confirmed availability on the web site and noted the Plan sets out the priorities and objectives over a three year cycle for the organisation.  This is supported by the Local Objectives for 2008/09 as approved by F&GP meeting of 18 March 2008.	
7	Are risks mapped /aligned to organisational objectives?	The Strategic Risk Register covers the risks to achieving these objectives.	
8	In terms of documented risks, are these clear and unambiguous risks?	We have covered this aspect of review in Para. 5 above.	Refer to Para. 1 & 5
9	Does the organisation have a risk management policy and/or strategy in place setting out how the risk management framework operates within the organisation?  <ul style="list-style-type: none"> <li>▪ Is the document endorsed at the highest level of the organisation?</li> <li>▪ Has the document been reviewed and updated sufficiently recently?</li> <li>▪ Does it set out roles and responsibilities in relation to risk management?</li> <li>▪ Does it set out how risk issues are to be considered at each level of business planning?</li> <li>▪ Does it define the structures for gaining assurance over the management of risks?</li> <li>▪ Does it define the criteria for assessing and prioritising risks?</li> <li>▪ Does it set out the organisation's approach to risk taking and innovation? (risk appetite)</li> <li>▪ Does it set out how new activities will be risk-assessed?</li> <li>▪ Does it set out how particular requirements (e.g. those imposed by legislation and other regulations) are</li> </ul>	The Corporate Risk Strategy for 2007-10 sets out the joint Authority / Force strategy for the period. The document sets out the framework and structure within which Leicestershire Constabulary plans to actively manage risk exposures.  The current Strategy was updated in July 2008 and reported through the Force Risk Management Group and reported to the Police Authority meeting of 29 October 2008.  The Strategy sets out:  <ul style="list-style-type: none"> <li>▪ The risk management structure for accountabilities and responsibilities both for the Authority and the management across the Force including those assigned to the Force Risk Management Group</li> <li>▪ Risk identification, use of and monitoring of risk registers</li> <li>▪ Project risk management</li> <li>▪ Information risk management, which includes compliance with any new statute law provisions including revision of systems and management to minimise any potential civil litigation.</li> </ul> However, we were advised the organisation's risk appetite has not specifically been set out in the Strategy. The Force Risk Manager advised that the risk matrix sets this out clearly and will seek approval through the Force Risk Management Group to include this in the Strategy as an appendix for information.  The Strategy has been communicated and is available on the Intranet.	Include the organisations risk appetite within the Strategy document.  (Merits Attention)

	Consideration of risk maturity	Internal Audit Findings and Evidence	Recommendation
	<p>addressed?</p> <ul style="list-style-type: none"> <li>▪ Has the policy been read and understood by all staff members?</li> </ul>		
10	<p>Has the organisation defined and justified its risk appetite?</p> <ul style="list-style-type: none"> <li>▪ For the organisation as a whole?</li> <li>▪ For each individual risk?</li> </ul>	<p>The Force Risk Manager confirmed that for each risk the assessment process takes into account the risk scores based on the risk matrix and this is used to determine how risks will be dealt with and whether it needs to be escalated to a higher level. (Refer also to Para. 9 for additional coverage on this issue.)</p>	
11	<p>How thorough is the organisation's risk assessment? I.e.</p> <ul style="list-style-type: none"> <li>▪ Does it include risks from both internal and external sources?</li> <li>▪ Does it include different types of risk?</li> <li>▪ Does it include risks in all areas and activities of the organisation?</li> <li>▪ Did the assessment involve a variety of staff at appropriate levels?</li> <li>▪ Does the risk register accurately reflect the outcome of the risk assessment?</li> <li>▪ Are risks identified but not considered significant enough to report to the Board, regularly re-assessed to check whether their significance has increased and should therefore now be included on risk reports to the Board?</li> </ul>	<p>The initial risk assessment process is to be documented on the risk management system. This requires the risks to set up and associated controls to be added towards determining the residual risk scores, based on the risk matrix for both Authority and Force risks.</p> <p>Depending on the residual score for Force, risks will be dealt with and those considered to be high level will be notified to the Force Risk Manager.</p> <p>The Police Authority risk register is drawn up and reviewed by the Chief Executive and Treasurer on a monthly basis and is subject to discussion at the quarterly Audit Committee meetings.</p> <p>Through our discussions with Call Management we were advised that in the event a risk is deemed high they will seek guidance from the Force Risk Manager to ensure it is appropriately managed on an ongoing basis.</p> <p>The Force Risk Manager confirmed that in the event risk scores escalate to a high level on the risk matrix they will be discussed and escalated if considered necessary.</p>	
12	<p>Has the organisation quantified its risks (where possible)?</p>	<p>The risk matrix sets out the quantification of risks. Refer to coverage in Para. 4.</p>	

