

**Lancashire Police Authority
Internal audit report**

**Risk Management
Final report – May 2009**



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1 Overall assessment

- 1.1 We have completed a review of the risk management arrangements operated within Lancashire Constabulary and Lancashire Police Authority.
- 1.2 The overall assessment is supported by the key findings which are detailed in Section 5 of this report. The recommendations are included in an action plan at Appendix 1. Implementing these will assist in addressing the internal control weaknesses identified.

Opinion

- 1.3 In our opinion the system of internal control over the operation of risk management processes has adequate controls to achieve its control objectives.
- 1.4 Controls were found to be operating effectively as intended in most areas. An exception relates to the maintenance of the Constabulary risk registers which in some areas had not been updated for a period in excess of 12 months. However, the revisions to the risk management processes within the Constabulary in recent months and the newly drafted risk management strategy for the Police Authority should enhance the existing risk management processes in place and ensure that risk management is fully embedded in the day to day operations of the Constabulary and Police Authority.

Significant findings

- 1.5 The Constabulary risk management policy and process documents (effective from April and October 2005 respectively) are considered to provide an effective mechanism for the management and reporting of risks. Both documents are readily available on the Constabulary intranet site and are currently in the process of being updated. A procedure has already been established for the approval of the documents by senior management within the Constabulary and the Police Authority prior to these replacing the extant guidance on the intranet.
- 1.6 In order to strengthen overall governance arrangements, the Police Authority has produced its own corporate risk management policy statement and corporate risk management strategy documents which are currently in draft form. Both these documents will be available on the intranet once they have been approved.
- 1.7 Roles and responsibilities in relation to risk management are clearly outlined within policy and process documents and are adhered to in practice. Risk champions and individual risk owners have been identified across both the Constabulary and the Police Authority. These are senior officials within both organisations, demonstrating the importance being attached to the further development and strengthening of risk management processes.
- 1.8 Individual responsibilities in relation to risk management are incorporated into the integrated competency framework of the Constabulary and form

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- part of the staff performance and appraisal processes of both the Constabulary and Authority. Furthermore, responsibilities in relation to risk management are documented in the terms of reference for committees/ working groups to which these are assigned.
- 1.9 Procedures for risk identification and evaluation and the analysis and recording of risk are well defined in the extant and the revised policy and process documents for both the Constabulary and the Authority. Review of the risk registers suggests that the processes were not however applied in practice as a number of items on the registers were outdated. The risk register was not therefore being used effectively to manage and control the risks to the achievement of business objectives.
- 1.10 The revised risk template produced by the Constabulary also provides a clear mechanism for risk owners to demonstrate the history of the risk assessment process and how this is comparable to target. It additionally will enable decision makers to compare the residual risk rating against the risk appetite of the Constabulary so as to inform the need for additional controls.
- 1.11 Given the work of the Constabulary and hence the Police Authority, the management of risk forms an integral part of the day to day activities of the Constabulary and although there is not a clear definitive link between the local, departmental and divisional policing plans (which set out the key priorities of the Constabulary for the coming year) and the corporate and divisional risk registers used to manage the risks to achievement of these objectives, connections can be made between individual risks and policing priorities. Audit consider that the improvements to risk management processes that are currently taking place within both the Constabulary and the Authority will enable both organisations to demonstrate that risk management processes are taking place in a consistent and uniform manner, in accordance with good governance best practice.
- 1.12 Some evidence has been provided to confirm that risk management processes form part of partnership arrangements, to which the Constabulary contributes. Additionally, key risks associated with partnership working are identified in the divisional and corporate risk registers of the Constabulary and in the Authority draft risk register.
- 1.13 A revised reporting structure for the completion of the annual governance statement should provide additional assurance over all aspects of corporate governance. This will then inform the disclosures in the financial statements which will be subject to audit by the Audit Commission.
- 1.14 Staff from across the Constabulary and Authority have undertaken a range of formal and informal training events, and further formal training sessions are planned for the summer. There is no evidence to suggest that the training provided to date has been insufficient or inappropriate to meet the needs of members and staff at this time.
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Risk assessment and our recommendations

