

For Information	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel (JASP)
Date of Meeting:	30th May 2018
Report of:	Superintendent Matt McFarlane
Report Author:	Amanda Froggatt, Strategic Support Officer
E-mail:	amanda.froggatt@nottinghamshire.pnn.police.uk
Other Contacts:	-
Agenda Item:	11

Strategic Risk Management Report – A New Approach

1. Purpose of the Report

- 1.1 The purpose of this report is to introduce a new strategic risk management approach, which considers risk through an arrangement of organisational infrastructure. This intrinsically links governance and assurance to support delivery of the Commissioner's Police and Crime Plan priorities and the Force's Delivery Plan.

2. Recommendations

- 2.1 it is recommended that members of the Joint Audit and Scrutiny Panel (JASP) note the proposed amended approach to strategic risk management (Appendix 1).

3. Reasons for Recommendations

- 3.1 The introduction of an infrastructure of organisational themes for strategic risk allows it to be neatly dovetailed into the strategic planning processes of the organisation.
- 3.2 This approach will also allow us to articulate ownership and responsibility clearly to members of the organisation.

4. Summary of Key Points

4.1 The Organisational Infrastructure Approach

- 4.2 All organisations, regardless of sector or business, do what they do through an organisational infrastructure; a framework of enabling governance themes or domains. Everything that happens in an organisation is achieved through the following:

Financial Management
Workforce / HR Management

Information Governance
Legislative and APP Compliance
Partnership / Relationship Governance

Performance Management

Asset Management
Ethical Standards / Conduct Management
Project / Programme Management
Risk Management
Business Continuity / Emergency Resilience
Decision-making Arrangements

- 4.3 The organisational infrastructure should be a key focus of senior management. Whilst operational issues and priorities will come and go the organisation-wide infrastructure of supporting and enabling governance will always remain and be relied upon in all circumstances.
- 4.4 Looking at this from the Nottinghamshire Office of the Police and Crime Commissioner's (NOPCC)/Force's perspective and the Police and Crime Plan and Forces' Delivery Plan being the over-arching and directing documents, the format and content of the Strategic Risk Management Register (SRMR) will specifically demonstrate the contribution of each infrastructure domain to the deliverables.
- 4.5 Equally, the SRMR will enable the Chief Constable to obtain assurances from Senior Leaders regarding the underlying effectiveness of and compliance with the infrastructure.
- 4.6 The benefits of this approach are:
- 4.6.1 Strategic Planning:** This changed approach and focus to strategic risk management will allow risk to neatly dovetail into the strategic planning process. The identification of strategic leads for each organisational theme together with senior leaders will give clear accountability for risk.
- 4.6.2 Assurance Mapping:** The review of the SRMR and the refresh of the current risks and their status, will create a better informed organisational-wide Assurance Map as the new adopted processes will allow gaps to be easily identified and corrective action taken if required.
- Where it is identified that assurance is required, the Force's Internal Audit Plan and Priority Plan Change Programme will be reviewed, to identify any on-going reviews that may be needed to provide future clarity and assurance.
- 4.6.3 Governance:** This new process will create a more efficient and effective basis for the annual governance review process and the preparation of the annual governance statement. It will allow a key framework to enable the Chief Constable to provide assurances to the Commissioner through the emerging 'Holding to Account' arrangements.

5 Financial Implications and Budget Provision
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- 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 Consultation has taken place with all Chief Officers and proposed Force Leads.

12. Appendices

- 12.1 **Appendix 1** – Organisational Themes and Strategic/Tactical Leads.

FINANCIAL MANAGEMENT

FEB Strategic Lead – DCC Barber
Tactical Lead – Mark Kimberley (Head of Finance)

Risk Description

The failure to create, maintain and develop an effective strategic and operational approach to Force-wide financial management that would have the consequence of the inability of the Force to adequately manage its resources and demonstrate compliance with statutory obligations, resulting in potentially poor financial management, accountability, transparency, and a failure to meet the financial targets contained in the PCC's annual budget and MTFS.