		Consideration of risk maturity	Internal Audit Findings and Evidence	Recommendation
	13	<p>Are the controls documented appropriate, in terms of cost, effort and complexity, for the level of risk?</p>	<p>The relevant controls for managing risks are documented within the risk management system as part of the process to set up new risks. These are monitored within the various departments and BCU's by management and the designated Risk Co-ordinators locally and are subject to discussion at the SMT meetings to ensure they are acceptable.</p> <p>The Force Risk Manager has the facility to access all risks and regularly attends management teams meetings where such issues are subject to discussion. We confirmed that once the planned 'bow tie' assessment process is introduced this will provide a greater level of detail on the controls to determine / reduce the level of risk.</p>	
<b>Risk Managed</b>	14	<p>Do risk management activities cover the entire organisation including interdependencies between departments?</p> <ul style="list-style-type: none"> <li>▪ Do significant departmental risks feed into the corporate risk register and vice versa?</li> <li>▪ How Are interdependencies and overlaps between the risks of individual departments identified and addressed?</li> </ul>	<p>The Risk Management system is operated across the Force and the Police Authority and responsibilities are assigned to a 'risk owner'. They are deemed responsible for managing the risks identified even in the event they do cover more than one department and are to be monitored in accordance with the Strategy.</p>	

	15	<p>Are sources of assurance over controls in place to mitigate risks identified?</p> <ul style="list-style-type: none"> <li>a. Do assurances received by the board over the controls in place to manage risks feed back into the planning process?</li> <li>b. Are early warning indicators in place to alert senior management of potential problems?</li> <li>c. Is the risk register updated based on the results of assurance reviews?</li> <li>d. Is the risk register updated based on the outcome of actions taken in accordance with the action plan?</li> </ul>	<p>As part of the Annual Audit Planning process an audit needs assessment is drawn up to determine the focus for the forthcoming year based upon assurances given in the previous years audits, discussions with senior management, the Authority and internal and external auditors to determine which areas need to be covered and is part of a three year rolling plan.</p> <p>Early warning indicators are covered in Para. 3.</p> <p>We confirmed through this review that as part of the standard review process the Risk Registers are reviewed in accordance with the review period set up on the risk system and in the event they are not the Force Risk Manager is notified of the matter and will follow up non compliance.</p> <p>Through discussion the Treasurer of the Police Authority advised us that where they do gain assurances or limited assurances these would be taken into account in the risk assessment review process. This would also include outcomes from audits completed on an ongoing basis which also feed into the annual statements.</p>	
	16	<p>Are the risks identified and documented clearly explained so that the risk is unambiguous?</p> <p>Is there a culture of explaining risk and implications when presenting papers to the Board or its sub-committees (including departmental boards) for decision / review?</p>	<p>We noted some issues in connection with the clarity of risks and controls and we have covered this in Para. 1</p> <p>The Audit Chair &amp; Treasurer advised that explanations would be provided to the Members at the meetings if they required further information on the risks being reported upon to help in the decision-making process.</p>	Refer to Para.1
	17	<p>Are new and emerging risks identified and included in the risk register as and when they are identified?</p> <p>How often is the risk register / profile updated?</p>	<p>Those with assigned access and responsibility have access to the risk management system to set up new risks as / when they are identified. The risks can be set up to be reviewed at an interval which will be agreed with management in the relevant department. However, the Force Risk Manager is notified automatically of all new risks as well as any changes made to the system records to enable independent assessment. In the event he has any concern over the frequency of review of the risks the matter will be raised and discussed to agree an appropriate timescale for review.</p>	