1.15 Our detailed findings and recommendations are set out in Section 5 of this report. We have assigned rankings of the perceived risks to the system and hence the urgency with which management should take remedial action. In summary the recommendations fall into the following categories:

Risk/ priority	Total
High	0
Medium	2
Low	6
Total	8

1.16 Each of the recommendations made in Section 5 are drawn together in an action plan shown separately at Appendix A.

Risk definitions

High

1.17 Critical in that failure to address the issue or progress the work would lead to one or more of the following occurring: loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. *Remedial action must be taken urgently.*

Medium

1.18 Less critical but failure to address the issue or progress the work could impact on operational objectives and should be of concern to senior management. *Prompt specific action should be taken.*

Low

1.19 Areas that individually have no major impact on achieving objectives or on the work programme, but where combined with others could have an effect at the process level, which could give cause for concern. *Specific remedial action is desirable.*

Acknowledgements

1.20 We would like to take this opportunity to thank the staff involved in this review for their assistance and cooperation during the course of our work.

2 Overall objectives of our work

2.1 This review has been undertaken as part of the 2008/09 audit plan, to fulfil our responsibility to provide assurance to the Police Authority that

the controls in place to manage its business risks are adequately designed and effectively operated.

- 2.2 The overall objective of our work was to consider whether the processes in place within Lancashire Police Authority and Lancashire Constabulary to identify, analyse, monitor and manage risks to the achievement of service objectives are adequate and operating effectively.

Control objectives

- 2.3 The specific control objectives and risks against which we have assessed the system and control environment are set out in Appendix B.

External audit assurance

- 2.4 We have prepared this report solely for the use of Lancashire Police Authority and Constabulary and it would not therefore be appropriate for it or extracts from it to be made available to third parties other than the external auditors. We accept no responsibility to any third party who may receive this report, in whole or in part, for any reliance that they may place on it and, in particular, we expect the external auditors to determine for themselves the extent to which they choose to utilise our work.

3 The scope of our work

- 3.1 We have assessed the system and its control environment using the following approach:
- Discussion with key contacts to identify key data, their sources and uses;
 - Documentation of key information systems and processes;
 - Testing key controls, where appropriate, to determine whether they are operating effectively; and
 - Assessment of the adequacy of the system and procedures and detection of any system weaknesses.

4 Background and context

- 4.1 The Audit Commission 2007/08 Police Use of Resources assessment (PURE) confirmed that effective arrangements are in place to identify and manage risks both corporately and across the organisation. A risk management policy and process are in place. The Police Authority and Constabulary work to identify areas of risk; assess the likely impact of those risks and seek to eliminate or reduce the consequences of those risks to the achievement of business objectives. Risks are identified within all strategic policy decisions and project initiation documents and local threat registers are maintained.
- 4.2 The Police Authority and Constabulary are considered to be not risk averse. In particular the 'sustaining excellence programme' which aims to ensure the effective co-ordination and management of a large number of

new initiatives being implemented was considered by the Audit Commission, in the 2007/08 PURE assessment as a good example of risk management as opposed to risk avoidance.

- 4.3 The Police Authority's Planning and Performance Review Committee has responsibility for the development and implementation of the Authority's and Constabulary's risk management processes and the Audit and Standards Committee has responsibility for reviewing the effectiveness of these arrangements.
- 4.4 A new Risk Management process is currently under development by both the Constabulary and the Police Authority which will identify areas of strategic and operational risk, assess the likely impact and seek to eliminate or reduce the consequences of those risks.

5 Detailed findings

5.1 We have set out the detailed findings of our review as follows:

- Risk management framework and strategy;
- Roles and responsibilities;
- Risk identification and analysis;
- Risk monitoring and reporting;
- Partnership working; and
- Risk management training.