Indicative Controls

1. Budget strategy exists and is regularly reviewed including roles, responsibilities, timescales, reporting procedures etc.
2. Set of up-to-date Financial Regulations supported by financial procedures
3. Efficient suite of integrated financial systems that enables the effective stewardship of resources and facilitates effective and devolved budget monitoring
4. Financial systems that adequately link/integrate with other systems (notably HR systems)
5. Financial management procedures adopt the latest guidance and best practice (i.e. CIPFA FM Model)
6. Financial management linked to performance management
7. Financial management integrated in risk management approach
8. Annual and periodic processes to set, monitor and report on financial performance
9. Clearly set and agreed financial performance measures
10. Prompt identification and reporting of financial variations
11. Adequate time and focus given to financial management at FEB level
12. Arrangements for discussing financial management with OPCC are robust
13. Key staff have financial management responsibilities clearly set out in job roles / descriptions
14. PDR arrangements identify training requirements in relation to financial management
15. Training is available and utilised to improve financial management
16. Financial system audits are undertaken periodically to provide assurance on systems integrity and effectiveness
17. Officer assurance statements include financial management responsibilities as part of the annual governance review process (and AGS)

WORKFORCE PLANNING

FEB Strategic Lead – DCC Barber

Tactical Leads – Denise Hill (Head of Human Resources)

Risk Description

The failure to create, maintain and develop an effective strategic and operational approach to workforce management that would have the consequence of the inability of the Force to adequately deliver its public service obligations, secure the welfare of employees, ensure a fully trained workforce, resulting in potentially non-compliance with legislation, poor organisational management, inefficient working practices, an inability to maintain public confidence and accountability and ultimately to undermine and threaten the delivery of the Force's contribution to the PCC's Police and Crime Plan.

Indicative Controls

1. Workforce Strategy exists and is regularly reviewed incorporating the necessary suite of policies and procedures around recruitment, retention, pay and conditions, training, conduct,
2. Workforce development and training strategy supported by a framework of PDRs, supervision and management, capability/performance at work procedures
3. Attendance management policies and procedures incorporating access to OHU and other welfare support
4. Robust systems and procedures for organisational management and the accurate and timely maintenance and availability of information
5. All employees have accurate job descriptions and role profiles that are reviewed regularly
6. Policies and procedures to ensure the efficient and effective compliance with FOI and DPA legislation
7. All employees have easy access to all policies, procedures and guidance regarding HR and evidence exists that all employees have read and understood such policies and procedures
8. Procedures exist for the effective management of acting-up, promotion boards and that all such arrangements demonstrate equality and consistency
9. Appropriate grievance and harassment at work policies and procedures exist and are equitably and consistently applied
10. Exit interviews are routinely held by an independent manager and the results are appropriately anonymised and shared to support continuous improvement

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11. Adequate time and focus is given to the oversight of workforce management at FEB level
12. Workforce management is included in the remit of the JASP
13. All Force employees have workforce/HR management responsibilities clearly set out in job roles / descriptions
14. PDR arrangements identify training requirements in relation to workforce/HR management
15. Officer assurance statements include workforce/HR management responsibilities as part of the annual governance review process (and AGS)

INFORMATION MANAGEMENT

FEB Strategic Lead – DCC Barber

Tactical Lead – Pat Stocker (Information Management)

Risk Description

The failure to create, maintain and develop an effective strategic and operational approach to information governance that would have the consequence of the inability of the Force to adequately manage, secure, develop and support its information assets and systems, resulting in potentially non-compliance with legislation, poor information management, inefficient systems, an inability to maintain public confidence and accountability and ultimately to undermine and threaten the delivery of the Force's contribution to the PCC's Police and Crime Plan.

Indicative Controls

1. Information Governance strategy exists and is regularly reviewed incorporating the necessary suite of policies and procedures around systems integrity, data and information security, information management, use of systems and information, showing the roles and responsibilities across the Force
2. Compliance with the requirements for access to the PSN
3. Policies and procedures to ensure the efficient and effective compliance with FOI and DPA legislation
4. Effective and efficient arrangements for the management of access to and within systems
5. Effective, proportionate and tested technical backup arrangement
6. Secure data centre and physical controls at all Police premises
7. Policies, procedures and controls for the efficient use and management of desktop and mobile devices
8. A comprehensive IT Systems Strategy exists that demonstrates a co-ordinated approach to systems development, integration and management, hardware and device replacement and upgrade to support the effective delivery of policing
9. A comprehensive approach to training and awareness regarding information security, systems and device management and use, information sharing, information storage and disposal
10. Programme of technical and professional training in the IT/IS Service
11. Protocols and agreements in the use and sharing of information with external organisations
12. Policies and procedures that ensure a proportionate and risk based approach to vetting

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13. Adequate time and focus given to the oversight of information governance and management at FEB level
14. Information governance included in the remit of the JASP
15. All Force employees have information governance and management responsibilities clearly set out in job roles / descriptions
16. PDR arrangements identify training requirements in relation to information governance and management
17. Officer assurance statements include information governance and management responsibilities as part of the annual governance review process (and AGS)

PARTNERSHIP / RELATIONSHIP GOVERNANCE

FEB Strategic Lead – ACC Prior (Local Policing)
Tactical Lead – Chief Supt Milano and Chief Supt Griffin

Risk Description

The failure to create, maintain and develop an effective strategic and operational approach to relationship management that would have the consequence of the inability of the Force to adequately manage, maintain and develop the necessary partnership and other arrangements, resulting in potential non-compliance with legislative frameworks, Service Level Agreements or Memorandums of Understanding, an inability to maintain partner and public trust and confidence and ultimately to undermine and threaten the ability of the force to contribute effectively to the PCC's Police and Crime Plan.

