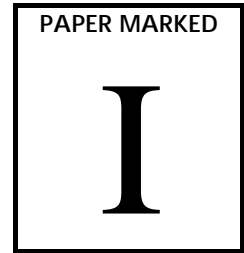


# *LEICESTERSHIRE POLICE AUTHORITY*



Meeting           **AUDIT COMMITTEE**

Date               **TUESDAY 02 JULY 2009 –10.00 A.M.**

Report of         **TREASURER / CHIEF EXECUTIVE**

Subject           **POLICE AUTHORITY RISK REGISTER**

## **Purpose of Report**

1. To present the Police Authority specific Risk Register for the Committee's consideration and review.

## **Background**

2. On 17 April 2008 the first Police Authority specific Risk Register was adopted by the Committee. The owners of the risks are the Chief Executive and Treasurer, who monitor the Register each month. On 15 April 2009 the Committee considered a re-working of the existing risks and, with the aid of a computer software package supplied by Bentley Jennison, allocated scores to each risk.
3. The new categories for the risks are as follows:
  - Stakeholders / Reputation
    - o Partnerships / Public Confidence
    - o Reputation
  - Governance
    - o Governance
    - o Inspection
  - Operational / Performance
    - o Capability
    - o Planning / Performance
  - Finance
    - o Funding

## **Update**

4. The re-worked risks (nine in total) are detailed in Appendix 2.
5. The scores shown against these risks reflect the outcome of the exercise carried out at the last meeting, and the Committee is asked to review the results and also scrutinise the control measures identified against each.
6. An updated version will presented for scrutiny at each meeting of this Committee. Members are able to view the Register and its associated documentation by logging onto the computer in the Members' Room.
7. A reminder of the risk score descriptions and impacts appears at Appendix 1.

### **Recommendation**

8. Members are recommended to scrutinise and agree this version of the Police Authority Risk Register, and note that it will be reviewed for each meeting of the Committee.

### **Implications**

Financial: none. Legal: none. Diversity: none. Risk Management: within the report.

### **Background Papers**

None

### **Officers to Contact**

C Smith, Treasurer, Tel 0116 229 8980

R Swinfield, Chief Executive, Tel 0116 229 8980

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**APPENDIX 1**

<b>Risk Score Allocation</b>	
<b>IMPACT:</b> Minimal (1)  Noticeable (2)  Major (3)  Disaster (4)	Minor service delivery disruption / Adverse public comment / No injury / Low financial cost  Some service disruption / Reduced public confidence / Minor injury / Unplanned financial cost  Significant service disruption / Serious public criticism / Serious injury / Large financial cost  Significant service failure / Total loss of public confidence / Fatality / Major financial crisis
<b>LIKELIHOOD:</b> Low (1) Medium (2) High (3) Very High (4)	

	<b>LOW</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>VERY HIGH</b>
MINIMAL	1	2	3	4
NOTICEABLE	2	4	6	8
MAJOR	3	6	9	12
DISASTER	4	8	12	16

LEICESTERSHIRE POLICE AUTHORITY: RISK REGISTER AS AT 15 APRIL 2009

**Category:** GOVERNANCE - Inspection  
**Risk 208:** Failure to obtain satisfactory scores from external inspection agencies  
**Responsible Officer:** Chris Smith / Robert Swinfield

Without Controls:	IMPACT 2.38	LIKELIHOOD 2.63
With Controls:	IMPACT 2.13	LIKELIHOOD 1.75

