

For Information	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	23rd June 2020
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Agenda Item:	12

Strategic Risk Management Report for Force and Nottinghamshire Police and Crime Commissioner (NOPCC), Quarter 4, 2019/20

1. Purpose of the Report

- 1.1 To provide the Joint Audit and Scrutiny Panel (JASP) with an up to date picture of strategic risk management across the Force and the Nottinghamshire Office of the Police and Crime Commissioner (NOPCC).

2. Recommendations

- 2.1 It is recommended that the JASP note the current approach to strategic risk management and considers the assurance that this report provides as to the effectiveness of those arrangements within the Force and NOPCC.
- 2.2 JASP note the two very high strategic risks on the Force's risk register namely, Multi-Force Shared Service (MFSS) transfer of payroll system to the new Fusion solution and compliance with the new General Data Protection Regulations (GDPR). JASP also note the addition of a risk relating to the COVID-19, which is currently scored at '9', due to the mitigation afforded to it.
- 2.3 JASP note the high risks relating to the NOPCC, Multi-Force Shared Service (MFSS) transfer of payroll system to the new Fusion solution and the uncertainty in relation to the announcement of the comprehensive spending review and the police funding formula. JASP also note the addition of a risk relating to COVID-19, which is scored at 9.
- 2.4 JASP note accompanying Appendix 3 – which outlines more in-depth explanations of the mitigation in place in relation to the Force's very high level strategic risks.

3. Reasons for Recommendations

- 3.1 A Strategic Risk Report is provided to the JASP on a quarterly basis in order to keep the Board informed as to the level of strategic risk within the Force and NOPCC and provide assurance as to the effectiveness of risk management arrangements.

4. Summary of Key Points

Risk management policy and process

- 4.1 The Force and the NOPCC previously agreed a joint policy for the management of risk, in line with the Cabinet Office approved Management of Risk (M_o_R) approach.

5 Financial Implications and Budget Provision

- 5.1 There are no direct financial implications as a result of this report. Financial implications as a result of each risk will be assessed and managed on an individual basis.

6 Human Resources Implications

- 6.1 Providing professional advice on risk management is the responsibility of the Corporate Governance and Business Planning team.
- 6.2 General responsibility for managing risk forms an integral part of the job descriptions of individuals throughout the Force.

7 Equality Implications

- 7.1 There are no known equality implications associated with the implementation of the Risk Management Policy.
- 7.2 Where a particular risk is identified that could have an impact on the Force's equality objectives that risk will be assessed and managed in line with the Risk Management Policy.

8 Risk Management

- 8.1 One of the main aims of the Risk Management Policy is to achieve consistent application of risk management principles and techniques across all areas of the Force and NOPCC.
- 8.2 If the Force and NOPCC do not practice effective risk management within their decision making there is a risk of non-compliance with the principles set out in the Joint Code of Corporate Governance.

9 Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 An understanding and appreciation of strategic risk is important in determining the priorities in the Police and Crime Plan, and subsequently informing the development of effective strategies, policies and plans to address those priorities. It is expected that the implementation of the Risk Management Policy will lead to improved understanding of strategic risk and therefore impact positively on the achievement of Police and Crime Plan objectives.

10 Changes in Legislation or other Legal Considerations

- 10.1 Where potential changes in legislation or other legal considerations represent a significant threat or opportunity for the Force or the NOPCC these are evaluated and managed in line with the Risk Management Policy.

11 Details of outcome of consultation

- 11.1 Each Strategic Risk has been assessed with the relevant risk owner and the DCC and Chief Executive of the NOPCC, respectively.

12. Appendices

- 12.1 **Appendix 1** – Force Strategic Risk Register
Appendix 2 – NOPCC Strategic Risk Register
Appendix 3 – Mitigation to Force's Strategic Risks