Indicative Controls

1. A Partnership and Relationship Strategy exists and is regularly reviewed incorporating the necessary suite of policies and procedures around arrangements, performance management, governance and responsibilities
2. Where necessary formal agreements are in place and reviewed annually
3. All partnerships/relationships have clearly defined objectives and outcomes and a clear framework for assessment of strengths and risks
4. All contracts are established and managed in line with good practice
5. Adequate time and focus given to the oversight of Partnership and Relationship arrangements at FEB level
6. Policies and procedures are in place to ensure effective compliance with any legislative requirements arising out of partnership arrangements
7. Staff responsible for the development and management of relationships are effectively trained and aware of their roles and responsibilities
8. PDR arrangement identify partnership or other relationship management responsibilities for role and training requirements
9. Clear up to date information on existing relationships is available (a 'register' is maintained) that identifies the key Force lead officer
10. Compliance with national or regional legislation or inspection requirements
11. Clear reporting lines exist between partners
12. A scheme of delegation exists
13. Decisions are made ethically with sufficient information, at the right level, in line with force strategic delivery plan and within relevant frameworks or legislation
14. The force has a collaboration strategy that links into the governance arrangements for wider relationship management.

PERFORMANCE MANAGEMENT

FEB Strategic Lead – DCC Barber

Tactical Lead – Julie Mair (Head of Corporate Development)

Risk Description

The failure to create, maintain and develop an effective strategic and operational approach to Force-wide performance management that would have the consequence of the inability of the Force to adequately manage and demonstrate the quality of its service, resulting in potentially poor performance, a lack of public accountability and a failure to meet the targets and delivery requirements contained in the PCC's Police and Crime Plan.

Indicative Controls

1. Performance management strategy (including data quality) exists and is regularly reviewed including roles, responsibilities, common language, timelines, escalation arrangements etc.
2. Performance management 'IT system' adequately enables, supports and facilitates effective data collection, analysis and reporting
3. Systems link/integrate and have the ability to use a 'single version of the truth'
4. Financial management linked to performance management
5. Performance management integrated in risk management approach
6. Annual and period process to set, monitor and report on performance areas
7. Clearly set and agreed performance measures
8. Prompt identification and reporting of performance variations
9. Adequate time and focus given to performance management at FEB level
10. Arrangements for discussing performance with OPCC are robust
11. Arrangements with partner organisations exist to safeguard data transfers, sharing of information to aid effective performance management
12. Key staff have performance management responsibilities clearly set out in job roles / descriptions
13. PDR arrangements identify training requirements in relation to performance management
14. Training is available and utilised to improve performance management
15. Data 'audits' are undertaken periodically to provide assurance on accuracy
16. Officer assurance statements include performance management responsibilities as part of the annual governance review process (and AGS)

ASSET MANAGEMENT

FEB Strategic Lead – DCC Barber
Tactical Leads – Tim Wendels (Head of Estates)

Risk Description

The failure to create, maintain and develop an effective strategic and operational approach to Force-wide asset management that would have the consequence of the inability of the Force to adequately deliver its responsibilities, fail to achieve value for money, resulting in potentially poor performance and a failure to meet the delivery requirements contained in the PCC's Police and Crime Plan.

Indicative Controls

1. Force-wide asset management strategy exists and is regularly reviewed covering all physical assets (property and property related assets, IT equipment, vehicles, specialist equipment, firearms etc.)
2. Asset registers exist for all classes of assets that are actively managed, kept up-to-date and link/integrate with financial systems and management
3. Responsibilities for assets are clearly defined, understood and reflected in job descriptions / role profiles
4. Effective arrangements exist for the identification of appropriate replacement programmes that are linked to the budget process
5. Effective arrangement exist for the identification of repairs and maintenance requirements that are linked to the budget process
6. Effective arrangements exist to report variations to the asset register, missing or broken assets and that appropriate and timely action is taken to record and deal with the issue (e.g. disable access)
7. Guidance is in place and followed to ensure the most effective use of assets, e.g. space utilisation, optimum use, security and access to assets
8. Effective arrangements exist to explore and capitalise on collaboration opportunities to maximise the effectiveness of assets
9. Performance management arrangements are in place to assist in the management and use of assets, supported by appropriate information systems
10. Adequate time and focus is given to asset management at FEB level
11. Arrangements with partner organisations exist to manage and control their use and access to assets
12. Key staff have asset management responsibilities clearly set out in job roles / descriptions
13. PDR arrangements identify training requirements in relation to asset management
14. Training is available and utilised to improve asset management