**RISK RATING**

RISK DESCRIPTION	CONTROLS
<p>(a) Failure to obtain satisfactory scores for PURE and assessment of final accounts.</p> <p><i>9-Mar-09: PURE is an annual assessment carried out by the External Auditors to a scheme that is nationally moderated. The PURE Key Lines of Enquiry for 2008-09 have changed. This, coupled with a change of external auditor, involves a significant work programme to provide new evidence.</i></p> <p><i>9-Sept-08: Each year the Authority is subject to inspection by the Audit Commission (PURE and Final Accounts). The Authority's reputation would be damaged if poor results were recorded. Recent scores have been both good and improving, and there are no reasons to believe that this will change.</i></p> <p><i>3-Nov-08: Any inspection report that makes strong criticisms could have a detrimental effect on the reputation of the Authority and/or the Force.</i></p>	<ul style="list-style-type: none"> <li>Audit report recommendations monitored by Audit Committee.</li> <li>Implementation of annual PURE action plan monitored by Audit Committee.</li> <li>Audit Committee is rigorous and subjected to annual training in the role .</li> <li>PURE Action Plan is formulated with officers.</li> <li>A constructive relationship is promoted between officers and auditors.</li> </ul>
<p>(b) Failure to obtain satisfactory scores for PA Inspection</p> <p><i>17mar09. This is the first round of inspections of police authorities so there are uncharted waters ahead. Timescale still un specific but not before July 2009.</i></p>	<ul style="list-style-type: none"> <li>Audit Committee overseeing the preparation for inspection</li> </ul>
<p>(c) Failure to obtain satisfactory scores for Constabulary inspections carried out by HMIC</p> <p><i>17mar09. The Baseline Assessment has disappeared but there remains a schedule of regular HMIC inspections that are carried out. Sometimes these are published without attributing scores to individual forces, but sometimes individual scores are given.</i></p>	<ul style="list-style-type: none"> <li>Report recommendations to be monitored by Audit Committee</li> <li>Audit Committee is rigorous and subjected to annual training in the role</li> </ul>

Risk Status: (C) Controlled : (A) Awaiting Control : (M) Managed

**CONTROLLED**

**LEICESTERSHIRE POLICE AUTHORITY: RISK REGISTER AS AT 15 APRIL 2009**

**Category:** STAKEHOLDERS / REPUTATION - Reputation  
**Risk 209:** Failure to maintain the good reputation of the Police Authority through Member or Officer impropriety.  
**Responsible Officer:** Robert Swinfield

Without Controls:	IMPACT 2.25	LIKELIHOOD 2.13
With Controls:	IMPACT 2.25	LIKELIHOOD 1.63

**RISK RATING**

RISK DESCRIPTION	CONTROLS
<p>(a) Failure to maintain the reputation of the Police Authority as a result of Member impropriety.</p> <p><i>3-Nov-08: Should an individual member misbehave or breach the code of conduct, such an incident would have an effect on the reputation of the Police Authority as a whole.</i></p>	<ul style="list-style-type: none"> <li>• Standards Committee with active lay members</li> <li>• Standards Committee overseeing transparency, ethical governance issues, member training and member development interview process.</li> <li>• Induction training for members covers a risk assessment against knowledge of the Code of Conduct</li> <li>• Members' Access to Advice of CX</li> <li>• CX is Monitoring Officer and Legally qualified</li> <li>• Good working relationships fostered between members and officers</li> <li>• Code of Conduct is up to date</li> <li>• All training monitored by Standards Committee</li> <li>• Members' newsletter contains Tip of the Week re ethical behaviour</li> <li>• CX has ready access to ACPO advice if any criminal behaviour arose, or intelligence thereof.</li> </ul>
<p>(b) Failure to maintain the reputation of the Police Authority as a result of officer impropriety</p> <p><i>If an officer misbehaved the impact on the reputation of the PA may be affected.</i></p>	<ul style="list-style-type: none"> <li>• CX and Treasurer are subject to their professions' codes of conduct.</li> <li>• Staff subject to Police Staff code of conduct</li> </ul>

Risk Status: (C) Controlled : (A) Awaiting Control : (M) Managed

**CONTROLLED**

**LEICESTERSHIRE POLICE AUTHORITY: RISK REGISTER AS AT 15 APRIL 2009**

**Category:** OPERATIONAL / PERFORMANCE – Planning / Performance  
**Risk 210:** Failure to deliver a strategic agenda, including East Mids collaboration.  
**Responsible Officer:** Robert Swinfield

Without Controls:      IMPACT 2.63                      LIKELIHOOD 2.50  
 With Controls:            IMPACT 2.13                      LIKELIHOOD 1.63

