



RSM Tenon



Leicestershire Police Authority

Risk Maturity Follow-up & Progress Assessment

Internal Audit Report 20.09/10

30 April 2010

CONTENTS

1.	Executive Summary	1
1.1.	Introduction	1
1.2.	Your Risk Maturity	2
1.3.	Scope of the Risk Maturity Review Follow-up	2
1.4.	Limitations to the Scope	3
1.5.	Recommendations Summary	3
2.	Action Plan	4
3.	Detailed Findings	7

Debrief meeting:	18 March 2010	Auditors:	Chris Harris – Director Suzanne Lane – Client Audit Manager Ian Orgill - Consultant
Draft report issued:	15 April 2010		
Responses received:	28 April 2010		
Final report issued:	30 April 2010	Client sponsor:	Gordon Fraser – Temporary DCC
		Distribution:	Gordon Fraser – Temporary DCC Inspector Mick Fletcher – Risk Manager

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.

This report is prepared solely for the use of Leicestershire Police Authority. Details may be made available to specified external agencies, including external auditors, but otherwise the report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

© 2010 RSM Tenon Limited

RSM Tenon Limited is a member of RSM Tenon Group

RSM Tenon Limited is an independent member firm of RSM International an affiliation of independent accounting and consulting firms. RSM International is the name given to a network of independent accounting and consulting firms each of which practices in its own right. RSM International does not exist in any jurisdiction as a separate legal entity.

RSM Tenon Limited (No 4066924) is registered in England and Wales. Registered Office 66 Chiltern Street, London W1U 4GB. England

1. EXECUTIVE SUMMARY

1.1. INTRODUCTION

Good Corporate Governance for an organisation requires a sound framework of control to support achievement of organisational objectives. An essential element to support sound Corporate Governance and the control framework is Risk Management.

In the past we have undertaken risk management audits, focusing on whether the organisation has the appropriate arrangements in place and is meeting regulatory requirements or what is considered best practice for the sector. This risk maturity review builds on this work by looking not just at the building blocks of the risk management framework, but how the Board and management views and uses risk and information relating to the risks facing the organisation in order to support Corporate Governance.

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.”¹

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

In March 2008/2009, following completion of a risk maturity review, the Leicestershire Police Authority was classified as “Risk Managed”:



1.2. YOUR RISK MATURITY

Based upon the work undertaken, our assessment of Leicestershire Police Authority's current 2009/10 position on the risk maturity spectrum is Risk Managed.

RISK MATURITY	NAÏVE	AWARE	DEFINED	MANAGED	ENABLED
YOUR ASSESSMENT OF YOUR CURRENT RISK MATURITY				✓ (2008/09)	
OUR PREVIOUS ASSESSMENT OF YOUR CURRENT RISK MATURITY				✓ (2008/09)	
OUR ASSESSMENT OF YOUR CURRENT RISK MATURITY				✓ (2009/10)	
YOUR TARGET RISK MATURITY					✓

Although it is apparent that the Authority has taken significant steps since their 2008/09 review, we believe they are still risk managed as the recent changes are still in the early stages and time is needed to embed throughout.

1.3. SCOPE OF THE RISK MATURITY REVIEW FOLLOW-UP

The objectives of this years risk management review are to provide Leicestershire Police Authority with assurance in connection with the following:

- Identification of any changes / enhancements to the key risk management arrangements since the in depth Risk Maturity review in 2008/09.
- Confirmation of progress made to cover issues and recommendations through the last review for both the Police Authority and the Force.
- Overview to establish the extent to which risk management is being actively embedded within the various departments across the Force, including training provision and management review/reporting arrangements.

The objective of the area under review is to provide assurances that a robust risk management approach is maintained to identify, assess and manage and report upon the threats and opportunities that affect the achievement of the organisation's objectives

The Audit Objective is to evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion.

We have interviewed a number of individuals across the Authority and Force, 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.

1.4. LIMITATIONS TO THE SCOPE

The review will 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 an 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 Police Authority and senior management to agree and manage information needs and to determine what works most effectively for the organisation.

1.5. 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.