Risk management framework and strategy

- 5.2 The Constabulary has in place approved risk management policy and process documents effective from April and October 2005 respectively, the aims of which are to establish a framework to ensure that threats (or risks) are identified, assessed and managed appropriately and to reduce the chance of risks occurring and to minimise the impact of the consequences if they do.
- 5.3 The risk management policy and process documents provide an effective framework for the management and reporting of risks, containing details of the roles and responsibilities of the Police Authority, Divisional Commanders and Departmental Heads, Risk Management co-ordinators, key Constabulary groups and the responsibilities of employees, contractors and volunteers in the risk management process. A key strength is the guidance provided on threat prioritisation, including the scoring matrix and the guidance provided on assessing the likelihood of threats occurring and indicators of impact.
- 5.4 The Constabulary threat management policy and process documents were both due for review on 1 January 2008. Neither of the documents were updated at that time, but they have since recently been revised.

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- 5.5 We **recommend** that as part of the process of finalising the Constabulary and Authority risk management documents, a date should be established for when they should be subject to their next review, which should be formally considered as part of the approval process. Internal audit will also undertake a follow up review as part of the agreed 2009/10 internal audit plan.
(Recommendation 1: Low risk/ priority)
- 5.6 An aim of the revised documentation has been to simplify the risk management guidance. It is our opinion that this has been done without any loss of its effectiveness. Improvements have also been noted, particularly in relation to the risk assessment process, which is now to be supported by a detailed matrix which provides details of both the inherent and residual risk assessments as well as showing targets and actual movements of the risk level on a quarterly basis.
- 5.7 Audit are aware that the Constabulary and the Police Authority have been working together to ensure that the revised Constabulary guidance and the recently drafted Police Authority risk management policy documents are consistent in all material respects. Changes have additionally been made to the way in which the Constabulary scores the impact and likelihood of risks to ensure consistency with the approach adopted by the Police Authority, although audit note that there is still some variation in risk level descriptors between the two organisations.
- 5.8 We **recommend** that the Constabulary and the Police Authority staff continue to work together to ensure the consistency of the risk management framework documents as these are finalised. Known differences should be highlighted and brought to the attention of those responsible for approval of the documentation within both organisations.
(Recommendation 2: Low risk/ priority)
- 5.9 The Police Authority draft risk management policy has already been submitted to the Treasurer and Chief Executive, prior to the intended presentation to the Authority's Improvement and Scrutiny Group (ISG) in May. A joint meeting is then to be convened in June between the Planning and Performance Review (PPR) committee and the Audit and Standards Committee (ASC) of the Authority. The strategy and risk registers will then be formally submitted to the July meeting of the full Police Authority for approval. The revised risk management policy and process documents of the Constabulary are due for approval by the Strategic Tasking Group in May 2009.
- 5.10 The existing threat management policy and process documents are available to all staff on Sherlock, the Constabulary's intranet system. These will be replaced by the updated documents once the formal review and approval process has been completed. Similarly, the approved Police Authority corporate risk management strategy will be made available to staff via the Police Authority intranet site.
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- 5.11 Audit understands that Constabulary staff did not have any general access to the corporate and divisional risk registers previously in place, which were maintained locally. However, this situation has recently been improved with the updated risk registers (effective from February 2009) being made available on the intranet for all staff to view in a read only format. Examples on Sherlock were provided to audit. Each register is to be supported by the detailed risk templates, referred to in paragraph 5.6 above.
- 5.12 In order to ensure that all staff are aware of their individual responsibilities in relation to risk management, a team meeting is to be held in April to disseminate the Authority risk management strategy as drafted to all staff. An additional 'away day' is also intended for later in the year, which will include 'Risk management' on the agenda. This will be available for independent member attendance also. Once finalised the risk register will be placed on the staff intranet site in a read only format to ensure visible to all staff.