**RISK RATING**

RISK DESCRIPTION	CONTROLS
<p>(a) Failure to deliver a strategic agenda by not aligning strategic plans between Authority and Force.</p> <p><i>3-Nov-08: This risk is there to remind members that the Authority needs to keep its focus on Strategic issues.</i></p> <p><i>3-Nov-08: Relationships with the Force and with local stakeholders are crucial in order for the Authority to undertake its role effectively.</i></p>	<ul style="list-style-type: none"> <li>• Recruitment of members focuses on the strategic aspects of the PA.</li> <li>• Induction of new members reinforces this.</li> <li>• Strategic Planning is embedded into the PA meeting timetable.</li> <li>• Production of the Policing Plan reinforces this</li> </ul>
<p>(b) Failure to deliver a strategic agenda by not linking performance to planning and resource allocation.</p> <p><i>3-Nov-08: This risk reflects the fact that resource and demand planning requires access to up to date and appropriate performance information.</i></p> <p><i>3-Nov-08: It is a crucial part of the Authority's work to monitor the effectiveness of Force performance.</i></p>	<ul style="list-style-type: none"> <li>• PA receives regular reports about performance to full authority and its committees and panels.</li> <li>• Members have direct access to IQuanta, MIG Data.</li> <li>• Performance Panel picks up specific elements of force performance.</li> <li>• Members receive APA training on Performance Data</li> <li>• Members sit on Force Programme Boards</li> <li>• Members sit on Strategic Financial Planning Group</li> <li>• Members attend Multi Agency Meetings</li> <li>• Chairman of Authority sits on LSP (County)</li> </ul>
<p>(c) Failure to deliver a strategic agenda by not working collaboratively with East Mids police authorities.</p> <p><i>3-Nov-08: The collaboration agenda in the region is important to the Authority and this risk reflects on the consequences should that not be the case in future.</i></p>	<ul style="list-style-type: none"> <li>• Chairman and Vice-Chairman sit on Regional Collaboration Board and Joint Committee (EMPAJC).</li> <li>• Network of Officers liaison at most levels</li> <li>• Chairs meet outside of collaboration board meetings too.</li> <li>• Joint training has been undertaken and is the default in region.</li> <li>• EMSOU is well established and governance achieved through EMPAJC</li> </ul>

Risk Status: (C) Controlled : (A) Awaiting Control : (M) Managed

**CONTROLLED**

**LEICESTERSHIRE POLICE AUTHORITY: RISK REGISTER AS AT 15 APRIL 2009**

**Category:** OPERATIONAL PERFORMANCE – Planning / Performance  
**Risk 211:** Failure to deliver and monitor a robust financial plan  
**Responsible Officer:** Chris Smith

Without Controls:	IMPACT 3.00	LIKELIHOOD 2.63
With Controls:	IMPACT 2.38	LIKELIHOOD 1.50

**RISK RATING**

RISK DESCRIPTION	CONTROLS
<p>(a) Failure to deliver and monitor a robust financial plan</p> <p><i>9-Mar-09: The crisis in the banking sector has a potential knock on effect into local authority funding. This, coupled with a hardening of capping limits and non-implementation of the funding formula, will make it increasingly difficult to balance the annual budget. A robust rolling 3 year plan will be critical to managing this situation. (See also Risk 64).</i></p> <p><i>9-Sept-08: With an annual revenue budget in excess of £170m, and a capital programme of £7m, it is vital that robust arrangements exist to both plan and monitor expenditure and income. The process starts with a 3 year plan (updated annually), an annual revenue budget and capital programme, and in-year monitoring each month. A sophisticated financial model exists to track the impact of changes, overseen by the Strategic Financial Planning Group. The Authority ensures that its borrowing is prudent and sustainable, and checks that viable charges are levied for special policing services.</i></p>	<ul style="list-style-type: none"> <li>Rolling medium term financial plan prepared annually.</li> <li>Plan monitored by SFPG.</li> <li>Monthly monitoring information against budget prepared by Force.</li> <li>Capital programme prepared annually, and monitored by F&amp;GP Committee</li> <li>Treasury Management Strategy ensures that borrowing is affordable and sustainable</li> <li>SFPG overseeing work to identify sustainable savings from 2011/12 onwards</li> </ul>

Risk Status: (C) Controlled : (A) Awaiting Control : (M) Managed

**CONTROLLED**

LEICESTERSHIRE POLICE AUTHORITY: RISK REGISTER AS AT 15 APRIL 2009

<p><b>Category:</b> FINANCE - Funding  <b>Risk 212:</b> Failure to adequately fund services  <b>Responsible Officer:</b> Chris Smith</p>
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<b>Without Controls:</b>	IMPACT 3.38	LIKELIHOOD 3.25
<b>With Controls:</b>	IMPACT 3.00	LIKELIHOOD 2.13