	FUNDAMENTAL	SIGNIFICANT	MERITS ATTENTION
RECOMMENDATIONS MADE:	0	0	5

Three Merits Attention recommendations were made during the previous audit which took place on the 24th March 2009. It was confirmed that all three of these recommendations have been implemented.

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
5	Ensure that the work the Force Risk Manager has done with the call management centre with regards to providing greater clarity around risks and associated controls, is embedded to ensure it has been a success	Merits Attention	Yes	The previous audit considered CMC risks and these are now acknowledged to be well documented. The Risk Manager effective immediately will incorporate a qualitative examination of new constabulary risks into the governance, process, including the clarity of risks and their controls. This will also include the audit of existing risks by department.	April 2010	Insp Mick Fletcher
6a	The Policing Plan needs to have an effective strategic oversight which is provided by the Authority. The Chief Constable should collaborate with the Authority in the setting of performance and crime reduction targets.	Merits Attention	Yes	The recommendation is accepted as the audit had sight of the published PA Plan 2009-12 and made its	Completed	Ch.Insp Donna Thomson

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	This should then be reflected with the Authorities community engagement strategy to ensure a comprehensive strategic approach.		Yes	<p>recommendations on that basis. However the 2010-13 plan has been written and is going through final checking and ratification before publication. The recommendation here is already fully catered for within the new plan and supporting governance.</p> <p>A strengthened PA Strategy will be prepared as part of the PA Development Programme work.</p>	31 August 2010	Robert Swinfield
6b	Transparency is required around what informs the objectives within the Policing Plan	Merits Attention	Yes	<p>As above - The recommendation is accepted as the audit had sight of the published PA Plan 2009-12 and made its recommendations on that basis. However the 2010-13 plan has been written and is going through final checking and ratification before publication. The recommendation here is already fully catered for within the new plan and supporting governance.</p>	Completed	Ch.Insp Donna Thomson

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
11	All members should scrutinise the police authority risk register to ensure there is thorough assessment of the organisations risks	Merits Attention	Yes	Agreed	30 June 2010	Chris Smith
16	There should be a system to ensure that the Forces Risk Manager can be automatically informed where there is a new risk included within the risk register to ensure that they are appropriate.	Merits Attention	No	The Risk Manager conducts regular audits of the risk register which identifies all new risks. The risk register also is not the only way that new risks are communicated nor is it the initial communication method of choice for significant issues. The Force will discuss with software providers the cost of implementing this change and make a decision over implementation based on that cost / benefit, but cannot commit to implementation at this time.		Insp Mick Fletcher

3. DETAILED FINDINGS

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
Risk Aware			
1	<p>Does the organisation have a risk register?</p> <ul style="list-style-type: none"> ▪ Are risks documented and assessed in terms of impact and likelihood? ▪ Are risks assessed on both inherent and residual bases? ▪ Does the risk register assign values to each risk (i.e. are they prioritised)? ▪ Has the organisation documented the controls to mitigate each risk? <p>Is an action plan in place identifying further action required to reduce risk/address gaps or weakness in controls?</p>	<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.</p> <p>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>During 2009/10, the Authority has improved the staffs awareness and experience of Risk Management, through varying methods, such as:</p> <ul style="list-style-type: none"> ▪ Key personnel have received training additional training on the risk register software; ▪ Learning and Development department staff are in the process of completing a self-teach package to support the Risk Management Framework; ▪ Personal training inputs are being delivered by risk management unit staff; 	

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
		<ul style="list-style-type: none"> ▪ Departments are being invited to the Force Risk Management Group meetings to demonstrate their risk management processes to assist in further embedding; and ▪ The Force Risk Manager has worked along side risk owners in supporting them to understand the documentation of risks; ensuring that these are made clear and specific to provide greater clarity. <p>The Orchid System enables each control to have supporting information behind it. Review of the Orchid system confirmed that clicking on a control brings up notes to explain what the control does.</p> <p>Whilst conducting the audit, it was noted that training has been provided to the relevant staff with regards to the Orchid system; it was noted however, that this is informal.</p> <p>This training has tended to be delivered on a one to one basis to meet staff's specific needs.</p>	
2	<p>Has the organisation conducted a risk assessment since preparing its risk register?</p> <ul style="list-style-type: none"> ▪ How often are risks reviewed? <p>Is this frequency adequate given the size and complexity of the organisation and the sector and environment in which it operates?</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.</p> <p>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.</p> <p>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</p>	