Roles and responsibilities

- 5.13 The Deputy Chief Constable is the nominated 'Risk champion' of the Constabulary and the Treasurer and Chief Executive are the designated 'Risk champions' within the Police Authority. This provides an indication of the significance that is attached to the development of robust risk management practices between both organisations.
- 5.14 It is also evident from the Constabulary risk registers and the draft risk register of the Police Authority that ownership of risks is assigned to senior officers, including, Divisional Commanders, Departmental Heads and the Deputy Chief Constable himself. Similarly, responsibility for ownership of key risks recorded within the Police Authority draft risk register rests with the Chief Executive, Treasurer or the Monitoring Officer. There is accordingly a good level of accountability for risks throughout both organisations.
- 5.15 Individual officer responsibilities for risk management are not recorded in job descriptions, although risk management forms part of the integrated competency framework in operation across the Constabulary and forms part of the staff performance and appraisal systems in both the Constabulary and the Police Authority.
- 5.16 General roles and responsibilities in relation to risk management processes are clearly defined in the risk management policy and process documents. These are additionally supported by risk management process maps for the Constabulary and Police Authority.
- 5.17 We **recommend** that the Constabulary and Police Authority consider the inclusion of the process maps as appendices to the risk management process documents, or alternatively publish these documents on the intranet in order that they are available for all staff to view.

(Recommendation 3: Low risk/ priority)

Risk identification and analysis

- 5.18 Operational risk management is the day to day business of the Constabulary and as such there is a general culture of managing risk throughout the organisation.
- 5.19 It is the policy intention that risk management will be integrated at strategic, operational and stakeholder levels within the organisation and will form part of the standard way in which business is conducted. Given that the business of the Constabulary and Authority are defined in the local and divisional policing plans, updated on an annual basis, a review has been undertaken to determine whether the key areas for emphasis identified in these documents are reflected in the corporate and divisional risk registers. Whilst no clearly defined link exists, it is apparent that high level risks including drug related crime, fraud and terrorism, which appear on the control strategy forming part of the business planning process are also managed via the risk register. Additionally audit found that the local policing priorities for 2008/09 include key areas of emphasis that are linked with risks that appear in the risk register.
- 5.20 Similarly, whilst it is difficult to identify a clear link between the risks identified in the divisional risk registers and divisional priorities that are shown in the divisional policing plans, it is evident from review of a selection of minutes of meetings that risk management does form an integral part of the business of the Constabulary.
- 5.21 The Police Authority corporate plan contains a section on 'risk analysis' which is largely consistent with identified risks per the draft Authority risk register.
- 5.22 In order to clearly demonstrate that key risks to achievement of business objectives are being managed across the Constabulary and the Police Authority we **recommend** that individual risks recorded in the various risk registers are cross referenced to the business objectives that they potentially affect.
(Recommendation 4: Low risk/ priority)
- 5.23 In addition to the identification of risks as part of the annual business planning process, risks are identified on an ongoing basis from numerous sources within the Constabulary, including 'scanning' (undertaken by the Corporate Development department), divisional and departmental meetings, the quarterly performance review meetings, constabulary programmes and projects (including sustaining excellence), constabulary groups (including the Strategic Tasking Group, Business Group and Futures Group), audit (internal and external) and inspection regimes (for example, HMIC).

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- 5.24 Once a risk has been identified, the risk management strategy documents of both the Constabulary and Authority provide guidance to staff on assessing the level of risk to include in the register, based on the likelihood of its occurrence and the impact should it materialise.
- 5.25 This guidance supports a consistent approach to the assessment and recording of risk across both organisations, which is further enhanced by the work undertaken by the Policy and Performance Officers of the Police Authority and the Corporate Development Group of the Constabulary, in collating the risk registers.
- 5.26 Since the recent revisions to the risk management processes, the scoring mechanisms applied by both the Constabulary and the Police Authority are consistent.
- 5.27 A review of the corporate and divisional risk registers produced by the Constabulary confirms that all risks have been assessed as to their impact and likelihood in accordance with the guidance included in the risk management framework documents. It is however noted that the risk register of the sustaining excellence group does not follow the standard scoring approach applicable to the Constabulary.
- 5.28 We **recommend** that all Constabulary owned risk registers should be produced in a format consistent with the risk management policy and process documents to ensure that risks are managed and escalated on a consistent basis across the organisation.
(*Recommendation 5: Medium risk/ priority*)
- 5.29 It is noted that the current scoring matrix adopted by the Constabulary and the Police Authority could result in a situation where a risk assessed as low likelihood, with a relatively high impact, could attract either a low or a medium risk rating. The guidance suggests that these risks need to be 'kept under review'. This outcome was queried at a recent training event with the A&SC. In both discussing this with the Corporate Development department and also reviewing the risk registers, it is clear that management judgement is applied in determining the need for any specific controls in such circumstances.
- 5.30 Based on a review of the Constabulary risk registers for February and September 2008, it was clear that the registers were not being actively used as a risk management tool, given that they were largely out of date. However, the general format of the registers was good, and the use of the revised template will enhance them, given that both the inherent and residual risk scores are now identified. Additionally, this review showed that in some cases (but not all) revisions to the risk score are detailed in the register. Examples were identified where the audit trail for revisions has been weak, but this situation should be improved by the introduction of the risk assessment template.
- 5.31 Review of a small selection of completed templates shows that not all