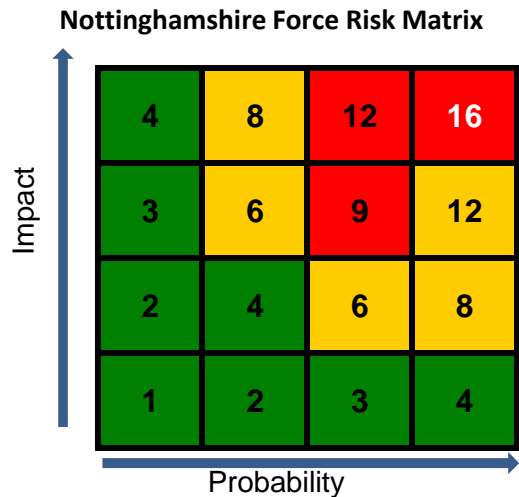
NOTTINGHAMSHIRE POLICE CORPORATE RISK REGISTER - MAY 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR1 Matching Resources to Demand Create a service that works for local people	Timeliness in responding to Grade 3 and 4 incidents due to demand pressures Owner:- ACC Crime and Operational Support	Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes	Treat Ongoing oversight via DMMs and Introduction of Sergeant oversight into Control Room Recruitment of additional officers	4	4	16	Daily oversight via DMMs and Introduction of Sergeant oversight into Control Room On-going recruitment of officers Review date: Ongoing
				3	3	9	
						◀▶	
SR2 MFSS Business continuity Create a service that works for local people	Business continuity risks associated with MFSS transfer of payroll system in April 2019 Owner: Chief Finance Officer	- Workforce confidence / morale - Service delivery - Reputation / public confidence risk	Treat Ongoing oversight via MFSS Management Board and Strategic Oversight Board	4	4	16	Ongoing oversight via MFSS Management Board and Strategic Oversight Board. Preparation of advice for officers and staff Review date: Ongoing
				4	4	16	
						◀▶	
SR3 Financial Incapability Create a service that works for local people	Force unable to achieve a balanced budget, required efficiency savings and contribution to reserves Owner: Chief Finance Officer	- Insolvency - Govt. mandation / penalties - Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes	Treat Budget parameters set by PCC Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Escalation process Active OPCC and Force CFO discussion	4	4	16	Ongoing oversight via monthly budget monitoring meetings and weekly PCC/CC briefing meetings Active OPCC and Force CFO discussion. The potential impact of Treasury decisions on pension budget continues to be closely monitored. Review date: Ongoing
				3	4	12	
						◀▶	
SR4 Information Management Create a service that works for local people	Documentation retention, review and disposal risks associated with non compliance of MOPI Owner:- Deputy Chief Constable	- Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties	Treat Alignment of regional approach with local practices Assessment and development of RRD processes within Force legacy systems Alignment of RRD requirements with retention schedules and Information Asset register	4	4	16	Alignment of regional approach with local practices Assessment and development of RRD processes within Force legacy systems Alignment of RRD requirements with retention schedules and Information Asset register Review date: Ongoing
				3	4	12	
						◀▶	
SR5 Information Management Create a service that works for local people	Data protection breaches as a result of non compliance with GDPR Owner:- Deputy Chief Constable	- Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties	Treat Undertaking GDPR gap analysis in order to identify associated risk and define an action plan	4	4	16	GDPR was subject of a recent internal audit by Mazars and received Satisfactory Assurance. However, in relation to a gap analysis and implementation plan it was identified this was still outstanding and that implementation had been slower than anticipated Review date: Ongoing
				4	4	16	
						◀▶	

NOTTINGHAMSHIRE POLICE CORPORATE RISK REGISTER - MAY 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR6 Information Management & Data Quality Engage our communities	Poor data quality compliance impacts upon understanding of crime patterns, the identification and referral of vulnerable people and public confidence in crime recording. Owner:- Deputy Chief Constable	<div>- Reputation / public confidence</div> <div>- Delivery failure</div> <div>- Ineffective planning and problem solving</div> <div>- Government penalties</div>	Treat Audit Committee / Internal Audit FCIR Review meetings HMICFRS Inspection Annual Assurance Statement	4	4	16	HMICFRS Crime Integrity Inspection highlighted a number of areas for concern. These are being reviewed and addressed within force in the Crime Data Integrity meeting chaired by ACC Local Policing Review date: Ongoing
				3	3	9	
						◀▶	
SR7 Analytical capacity and capability Engage our communities	Lack of force and partner agency analytical capacity impacting on provision of analytical products and assurance reports Owner:- Deputy Chief Constable	<div>- Force and partners inability to direct resources according to need; identify emerging risks; assess impact of interventions; provide accountability</div> <div>- Reputation / public confidence risk</div>	Treat Forward planning on the development of key analytical products. Direct access to intranet-based tools and functionality.	4	3	12	Ongoing liaison with heads of Intelligence and Management Information. Departmental restructure and recruitment underway. Proposals to enhance 'self-service' functionality are being progressed. Review date: Ongoing
				3	3	9	
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NOTTINGHAMSHIRE OPCC RISK MATRIX



PROBABILITY

4	Very High: >75% chance, almost certain to occur
3	High: 51-75% chance, more likely to occur than not
2	Medium: 26-50% chance, fairly likely to occur
1	Low: <25% chance, unlikely to occur