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
		<p>local level.</p> <p>However, it was noted that the automatic email prompt to inform of actions not being completed goes to a system email; rather than to the users. Although; to compensate this, the Risk Manager does complete an audit of the system to ensure the reviews are up to date. An action sheet is produced from this and is reported to his line manager.</p> <p>In addition to this, Regional Risk Managers meetings have been re-established to help assess the risk register. These are held on a quarterly basis.</p> <p>The organisation has recently established a scanning group; which aim is to identify new risks (horizon scanning etc). It was confirmed from the minutes of the Strategic Organisational Risk Board on the 6th October 2009 that the new scanning group was introduced as environmental/futures scanning across departments were too fragmented.</p> <p>In order to facilitate the understanding between the Force and Authority with regards to risks (strategic and operational); it was also confirmed that a representative from the Police Authority would be invited to all Scanning Group Meetings. In addition to sharing the risks highlighted strategically and operationally, this also embedded the linkages and priorities identified within the Policing Plan and local priorities, driven by both the Force and the Authority; albeit with varying focus.</p>	
RISK DEFINED			
3	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.	As in previous years; 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 and this process is	

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
		<p>reflective of both the Force and the Authority.</p> <p>Risks may also be raised through the Strategic Chief Officers Group, Chief Officers Group or the Force Risk Management Group.</p> <p>The Force Risk Management Group also includes a Member of the Police Authority.</p> <p>In addition to the above, staff; as in previous years, are able to raise further risks for their departments; such as Health and Safety issues, management on a day to day basis or at the Senior Management Team meetings.</p> <p>We reviewed the Strategic Organisational Risk Board minutes from October 2009 and it was identified that emerging issues are discussed to consider the significance of the risk and emerging issues / risks.</p>	
4	Has the organisation developed and agreed a risk matrix? Has this been communicated?	<p>The risk matrix; which is documented within the risk register manual identified the 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> <p>In June 2009, a review and assessment of this matrix was considered at the Force Risk Management Group. A review of these minutes confirmed that the Forces Risk Manager presented a Matrix to the group and demonstrated how to identify the class of risk. This was accepted and was agreed that it would be used in all future risk identifications</p> <p>The risk register manual has been communicated to all staff with access to Orchid and is available in the document library. In addition to this the details of the risk matrix can also be found in the Risk Strategy document under the section called recording a strategic risk.</p>	

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
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 be managed.</p> <p>In previous years; it was identified that the controls within the call management centre risk register were not clear and concise. As a result, the Risk Manager has worked with the call management centre to provide greater clarity around risks and the associated controls.</p> <p>In addition to this, the agenda item of risks is now standing items at all call management meetings.</p> <p>In order to capture risks which do not explain the controls, risks etc in the correct level and clarity, in 2009/10 the SMT meeting began to single out specific high risks and their associated controls. These are scrutinised to ensure they have sufficient process and procedures in place.</p> <p>Review of the risk register confirmed risks are assigned to responsible officers at an appropriate level.</p>	<p>Ensure that the work the Risk Manager has done with the call management centre with regards to providing greater clarity around risks and associated controls, is embedded to ensure it has been a success.</p> <p><i>(Merits Attention)</i></p>
6	<p>Has the organisation set and communicated clear strategic objectives?</p>	<p>The Policing Plan for the period 2008-11 was approved through the F&GP Committee on 18 March 2008 and is on the intranet and as result available to the relevant members of staff.</p> <p>From review of the Policing Plan, it was unclear as to how the Police Authority had provided an effective strategic oversight.</p> <p>It was also unclear as to what informs the objectives within the Policing Plan.</p>	<p>The Policing Plan needs to have an effective strategic oversight which is provided by the Authority. The Chief Constable should collaborate with the Authority in the setting of performance and crime reduction targets. This should then be reflected with the Authorities Community Engagement Strategy to ensure a comprehensive strategic approach.</p>