templates have all aspects completed. To be of greatest use, these need to be completed as robustly as possible at the outset.

- 5.32 We **recommend** that in order to enable the risk management process to be most effective, steps should be taken to ensure that the revised risk templates are completed fully for all existing risks and all new risks identified.

(Recommendation 6: Medium risk/ priority)

- 5.33 The actions taken to mitigate individual risks are included alongside the risks or (in the case of the updated Constabulary registers) are included in the associated risk templates. A selection of documents was reviewed as part of the audit where these form part of the control strategy in place to mitigate key risks facing the Constabulary. An example of this is the Professional Standards Department control strategy which forms part of the mechanism for addressing a number of the high level risks identified in the 'security' section of the corporate risk register. Whilst it is difficult to see clear links, there is some association between the control strategy and the risk register. Similarly, a selection of business continuity plans was reviewed and audit was able to confirm that these support the mitigation of risks identified in the risk register.

- 5.34 The Police Authority risk register is still under development. In producing the initial document, a half hour session was included in the staff training day held in November. Staff were split into groups and asked to consider whether certain categories of risk were appropriate for inclusion in the register. The members of Staff were also asked to contribute any additional risks they were aware of, a number of which have been included in the initial draft of the Police Authority risk register.

Risk monitoring and reporting

- 5.35 The revised risk management policy of the Constabulary clearly outlines the intention for risk management processes to be fully embedded into the normal working practices and routines of the organisation. This is facilitated by risk management forming a standing agenda item for all divisional and departmental reviews, monthly management meetings and Futures and Business Group meetings. Furthermore, a standing action will be created for the risk registers to be reviewed and updated on a quarterly basis.

- 5.36 The Constabulary divisional/ departmental risk registers are monitored quarterly by the Constabulary and the Police Authority through the quarterly performance reporting process. The Futures Group (which also meets quarterly) monitors the corporate risk register with significant items being submitted to the Strategic Tasking and Co-ordinating Group (STCG), the Tactical Tasking and Co-ordinating Group (TTCG) or the Business Group as appropriate. The corporate register is then submitted annually to the PPR committee. Overall risk management arrangements

are reviewed annually by the Audit and Standards Committee of the Authority.

- 5.37 Based on the forward meeting schedule provided to audit, it is clear that the risk management reporting process as documented above in relation to the corporate register will be facilitated by the meeting schedule, with the Futures Group meetings being scheduled prior to the Business Group meetings each quarter. Although Futures Group meetings are not always held in the same month as the meetings of the STCG and the TTCG, as these latter meetings are held monthly, there is no undue delay in taking forward any items of concern. It is however noted that the quarterly performance review meetings do not necessarily coincide with the meetings of the Futures Group. There could therefore possibly be a delay of two months between any significant issues being reported to the futures group by the Chief Constable.
- 5.38 The operational risks of the Police Authority are examined by the senior management team on a quarterly basis with 'high' level risks to go to the ISG. Strategic risks will be reviewed by the ISG on a quarterly basis with high level risks being reported to the PPR group on an exception basis. The PPR group will then review the risk registers on an annual basis.
- 5.39 Within the Police Authority the ISG is considered pivotal to the risk management process. Membership comprises the chairs of each of the individual committees and there is an open dialogue between this group and the Constabulary via the Quarterly Performance Review process and the Futures Group. The risk management responsibilities of the Futures and Business Groups are additionally defined in their individual terms of reference.
- 5.40 Whilst not a decision making body of the Constabulary, review of recent Futures Group minutes demonstrates that actions arising from the group have been addressed. These include the addition of a trend analysis within the risk register, a revised risk management template and the inclusion of risk management review in the QPR process. Additionally, one of the key concerns raised by the group was the consistency with which the scoring mechanism is applied. It is the view of audit, that these concerns might be allayed by the revised policy guidance and the risk management template produced by Corporate Development.
- 5.41 Review of the Police Authority meeting schedule supplied shows that the meetings are planned such that ISG can report to PPR shortly after their own meeting, thus facilitating the reporting of risk management issues.
- 5.42 It is clear from review of the meeting minutes, that risk management is discussed on at least an annual basis by the Audit and Standards Committee of the Police Authority. In particular ongoing reports are presented by both the external auditors and the Corporate Governance Working Group on progress in meeting recommendations arising from the previous PURE report. In particular, agreement has been reached for