**RISK RATING**

RISK DESCRIPTION	CONTROLS
<p>(a) Failure to adequately fund services due to restricted grant allocations from Government.</p> <p><i>9-Mar-08: The likelihood is that funding from both government and council tax will not increase in future at the same rate as in recent years. Although reserves exist to balance the 2009-10 budget there will be an ongoing shortfall into 2010-11 which will be worsened if funding declines. Efficiency and productivity measures will be essential in tackling the impact of the shortfall. (See also Risk 63).</i></p> <p><i>9-Sept-08: The Government continues to apply damping to annual grant allocations with the result that Leicestershire Police Authority loses approx £3m grant each year to which it is entitled under the formula. The result has been a 15.43% permitted increase in the 2008/09 precept but a 3% cap imposed for the two subsequent years. That cap, and the general principle of capping adopted by government, means that the budget needed to meet local risks and pressures cannot be balanced by income. Although sufficient reserves exist to balance the budget in 2008/09 (and probably 2009/10 depending on pay inflation), the problem will re-emerge shortly thereafter. Unless the budget is cut again, or the grant allocation formula is applied in full, the books cannot be balanced. Whilst government will continue to be lobbied on grant, it has to be assumed that council tax capping will remain. The likelihood of lack of resources in the medium term is medium, the impact should it happen would be major (significant service reduction).</i></p> <p><i>9-Sept-08: This enquiry (Madeleine McCann) has resulted in a large unplanned cost (£585,000 to end June 2008 – with more to come). Under normal Government policy this would be met from the Authority's General Reserve (currently £3,581,000). However, because this incident occurred overseas Ministers were persuaded to meet the first claim of £525,000, but there is no firm commitment yet to meet the rest. If not met, this unplanned financial cost will fall on the Authority.</i></p>	<ul style="list-style-type: none"> <li>Detailed scrutiny of planned spending (SFPG).</li> <li>Efficiency and productivity drive via SFPG.</li> <li>Lobbying on Operation Task reimbursement.</li> <li>General Reserve increased by £1.3 million in 2008-09 to bring it up to declared policy level.</li> </ul> <p><b>Further control:</b>  <i>Campaign to achieve full implementation of grant allocation formula.</i></p>
<p>(b) Failure to maintain partnership contributions to PCSO appointments.</p>	<ul style="list-style-type: none"> <li>Communication with local councillors.</li> </ul>

<p><i>3-Nov-08: Although councils contribute to funding of PCSOs, the Authority is the employer. Therefore if at any stage that funding was withdrawn the Authority would face all the risks associated with that shortfall.</i></p>	<ul style="list-style-type: none"> <li>• CDRP membership maintains focus on need to fund PCSOs.</li> </ul>
<p>(c) Failure to protect investments following failures in the banking system.</p>	<ul style="list-style-type: none"> <li>• Treasury management Strategy currently under quarterly review by F&amp;GP Committee.</li> </ul>

Risk Status: (C) Controlled : (A) Awaiting Control : (M) Managed

**AWAITING CONTROL**

**LEICESTERSHIRE POLICE AUTHORITY: RISK REGISTER AS AT 15 APRIL 2009**

<p><b>Category:</b> GOVERNANCE - Governance  <b>Risk 213:</b> Failure to comply with corporate governance requirements  <b>Responsible Officer:</b> Robert Swinfield</p>
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Without Controls:	IMPACT 2.38	LIKELIHOOD 2.50
With Controls:	IMPACT 1.75	LIKELIHOOD 1.63