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
			<p><i>(Merits Attention)</i></p> <p>Transparency is required around what informs the objectives within the Policing Plan.</p> <p><i>(Merits Attention)</i></p>
7	Are risks mapped/aligned to organisational objectives?	<p>The Strategic Risk Register covers the risks to achieving these objectives.</p> <p>Risks within these registers are also categorised in terms of themes e.g. finance, facilities etc.</p>	
8	In terms of documented risks, are these clear and unambiguous risks?	Please refer to point 1 and 5 above.	
9	<p>Does the organisation have a risk management policy and/or strategy in place setting out how the risk management framework operates within the organisation?</p> <ul style="list-style-type: none"> ▪ Is the document endorsed at the highest level of the organisation? ▪ Has the document been reviewed and updated sufficiently recently? ▪ Does it set out roles and responsibilities in relation to risk management? ▪ Does it set out how risk issues are to be considered at each level of business planning? ▪ Does it define the structures for gaining assurance over the management of risks? 	<p>The Corporate Risk Strategy for 2007-10 sets out the joint Authority / Force strategy for the period. This document was reviewed on 15th January 2010. The document sets out the framework and structure within which Leicestershire Constabulary plans to actively manage risk exposures.</p> <p>A further amendment in 2010 was the inclusion of a section on Risk Appetite.</p> <p>The Forces Risk Manager gave a verbal report to the Force Risk Management Group on the 29th June 2009 on Risk Appetite.</p> <p>The Strategy sets out:</p> <ul style="list-style-type: none"> ▪ 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 	

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
	<ul style="list-style-type: none"> ▪ Does it define the criteria for assessing and prioritising risks? ▪ Does it set out the organisation's approach to risk taking and innovation? (risk appetite) ▪ Does it set out how new activities will be risk-assessed? ▪ Does it set out how particular requirements (e.g. those imposed by legislation and other regulations) are addressed? ▪ Has the policy been read and understood by all staff members? 	<ul style="list-style-type: none"> ▪ Risk identification, use of and monitoring of risk registers ▪ Project risk management ▪ Information risk management, which includes compliance with any new statute law provisions including revision of systems and management to minimise any potential civil litigation. <p>The Strategy has been communicated and is available on the Intranet.</p>	
10	<p>Has the organisation defined and justified its risk appetite?</p> <ul style="list-style-type: none"> ▪ For the organisation as a whole? ▪ For each individual risk? 	<p>Refer also to Para. 9. The Authority needs to ensure that Risk Appetite is embedded throughout the Authority</p>	
11	<p>How thorough is the organisation's risk assessment? I.e.</p> <ul style="list-style-type: none"> ▪ Does it include risks from both internal and external sources? ▪ Does it include different types of risk? ▪ Does it include risks in all areas and activities of the organisation? ▪ Did the assessment involve a variety of staff at appropriate levels? ▪ Does the risk register accurately reflect the outcome of the risk assessment? 	<p>The initial risk assessment process; as per 2008/09 audit is to be documented on the risk management system. This requires the risks to be 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. It is considered good practice for all members to review the risk register.</p>	<p>All members should scrutinise the Police Authority risk register to ensure there is a thorough assessment of the organisations risks.</p> <p><i>(Merits Attention)</i></p>

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
	<p>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?</p>	<p>The Force Risk Manager confirmed that in the event that risk scores escalate to a high level on the risk matrix they will be discussed and escalated if considered necessary.</p> <p>The Police Authority Treasurer confirmed that members had received risk training to improve their ability to assess risk. This was provided by RSM Tenon</p> <p>The Treasurer and Chief Executive provided a report of the Police Authority risk register to the Audit Committee on the 18th March 2010. The purpose of this report was to present the Police Authorities risk register for the committee's consideration and review.</p>	
12	<p>Has the organisation quantified its risks (where possible)?</p>	<p>The risk matrix sets out the quantification of risks. However, this does not include the financial impact as numeric, as it is considered that descriptive is more appropriate. The reason for this is to allow them to apply across a range of scales, so a financial risk for a department as a value could be significant for them but not for the force on a strategic scale. In it is thought that the organisation may include more detail around impact in the risk register software but this comes at a cost and in the current climate is not justified.</p> <p>Refer to coverage in Para. 4.</p>	
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.</p> <p>We confirmed that once the planned 'bow tie' assessment</p>	