individual chief officers to sign an assurance statement to support the preparation of the Annual Governance Statement. In signing this statement and in completing the associated templates, the chief officers will be informed by the various sources of assurance that is available to them, in conjunction with a consideration of how well the risks to achieving business objectives are being managed.

- 5.43 Although the revised reporting arrangements are still subject to formal approval, the meeting schedules in place do facilitate the progression of risk discussions throughout the two organisations, which in turn will inform completion of the assurance documents.
- 5.44 We **recommend** that the Constabulary consider whether future dates of the QPR meetings are timetabled to coincide with forthcoming Futures Group meetings to enable the Chief Constable to provide prompt feedback on how risk management processes are being addressed in the divisions/ departments.
(Recommendation 7: Low risk/ priority)

Partnership working

- 5.45 In conducting the audit, examples have been found of where risk management is embedded in partnership working. One of these partnerships is the Lancashire Resilience Forum (a strategic partnership forum chaired by the Constabulary). Audit has been provided with a copy of the 'community risk register' produced by the partnership, which is in a standard format.
- 5.46 A partnership mapping document has also been produced by the Constabulary. This assesses the risk that financial contributions due from partners will not be received, on a scale of major, moderate and minor and on a likelihood of unlikely, possible and certain. Whilst the resultant risk score is given a colour rating, no mitigating actions/controls are recorded to demonstrate how the risks are being managed. (Refer Recommendation 5, paragraph 5.28).
- 5.47 Furthermore, review of the risk registers as at September 2008 confirms that risks associated with partnership working are recognised and addressed both in divisions and departments and in the corporate register there is a separate section identifying partnership risks. Partnership risks are additionally identified in the Authority risk register.
- 5.48 The 2007/08 PURE management letter issued by the Audit Commission recommended the development of a clearer strategic approach to the governance of significant partnerships across the Constabulary. This is being taken forward by the Head of Corporate Development and was due to have been completed in March 2009.

Risk management training

- 5.49 A range of formal and informal risk management training has been made available to members, staff and officers of both the Constabulary and the Police Authority over the course of the previous 12 months including a session on 'Risk management' at the Police Authority seminar in May 2008 (attended by all members) and training for the ASC in March 2009. Further staff training is scheduled for the summer.
- 5.50 Whilst there is no evidence to suggest that the training provided to date has been insufficient or inappropriate to meet the needs of members and staff at this time, we **recommend** that as part of the annual review of risk management arrangements, a training needs analysis is conducted to ensure that those tasked with risk management responsibilities continue to be effective in undertaking their duties.
(Recommendation 8: Low risk/priority)
- 5.51 Audit understands that further rollout of training across the Constabulary and its divisions will be informed by decisions resulting from the ongoing Operational Support Review process. To address this in the interim, staff from within Corporate Development have undertaken a series of visits to each of the Constabulary divisions/ departments to deliver the updated risk management approach and in particular to discuss the purpose and benefits to be obtained from utilising the revised risk management templates. Although Corporate Development acknowledges that some staff members have considered the revised templates to be bureaucratic, the benefit of the audit trail they provide has been well received.
- 5.52 Although no specific risk management training has been conducted for members of the Constabulary Futures Group or Business Group, audit understand that senior officers attend the 'Strategic Command Course' which audit have been informed includes an element of risk management training.