**RISK RATING**

RISK DESCRIPTION	CONTROLS
<p>(a) Failure to comply with corporate governance arrangements.</p> <p><i>3-Nov-08: This risk relates to the statutory and other duties the Authority has to ensure it has sound corporate governance systems in place such as Diversity, Standards, Health and Safety and all legal obligations.</i></p>	<ul style="list-style-type: none"> <li>• Annual Governance Statement and policy in place.</li> <li>• Code of Corporate Governance reviewed by Audit Committee with input from Standards Committee in Spring 2009</li> </ul>
<p>(b) Failure to publish statutory publications</p> <p><i>3-Nov-08: The Authority has a number of statutory duties relating to the publication of annual reports. If it failed to achieve these it could be liable to legal challenge and its reputation may be harmed</i></p>	<ul style="list-style-type: none"> <li>• Strong peer network in region and nationally</li> <li>• APA support through guidance on new legislative requirements</li> </ul>
<p>(c) Failure to comply with and embrace Access to Information, Freedom of Information and Data Protection Act principles</p> <p><i>3-Nov-08: The Authority has a number of statutory duties relating to the publication of agendas and reports of its meetings, and responding to freedom of information requests. If it failed to achieve these it could be liable to legal challenge and its reputation may be harmed.</i></p>	<ul style="list-style-type: none"> <li>• Access to reliable web service</li> <li>• Chief Executive is solicitor</li> <li>• APA support through guidance on new legislative requirements</li> <li>• FOI and DPA advice available via Constabulary</li> <li>• Process established in Secretariat for handling FOI questions</li> </ul>

Risk Status: (C) Controlled : (A) Awaiting Control : (M) Managed

**CONTROLLED**

**LEICESTERSHIRE POLICE AUTHORITY: RISK REGISTER AS AT 15 APRIL 2009**

**Category:** STAKEHOLDERS / REPUTATION – Partnerships / Public Confidence  
**Risk 214:** Failure to promote the Police Authority and its Plans  
**Responsible Officer:** Robert Swinfield

Without Controls:	IMPACT 1.88	LIKELIHOOD 2.13
With Controls:	IMPACT 1.88	LIKELIHOOD 1.38

**RISK RATING**

RISK DESCRIPTION	CONTROLS
<p>(a) Failure to make clear the purpose and role of the Police Authority.</p> <p><i>3-Nov-08: The risk tries to quantify the consequences of the role of Police Authorities not being clearly understood.</i></p>	<ul style="list-style-type: none"> <li>• Role underlined in council tax leaflet, Local Policing Plan, e-newsletter, Local Policing Summaries and at LPU public meetings.</li> <li>• Press releases</li> <li>• Promotion of effective working relationship with media</li> </ul>
<p>(b) Failure to consult widely about the PA's plans.</p> <p><i>3-Nov-08: This risk reflects the fact that consultation where the community needs to be effective in order to ensure that people's views on policing are being included when strategic decisions are being made as to resource and demand planning.</i></p>	<ul style="list-style-type: none"> <li>• Annual programme of consultation.</li> <li>• Consultation Strategy produced 2008.</li> <li>• Members allocated to LPUs</li> </ul>
<p>(c) Failure to feedback when views have been canvassed</p> <p><i>3-Nov-08: This risk reflects the fact that the public need to receive feedback in relation to matters on which they have been consulted to avoid the perception that their views are being disregarded.</i></p>	<ul style="list-style-type: none"> <li>• Consultation feedback provided via council tax leaflet, Local Policing Plan, e-newsletter, Local Policing Summaries and LPU public meetings.</li> <li>• Feedback in year provided by publication of Consultation and Communications Committee on PA web, and press releases.</li> </ul>

Risk Status: (C) Controlled : (A) Awaiting Control : (M) Managed

**CONTROLLED**

**LEICESTERSHIRE POLICE AUTHORITY: RISK REGISTER AS AT 15 APRIL 2009**

**Category:** OPERATIONAL / PERFORMANCE - Capability  
**Risk 216:** Failure to attract and retain quality candidates for Authority and Force roles.  
**Responsible Officer:** Robert Swinfield

Without Controls:	IMPACT 3.25	LIKELIHOOD 2.75
With Controls:	IMPACT 2.75	LIKELIHOOD 1.88