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
		<p>process is introduced this will provide a greater level of detail on the controls to determine / reduce the level of risk.</p> <p>This process is documented within Appendix D of the Risk Strategy which sets out the new 'bow tie' assessment process.</p>	
RISK MANAGED			
14	<p>Do risk management activities cover the entire organisation including interdependencies between departments?</p> <ul style="list-style-type: none"> ▪ Do significant departmental risks feed into the corporate risk register and vice versa? <p>How are interdependencies and overlaps between the risks of individual departments identified and addressed?</p>	<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> <ol style="list-style-type: none"> a. Do assurances received by the board over the controls in place to manage risks feed back into the planning process? b. Are early warning indicators in place to alert senior management of potential problems? c. Is the risk register updated based on the results of assurance reviews? d. Is the risk register updated based on the outcome of actions taken in accordance with the action plan? 	<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 in order to determine which areas need to be covered. This 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</p>	

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
		<p>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> <p>In addition to the assurance that is gain from audit and external providers; the risks registers have a facility where assurance is attached into the system against the necessary risks. On obtaining new guidance/information, the assurance is updated and the risk score reflected as required (if the mitigating control is enhanced).</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 & 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> <p>It was confirmed with the Risk Manager that he regularly reviews new risks added to Orchid to ensure they are clearly explained. If they do not have sufficient clarity, he contacts the risk owner and asks them to add additional notes.</p> <p>The Risk Manager can review new risks by selecting a period of time and viewing all new risks that have been added in that time. This could however lead to new risks not being picked up. An automatic email informing the risk manager of all new risks could improve this process.</p>	<p>There should be a system to ensure that the Forces Risk Manager can be automatically informed where there is a new risk included within the risk register to ensure that they are appropriate.</p> <p><i>(Merits Attention)</i></p>
17	<p>Are new and emerging risks identified and included in the risk register as and when they are identified?</p> <p>How often are 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.</p> <p>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 should be notified</p>	

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
		<p>automatically of all new risks as well as any changes made to the system records to enable independent assessment.</p> <p>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> <p>On review of this process, it was highlighted that the new Force Risk Manager is not automatically informed of all new risks as well as any changes made to the system records.</p> <p>The Risk Manager has a weekly meeting with line managers. The orchid system has the facility to be able to identify new risks added between certain timeframes.</p> <p>Refer to Para. 16</p>	
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 Strategic Organisational Risk Board (previously 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.</p> <p>The Audit Committee also receive updates on the Authority Risk Register and the Strategic Risk Register.</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> <p>On review of the minutes; it was identified that:</p>	

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
		<ul style="list-style-type: none"> - Every risk board contains a report which includes the following: - Standing Agenda item of the top risks being faced, - Comment on any changes and who is responsible <p>Board members are all kept informed of changes in the risk profile as risk is a standing agenda item at all meeting.</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>	
RISK ENABLED			
20	<p>Is risk management embedded within the organisation's operations?</p> <ul style="list-style-type: none"> ▪ 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. ▪ Risk management is an inherent feature of all policies and the strategy setting process. 	<p>Please refer to para. 5 above</p>	

No	Consideration of Risk Maturity	Internal Audit Findings & Evidence	Recommendation
	<ul style="list-style-type: none"> ▪ Risk management is considered at team meetings not just Audit Committee meetings <p>Any policy creation or redraft is to go through an organisational risk assessment process.</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 and 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 Risk Strategy states that risk will be an agenda item at all Senior Management meetings and other programme boards.</p>	
22	Is there evidence that Board decisions are taken with consideration of both positive risks (i.e. opportunities) and negative risks?	Please refer to point 9 above.	
23	Is there evidence of challenge from the Board of the risk profile?	Refer to point 9 above.	
24	Has the Police Authority sought to get discounts based on its risk management arrangements?	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. However this is not a significant impact for the Police Authority.	