Action plan

Appendix A

	Recommendation	Priority	Responsible officer	Management response/ action plan	Due date
1	<p>We recommend that as part of the process of finalising the Constabulary and Authority risk management documents, a date should be established for when they should be subject to their next review, which should be formally considered as part of the approval process. Internal audit will also undertake a follow up review as part of the agreed 2009/10 internal audit plan.</p> <p>(Paragraph 5.5)</p>	L	<p>Constabulary: Head of Corporate Development</p> <p>Police Authority: Treasurer</p>	<p>The refreshed policy was ratified by the Strategic Tasking and Co-ordinating Group (STCG) on the 9th May 2009. A review date is part of the policy management process and is included on all policies as a matter of course.</p> <p>Agreed – an appropriate review date will be formally considered as part of the approval process.</p>	<p>Complete</p> <p>June 2009</p>
2	<p>We recommend that the Constabulary and the Police Authority staff continue to work together to ensure the consistency of the risk management framework documents as these are finalised. Known differences should be highlighted and brought to the attention of those responsible for approval of the documentation within both organisations.</p> <p>(Paragraph 5.8)</p>	L	<p>Constabulary: Head of Corporate Development</p> <p>Police Authority: Treasurer & Policy and Performance Officers (PPOs)</p>	<p>The Authority and Constabulary will continue to work together in developing processes. Differences in the frameworks will be monitored appropriately and, if any difficulties arise as a result of the differences, action will be taken to address this at the earliest opportunity.</p>	Ongoing

	Recommendation	Priority	Responsible officer	Management response/ action plan	Due date
3	<p>We recommend that the Constabulary and Police Authority consider the inclusion of the process maps as appendices to the risk management process documents, or alternatively publish these documents on the intranet in order that they are available for all staff to view.</p> <p>(Paragraph 5.17)</p>	L	<p>Constabulary: Head of Corporate Development</p> <p>Police Authority: PPO's</p>	<p>Following STCG ratification of the revised policy, the supporting procedures will be submitted to Tactical Tasking and Co-ordinating Group (TTCG) for approval in June 2009; the process map for risk management is to be included as an appendix to this paper.</p> <p>The process map will be appended to the Authority's risk management strategy and will also be available via the Members area of the Authority's website.</p>	<p>June 2009</p> <p>June 2009</p>
4	<p>In order to clearly demonstrate that key risks to achievement of business objectives are being managed across the Constabulary and the Police Authority we recommend that individual risks recorded in the various risk registers are cross referenced to the business objectives that they potentially affect.</p> <p>(Paragraph 5.22)</p>	L	<p>Constabulary: Head of Corporate Development / Treasurer.</p>	<p>A link between identified risks and business objectives is considered extremely useful and will be implemented into both the Authority and Constabulary documentation as soon as practicable.</p>	<p>June 2009</p>

	Recommendation	Priority	Responsible officer	Management response/ action plan	Due date
5	<p>We recommend that all Constabulary owned risk registers should be produced in a format consistent with the risk management policy and process documents to ensure that risks are managed and escalated on a consistent basis across the organisation.</p> <p>(Paragraph 5.28)</p>	M	<p>Constabulary: Head of Corporate Development</p>	<p>This issue has previously been considered as part of the internal review process and whilst it is acknowledged that this would be ideal, overhaul of the Sustaining Excellence Programme Risk Register and process was discounted as the current system is considered to be well established and effective. A process has instead been established whereby high level risks are converted and incorporated onto the corporate risk register as necessary.</p>	Complete
6	<p>We recommend that in order to enable the risk management process to be most effective, steps should be taken to ensure that the revised risk templates are completed fully for all existing risks and all new risks identified.</p> <p>(Paragraph 5.32)</p>	M	<p>Constabulary: Head of Corporate Development</p>	<p>All existing risk issues have now been entered onto the new documentation and all registers are available to view on the Constabulary intranet site, SHERLOCK.</p>	Complete