Impact category	Impact score			
	Low (1)	Medium (2)	High (3)	Very High (4)
Performance / Service Delivery	Minor, brief disruption to service delivery. Minor impact on performance indicators.	Significant, sustained disruption to service delivery. Noticeable impact on performance indicators.	Serious, protracted disruption to service delivery. Substantial impact on performance indicators.	Major, long term disruption to service delivery. Major impact on performance indicators.
Finance / Efficiency	Force: <£50,000 Business Area: <£10,000	Force: £51,000 -£250,000 Business Area: £11,000 -£40,000	Force: £251,000 - £1,000,000 Business Area: £41,000 - £150,000	Force: >£1,000,000 Business Area: >£150,000
Confidence / Reputation	Complaints from individuals. Little or no noticeable local media	Significant public concerns / investigations. Significant	Substantial stakeholder / public concerns / investigations.	Major stakeholder / public concerns / investigations. Major reputational

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	local media coverage.	Significant reputational damage / adverse local media coverage.	Substantial reputational damage / adverse national media coverage < 7 days	Major reputational damage / adverse national media coverage >7 days
Community impact	Minor impact on a specific section of the community	Significant impact on a specific section of the community. Minor impact on the wider community.	Substantial, prolonged, impact on a specific section of the community. Significant impact on the wider community.	Major, prolonged impact on the wider community.
Health & Safety	An injury or illness involving no treatment or minor first aid / care with no time off work	An injury or illness requiring hospital / professional medical attention and / or between one day and three days off work, with full recovery	An injury or illness requiring over 24 hrs hospitalisation and / or more than 3 days off work, or a major injury as defined by the RIDDOR Regulations	Death, or a life changing injury or illness.
Environment	Little or no noticeable natural resources used, pollution produced, or biodiversity affected.	Moderate amount of natural resources used, pollution produced, or biodiversity affected.	Substantial amount of natural resources used, pollution produced, or biodiversity affected.	Major amount of natural resources used, pollution produced, or biodiversity affected.
Strategic direction	Little or no noticeable change to one strategic objective.	Noticeable change to one or more strategic objectives.	Substantial changes to one or more strategic objectives.	Complete change to strategic direction.

NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER CORPORATE RISK REGISTER - JUNE 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR1 Business continuity: COVID 19 Transforming Services and Delivering Quality Policing	Business continuity risks associated with COVID-19, including changes in OPCC working arrangements, impact of social distancing on effective governance and scrutiny, and increased risk of staff absence. Owner: Chief Executive Organisation: OPCC	- Failure to deliver statutory duties / core service delivery - Reputation / public confidence risk	Individual service-level risk registers. OPCC representation on Gold and Silver Command Groups. Increased agile working. Wider use of tele conferencing. Scheme of delegation reviewed. Regular pro-active communications.	4	4	16	Ongoing oversight and proactive communication. Absence rates remain low and the office maintains core business as usual via revised working arrangements. Continues via MFSS Management Board and Strategic Oversight Board. Ongoing data accuracy issues being identified and resolved. Review date: Ongoing
				3	3	9	
						▲	
SR2 Business continuity: MFSS Transforming Services and Delivering Quality Policing	Business continuity risks associated with MFSS transfer to inhouse provision in April 2020 and on-going future service provision by MFSS. Owner: Chief Finance Officer Organisation: OPCC	- Workforce confidence / morale - Service delivery - Reputation / public confidence risk	Ongoing oversight via MFSS Management Board and Strategic Oversight Board. There is an internal transition group to manage the change in contractors by 2022.	4	3	12	Part of the work that is easily transferable from MFSS to Nottingham has taken place. This has successfully reduced the number of outstanding Service Requests. Future provision is being reviewed. Ongoing oversight via MFSS Management Board and Strategic Oversight Board. Ongoing data accuracy issues being identified and resolved. Review date: Ongoing
				3	3	9	
						◀▶	
SR3 Financial Incapability Transforming Services and Delivering Quality Policing	Force unable to achieve a balanced budget, required efficiency savings and contribution to reserves Owner: Chief Finance Officer Organisation: OPCC	- Insolvency - Govt. mandation / penalties - Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes	Budget parameters set by PCC Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Escalation process Active OPCC and Force CFO discussion	4	4	16	Ongoing oversight via monthly budget monitoring meetings and weekly PCC/CC briefing meetings Active OPCC and Force CFO discussion. Actual year end overspend of £90k. 2020/21 funding gap of £3.5m taking account of planned efficiencies and precept. Review date: Ongoing
				2	3	6	
						◀▶	
SR4 Level of risk-assessed reserves Transforming Services and Delivering Quality Policing	Inability to respond to critical unforeseen risk due to a lack of prudent risk-assessed reserves Owner: Chief Finance Officer Organisation: OPCC	- Govt. mandation / penalties - Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes	Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Escalation process Active OPCC and Force CFO discussion	3	4	12	Nottinghamshire maintains one of the lowest levels of reserves when compared to other Police forces / OPCCs nationally. Risk continues to be monitored via monthly budget meetings and weekly PCC/CC briefing meetings, alongside ongoing active OPCC and Force CFO discussions. Anticipated overspend and slippage in force repayment of risk-assessed reserves. Review date: Ongoing
				2	3	6	
						▲	
SR5 Delivery of critical multi-agency services Cross-cutting risk	Impact of COVID-19 recovery phase relating to DVA, SVA and SMS services. Owner: Head of Commissioning Organisation: OPCC	- Failure to meet the needs of vulnerable victims - Reputation / public confidence - Relationship with partners - Missed opportunities to prevent and reduce crime - P&C Plan commissioning intentions affected	Weekly joint commissioning DSVA meetings Weekly/monthly updates from commissioned services to monitor service uptake & trends. Bid for extraordinary MoJ funding to boost current and post lockdown DSVA capacity	3	3	9	Details of MoJ funding allocation expected mid June. Review date: Ongoing
				2	2	4	

NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER CORPORATE RISK REGISTER - JUNE 2020

RISK			MITIGATION OF RISK	ASSESSMENT		
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk		
				Probability	Impact	Risk Score
SR6 Financial uncertainty Transforming Services and Delivering Quality Policing	Delays and uncertainty in the government announcement of comprehensive spending review. Delays in the review of the police funding formula. Impact of brexit and COVID 19 on public sector funding. Owner: Chief Finance Officer Organisation: OPCC	<ul style="list-style-type: none"> - Ineffective planning - Instability of key services - Impact on service delivery - Reputational / public confidence impact 	Treat Engagement with central government, APCC/NPCC Police Finance workstream Police Reform and Transformation Board	3	3	9
				3	3	9 ▲
SR7 Service sustainability / making best use of resources Tackling crime and ASB	Delivery and sustainability of outcomes as a result of significant short term national investment in Serious Violence Reduction. Owner: Director of VRU Organisation: OPCC	<ul style="list-style-type: none"> - Instability of key services and programmes - Reputational / public confidence impact P&C Plan commissioning intentions affected 	Transfer Ongoing project management Proactive engagement with communities PCC chairs VRU Board	3	3	9
				2	2	4 ◀▶
SR8A Information Management: Data Quality Tackling crime and ASB	Poor data quality compliance impacts upon understanding of crime patterns, the identification and referral to vulnerable people and public confidence in crime recording. Owner: Head of Performance & Assurance Organisation: OPCC	<ul style="list-style-type: none"> - Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties 	Transfer Audit Committee / Internal Audit FCIR Review meetings HMICFRS Inspection Annual Assurance Statement	3	3	9
				2	2	4 ◀▶
SR8B Information Management: Security Tackling crime and ASB	Transition to mainstream home working presents risks to information security. Owner: Chief Executive Organisation: OPCC	<ul style="list-style-type: none"> - Reputation / public and partner confidence - Delivery failure - Government penalties 	Treat - Representation on Information Management Board - Completion of Information security training module by all staff	3	4	12
				2	3	6 ◀▶
SR9 Significant gaps in analytical capacity and capability Tackling Crime and ASB	Lack of force and partner agency analytical capacity impacting on provision of analytical products and assurance reports Owner: Head of Performance & Assurance Organisation: OPCC	<ul style="list-style-type: none"> - Force and partners inability to direct resources according to need; identify emerging risks; assess impact of interventions; provide accountability - Reputation / public confidence risk 	Treat Forward planning on the development of key OPCC analytical products. Direct OPCC access to intranet-based tools and functionality. Development of independent assurance mechanisms such as the Police and Crime Survey	3	2	6
				2	2	4 ◀▶

NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER CORPORATE RISK REGISTER - JUNE 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR10 Increased cost pressures linked to COVID-19 Transforming Services and Delivering Quality Policing	Potential for increased costs (>10%) being passed on from contractors and suppliers as a result of COVID19. Owner: Chief Finance Officer Organisation: OPCC	- Direct financial impact - Contractual delays - Performance / delivery risks	Treat Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Active OPCC and Force CFO discussion	3	3	9	Proactive steps have been taken with the new HQ build contract to ensure any increased cost are borne by the contractor. Risks in realtion to ther major contracts remain. Review date: Ongoing
				3	3	9	