Risk Enabled	18	<p>Are risk management issues regularly reported to the Board (possibly via an audit or risk committee)?</p> <p>Are board members and senior management team/ departmental management teams kept informed of changes in risk profile?</p>	<p>The Authority is responsible for approval of the Risk Management Strategy and this was confirmed for the latest update.</p> <p>The Force Risk Management Group is chaired by the DCC and is responsible for driving forward risk management within the Force. This has created a forum for liaison across the Force in the management of risk and they are scheduled to meet twice during each year. We confirmed that at the meeting of 14 July 2008 the</p> <p>group discussed the Annual risk report and the update for the Risk Strategy document.</p> <p>The Audit Committee also receive updates on the Authority Risk Register and the Strategic Risk Register as confirmed for the meeting of 13 November 2008.</p> <p>The Force Risk Manager advised that the BCU's and departments monitor their risks on an ongoing basis and in general they are subject to review at the senior management meetings in addition to monitoring through the risk management system as part of the scheduled review process. (See also Para. 20)</p>	
	19	<p>If the organisation has a capital build in progress, a significant partnership or other strategically important project, do these appear on its risk register?</p> <p>Is a separate risk register drawn up to consider risks specific to the project/partnership, as would be the case for the introduction of a new department?</p>	<p>Where projects are in place there is a section covering risk and these are set out on the risk management system in a similar way to individual risks.</p> <p>We confirmed the Call Management Centre has an ongoing project in place and this is covered by a project risk register.</p>	
Risk Enabled	20	<p>Is risk management embedded within the organisation's operations?</p> <ul style="list-style-type: none"> <li>▪ All individuals take responsibility for risk (not just the risk management department or one individual such as the Director of Finance etc.) and all activities involve the consideration and management of risk.</li> <li>▪ Risk management is an inherent feature of all policies and the strategy setting process.</li> <li>▪ Risk management is considered at team meetings not just Audit Committee meetings</li> </ul>	<p>The DCC considers good progress has been made in connection with embedding risks into the day to day business of the Force and provided some good examples of how this is being achieved. For example in preparation for the future plans, priorities and budget required to meet these plans they set out the priorities / risks to support the reasons for submitting the budget plans for 2008-11 using the current risk matrix and providing the supporting evidence which proved invaluable when they were required to explain the reasons behind the submission.</p> <p>He also advised that the Force have lead the East Midlands Collaboration on risk management matters and the forces within the collaboration are presently looking into purchasing the Orchid system as well as considering the benefits of having a joint system for managing risks for the whole region.</p> <p>The Force Risk Manager advised they are progressing well</p>	<p>The Call Management Centre should include risk management as a standing item at the monthly SMT meetings in future. (Merits Attention)</p>

			<p>towards embedding risk across the organisation and training has been provided for those with assigned responsibilities including the Risk Co-ordinators to be involved in setting up departmental risk registers across the Force. It is planned to provide further training early in 2009 to move forward plans to provide more detailed background to the causes, effects, opportunities and controls/mitigation mechanisms to support the risk assessment process (using a bow tie process).</p> <p>The Force Risk Manager also confirmed that for all policies it is a requirement to consider any associated risks as part of the background procedure prior to approval and implementation of policies.</p> <p>We confirmed during the review that risk management issues are a standing item at SCOG and COG meetings and any related risk management issues are considered in reports which are passed to the Audit Committee and the Police Authority meetings.</p> <p>However, in our discussions in connection with the Call Management Centre we were advised that a new management team has only recently been introduced, but they do not presently cover risk at SMT meetings as a standing item, though they agreed to implement this as a monthly agenda item for the future. This control provides the mechanism to prompt management to raise any associated issues for discussion and helps to ensure that risk management is being embedded into day to day activities and business of the department.</p> <p>The Force Risk Manager advised us that it is intended that risk is due to become a standard feature of all SMT meetings in the future though this is in place already in some cases.</p>	
	21	Do papers to the Board (corporate or departmental) make specific reference to the risk/opportunity /objectives) to which the paper relates?	<p>We confirmed that SCOG, COG meetings have a standing item on risk.</p> <p>The Police Authority standard report template also requires any related risk matters to be set out.</p> <p>The Corporate Risk Strategy also sets out the requirements to consider associated opportunities from risks identified.</p>	
	22	Is there evidence that Board decisions are taken with consideration of both positive risks (i.e. opportunities) and negative risks?	<p>Top Level/ Strategic risks have supporting documentation taking these elements in to account and as part of the future plans for embedding risk management across the organisation they are to be considered as part of the 'bow tie' assessment process which is due to be established early in 2009 once the workshops have been completed.</p> <p>Within the Corporate Risk Strategy (Section10) the opportunities associated with managing risks are covered. For example they</p>	

			refer to risk pooling, whereby groups of organisations (e.g. collaborative arrangements with other forces) establish a risk pool to manage specified risks without the use of the primary insurance market	
	23	Is there evidence of challenge from the Board of the risk profile?	Through our discussion with the recently appointed Chair of the Audit Committee he advised us that there is lively debate and discussion on the associated scorings. As an example he confirmed that in the most recent committee meeting they had debated some of the scores applied and as a result it was agreed that some changes should be made on the Authority Risk Register.	
	24	Has the organisation sought to get discounts based on its risk management arrangements?	<p>The Finance Director confirmed that the insurers take account of the overall controls in place as well the risk management arrangements in making their assessment of the annual insurance premiums.</p> <p>However, we noted that within the Corporate Risk Strategy it states that the risk transfer mechanisms are falling in importance in the overall approach to organisation-wide risk management as the insurance market is not will to carry some of the risks of policing functions and actions will be taken to investigate the viability of a move away from the insurance market in selected areas where this provision is providing poor value.</p>	