**RISK RATING**

RISK DESCRIPTION	CONTROLS
<p>(a) Failure to attract and retain quality candidates for Authority roles: independent members.</p> <p><i>3-Nov-08: The Police Authority itself appoints the 8 Independent Members of the Authority and from the community. In doing so it devises person specifications and can ensure in its recruitment practices that it recruits the people with the right qualifications and experience.</i></p>	<ul style="list-style-type: none"> <li>Rigorous recruitment process.</li> <li>Induction regime upon joining.</li> <li>Member Development Interviews each year.</li> <li>Allowances Scheme, reviewed regularly by Independent Panel utilising national advice.</li> </ul>
<p>(b) Failure to attract and retain quality candidates for Authority roles: councillor members.</p> <p><i>3nov08. Councillor Members are appointed by the Joint Authority Appointments Committee made up of Councillors from Leicestershire County Council, Rutland County Council and Leicester City Council. This risk reflects the fact that the Authority therefore cannot select those Members.</i></p>	<ul style="list-style-type: none"> <li>CX provides input into the administrative mechanism for appointing councillor members to help ensure timely appointments.</li> <li>CX provides indications of what skills and qualities PA look for in members.</li> <li>Induction regime upon joining.</li> <li>Member Development Interviews each year.</li> <li>Allowances Scheme, reviewed regularly by Independent Panel utilising national advice</li> </ul>
<p>(c) Failure to attract and retain quality candidates for other Authority member roles: lay standards committee members, misconduct members etc.</p> <p><i>17mar09. The Police Authority itself appoints the other members from the community from time to time for specific roles that arise. In doing so it devises person specifications and can ensure in its recruitment practices that it recruits the people with the right qualifications and experience</i></p>	<ul style="list-style-type: none"> <li>Rigorous recruitment process.</li> <li>Induction regime upon joining.</li> <li>Allowances Scheme, reviewed regularly by Independent Panel utilising national advice.</li> <li>Regional sharing of members.</li> </ul>
<p>(d) Failure to attract and retain quality candidates to ACPO roles.</p> <p><i>3-Nov-08: It is crucial for the effective running of a police force that a high calibre chief officer team is in place. The Authority can ensure this because it appoints ACPO officers. Retention and recruitment practices relating to ACPO officers are</i></p>	<ul style="list-style-type: none"> <li>Reputation of force and police authority.</li> <li>Contribution to APA's national manpower planning.</li> <li>Appropriate motivational benefits package agreed by Remuneration Committee from time to time.</li> </ul>

<i>therefore the issue regarding this risk.</i>	
<p>(e) Failure to attract and retain quality candidates for Authority roles: PA officers</p> <p><i>3-Nov-08: This risk reflects the fact that the secretariat is made up of 6.5 full time equivalents therefore effective recruitment and retention and performance processes need to be in place.</i></p>	<ul style="list-style-type: none"> <li>• Rigorous recruitment process</li> <li>• Induction regime upon joining</li> <li>• Regular staff meetings</li> <li>• Programme of appraisals</li> <li>• Terms and conditions consistent with police staff T&amp;Cs</li> </ul>

Risk Status: (C) Controlled : (A) Awaiting Control : (M) Managed

**CONTROLLED**

**LEICESTERSHIRE POLICE AUTHORITY: RISK REGISTER AS AT 15 APRIL 2009**

**Category:** STAKEHOLDERS / REPUTATION – Partnerships / Public Confidence  
**Risk 215:** Failure to engage fully in partnership working, including political partnerships.  
**Responsible Officer:** Robert Swinfield

Without Controls:	IMPACT 2.38	LIKELIHOOD 2.75
With Controls:	IMPACT 2.25	LIKELIHOOD 1.88

**RISK RATING**

RISK DESCRIPTION	CONTROLS
<p>(a) Failure to work effectively with partners, including a failure to gain maximum benefit from political influence and political process.</p> <p><i>3-Nov-08: This risk recognises that in order to carry out its duties, in particular consultation, the Authority needs to have effective partnership working.</i></p> <p><i>3-Nov-08: This risk is designed to remind members that good relationships with politicians locally and nationally help the Authority undertake its business and prevent unhelpful interventions and negative media attention.</i></p>	<ul style="list-style-type: none"> <li>• Employment of designated full time Engagement and Communications Officer</li> <li>• Members allocated to CDRPs, with substitute</li> <li>• Nine local authority members on the Authority</li> <li>• Cllr members to be a conduit for information passing between PA and their Council</li> <li>• Close working relationship with Force media team</li> <li>• Guidance received from APA</li> </ul>

Risk Status: (C) Controlled : (A) Awaiting Control : (M) Managed

**CONTROLLED**