Appendix 3 – Mitigation for High Level Strategic Risks

SR2 MFSS Business continuity Create a service that works for local people	Business continuity risks associated with MFSS transfer of payroll system in April 2019 Owner: Chief Finance Officer	- Workforce confidence / morale - Service delivery - Reputation / public confidence risk	Treat	4	4	16	Ongoing oversight via MFSS Management Board and Strategic Oversight Board. Preparation of advice for officers and staff Review date: Ongoing
			Ongoing oversight via MFSS Management Board and Strategic Oversight Board	4	4	16	
						▲	

- 1) Since the go-live of Oracle Cloud Apps (April 19) payroll errors and inaccuracies have continued. Whilst outstanding service requests remain an issue, a payroll improvement plan to utilise in-house Nottinghamshire payroll support to MFSS and recruitment of additional payroll contract staff within MFSS has been put in place.

Nottinghamshire Payroll experts continue to check and validate payroll runs. The support provided by Nottinghamshire as resulted in an improved payroll position and has reduced errors to date. The scope around the future delivery of Nottinghamshire payroll services continues to be explored that a workshop is to be held 10/03 with MFSS to determine ongoing support. Work still continues towards the end of the financial year to resolve outstanding service requests and develop year-end reconciliations.

- 2) The risk of delayed invoice payments has also been evidenced and this may impact the ability to deliver policing services and cause reputational damage to the force if suppliers put a stop to goods/services. Key processes are being reviewed alongside IT defects and remedial work is being undertaken.

Retained Finance continues to experience issues with invoices not being paid and also with suppliers not receiving purchase orders due to file format issues. A request for change (RFC) to amend the file format of purchase orders has been submitted. Further remedial work is required to address the invoice payment issues.

There are still instances where invoices are not paid on time. Retained finance cannot prevent this from occurring, but when highlighted we can ensure a payment is requested by the most appropriate method.

The second area, that being around suppliers not receiving purchase orders, is also still valid. Retained finance cannot prevent this from occurring and will not be aware that an order hasn't been received until a department chases for the goods/service to be delivered, at which time staff can download the order and e-mail it to the supplier directly. MFSS are working on a resolution to this issue.

- 3) The Crown Duty Management System (DMS) which is provisioned as part of Oracle Cloud Apps has continued to experience intermittent performance issues since go-live.

As a result of the issues with DMS it was agreed that partners would migrate to the GEN2 environment of Oracle Cloud Apps and is planned for Go-Live Feb/March 2020.

The migration of DMS to the GEN2a environment went live at on the 10/02 and the Early Life Support (ELS) gate was approved on 25/02 after performance monitoring undertaken indicated a stable platform. This risk can now be closed.

- 4) There is a risk that the longevity of the MFSS model cannot be sustained due to the inability to demonstrate value for money. The lack of strong leadership, unclear roles and responsibilities, increased staff stress and service failures has demonstrated that the future sustainability of MFSS is questionable. A review of core processes and harmonisation across forces is to be undertaken as short term mitigation and partners to continue providing support to MFSS to avoid service failures. Medium term options around the current MFSS management arrangements are being considered.

Early evaluation of potential options for service delivery in the future has been presented via a TowersHolt report in July 19, the findings are currently being considered.

There is a recovery plan currently being developed and that future options are likely to be reviewed. The recovery plan and associated resource requirement will be subject to consideration by the Management Board and Joint Oversight Committee.

The contractual arrangements with the main two external suppliers that provide IT services to MFSS are due to end in 2022. This requires partners to assess future options and a decision will need to be taken by the force within the next twelve months. The VFM concerns are around costs, quality and increased administration, this coupled with a VFM qualification by audit have re-affirmed Nottinghamshire's direction of travel to seek alternative options.

SR5 Information Management Create a service that works for local people	Data protection breaches as a result of non compliance with GDPR Owner:- Deputy Chief Constable	<ul style="list-style-type: none"> - Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties 	Treat	4	4	16	GDPR gap analysis being undertaken in order to identify associated risks which will help define an action plan Force due to be audited on GDPR compliance in December 2018 Review date: Ongoing
			Undertaking GDPR gap analysis in order to identify associated risk and define an action plan	4	4	16	
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GDPR was subject of a recent internal audit by Mazars and received Satisfactory Assurance.

However, it had been noted within the report that whilst progress has been made, this had been slower than expected. In relation to a gap analysis and implementation plan, it was also identified this was outstanding.