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15. Officer assurance statements include asset management responsibilities as part of the annual governance review process (and AGS)

ETHICAL STANDARDS AND CONDUCT

FEB Strategic Lead – DCC Barber

Tactical Lead – Supt Leona Scurr (Head of Professional Standards)

Risk Description

The failure to create, maintain and develop an effective strategic and operational approach to embed the highest levels of ethical standards of conduct and behaviour that would have the consequence of the inability of the Force to maintain public trust and confidence in its service and its staff, resulting in corrupt or improper practices, poor community engagement, interaction and potentially the withdrawal of public consent/support for policing and ultimately undermine and threaten delivery of the Force's contribution to the PCC's Police and Crime Plan.

Indicative Controls

1. An Ethical Standards and Conduct Strategy exists and is regularly reviewed incorporating the necessary suite of policies and procedures around expected behaviour and standards for all staff
2. Compliance with the Code of Ethics and Nolan Principles
3. Policies and procedures are in place to ensure effective compliance with legislation and guidance around conduct and behaviour
4. Effective and trusted 'Whistleblowing' procedures in place
5. Policies and procedures in place that ensure a proportionate and risk based approach to vetting
6. Adequate time and focus given to the oversight of ethical behaviour and standards management at FEB level
7. Programme of professional training for PSD staff
8. A comprehensive approach to training and awareness regarding ethics, conduct and standards and a clear process for ensuring lessons learned are incorporated into procedures, policies and training
9. Effective use of Internal Audit for the independent and objective review of non-compliance
10. Proactive intervention and identification processes/procedures exist to identify staff at risk of unethical or corrupt practice
11. PDR arrangements identify training requirements in relation to ethical standards and conduct
12. Clear procedures are in place to manage conduct investigations which comply with Authorised Professional Practice and lesson learned
13. A PSD Strategic Assessment on corruption is completed annually, from which a PSD Control Strategy and Intelligence Requirement are established
14. All force employees have ethical standards and conduct responsibilities clearly set out in role profiles
15. Ethical Conduct and Standards are monitored through an Independent Ethics Committee

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16. Internal Ethics Panel provides support and guidance to staff over ethical dilemmas facing the service
17. Decisions are made ethically with sufficient information, at the right level, in line with force strategic delivery plan and within relevant frameworks or legislation

PROJECT / PROGRAMME MANAGEMENT

FEB Strategic Lead – ACC Cooper (Business Change and Innovation)
Tactical Lead – Supt Matt McFarlane

Risk Description

The failure to create, maintain and develop an effective strategic and operational approach to Force-wide project and programme management that would have the consequence of the inability of the Force to adequately deliver its change / transformation programme, implement new systems, initiatives etc. effectively resulting in potentially poor performance, poor value for money and a failure to meet the delivery requirements contained in the PCC's Police and Crime Plan.

Indicative Controls

1. Project and programme management strategy exists and is regularly reviewed
2. Roles and responsibilities are clearly defined within specific project and programme management arrangements
3. Prescribed project / programme methodology is defined and consistently applied
4. An appropriate risk management approach is applied consistently that contains an escalation process that feeds into FEB / strategic risk considerations
5. Project and programme management arrangements utilise robust, accurate and timely financial and performance information
6. Project / programme management is adequately supported by an IT system that is understood, consistently and accurately used that facilitates the effective management of projects and programmes
7. Project and programme management links/integrates with other business systems and procedures to facilitate strategic and operational management
8. Protocols / agreements exists to govern the participation of external organisations in project / programme management
9. Projects / programmes are developed from robust business cases that are monitored and reported to ensure costs and delivery timescales are managed
10. Effective benefits realisation procedures are in place
11. A register of projects and programmes is maintained and reviewed to ensure the appropriate priority is applied and that there are clear links to the objectives of the Force (and PCP)
12. Clearly set and agreed performance measures are in place to manage projects and programmes

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13. Prompt identification and reporting of slippage, cost issues, benefit realisation variances exists to aid management
14. Adequate time and focus is given to project and programme management at FEB level
15. Key staff have project / programme management responsibilities clearly set out in job roles / descriptions
16. PDR arrangements identify training requirements in relation to project / programme management
17. Training is available and utilised to improve project / programme management
18. Officer assurance statements include project / programme management responsibilities as part of the annual governance review process (and AGS)