	Recommendation	Priority	Responsible officer	Management response/ action plan	Due date
7	<p>We recommend that the Constabulary consider whether future dates of the QPR meetings are timetabled to coincide with forthcoming Futures Group meetings to enable the Chief Constable to provide prompt feedback on how risk management processes are being addressed in the divisions/ departments.</p> <p>(Paragraph 5.44)</p>	L	<p>Constabulary: Head of Corporate Development</p>	<p>Following the disbandment of the Futures Group in April 2009, monitoring will continue to be undertaken by the Constabulary at Business Group, but also jointly by the Constabulary and Authority at Planning Working Group. This gives a monthly opportunity for scrutiny of the registers and will ensure any issues highlighted through QPR meetings can be considered on a timely basis.</p>	Complete
8	<p>Whilst there is no evidence to suggest that the training provided to date has been insufficient or inappropriate to meet the needs of members and staff at this time, we recommend that as part of the annual review of risk management arrangements, a training needs analysis is conducted to ensure that those tasked with risk management responsibilities continue to be effective in undertaking their duties.</p> <p>(Paragraph 5.50)</p>	L	<p>Constabulary: Head of Corporate Development</p> <p>Police Authority: Treasurer & PPOs</p>	<p>Members of the Corporate Development Directorate have attended further training during May 2009 and will now be liaising with the Head of Training to determine how this can be taken forward for the rest of the organisation.</p> <p>Risk management was recently considered by the Police Authority at an informal Members seminar. Further training opportunities will be provided during 2009, particularly for those Members and officers who will be actively engaged in the risk management framework.</p>	<p>June 2009</p> <p>March 2010</p>

Control objectives

Appendix B

Control objective	Potential risk
There is an effective framework in place for managing risk and ensuring strategic and operational risks are identified and regularly reviewed and kept up to date.	A framework does not exist for the prompt identification, analysis and monitoring of operational and strategic risks as they arise.
There is an established risk management strategy and risk management policy statement which documents the framework and risk management processes put in place by the Police Authority and Constabulary which is widely available to officers and staff.	The risk management strategy in place is not formally documented and available to all staff with responsibility for risk management.
Responsibility for the management of risks within headquarters and the divisions has been allocated to key individuals and all officers and staff across the Constabulary and Police Authority are appropriately aware of their roles and responsibilities with respect to risk management and reporting.	Staff are unclear about their individual roles and responsibilities in relation to risk management.
Police Authority and Constabulary staff have received appropriate risk management related training.	Staff do not have the appropriate skills to undertake risk management processes effectively.
The risks to achieving the Police Authority and Constabulary objectives are identified and considered as part of the business planning process.	New risks are not identified and evaluated and known risks are not re-evaluated on a periodic basis.
Divisional and corporate risk registers are maintained and updated on a periodic basis.	Risk registers are not maintained or are not updated on a sufficiently regular basis.

Control objective	Potential risk
<p>There is a standard methodology in place for the analysis and scoring of risks and a periodic reassessment of the risk profile is undertaken;</p> <p>Appropriate mitigating actions are identified and monitored;</p> <p>Steps are being taken to integrate risk management into the culture and day to day processes of the Constabulary and Police Authority.</p>	<p>The Police Authority and Constabulary approach to managing identified risks is not clearly documented in the risk registers and is not formally monitored to ensure that the controls are sufficient to manage the risk;</p> <p>Guidance is not available to staff to ensure that risk analysis is conducted appropriately and on a consistent basis to enable risks across the Police Authority and Constabulary to be prioritised;</p> <p>The risk management culture is not sufficiently dynamic and flexible to constantly assess its strategy, services, facilities and operations;</p> <p>Developments impacting on and occurring within the operating environment are not monitored and assessed in relation to their likely impact on the Police Authority and Constabulary.</p>
<p>Risk management is appropriately considered when the Constabulary and Police Authority enters into Partnership arrangements.</p>	<p>The risks arising from new or existing partnership arrangements are not identified, assessed and managed in accordance with the risk management strategy.</p>
<p>There are processes in place to ensure that the management of risk is escalated to an appropriate level within the organisation and is reported regularly to the relevant committees.</p>	<p>Risks are not reported to senior managers within the Police Authority and Constabulary on a regular basis.</p>
<p>The financial statements include appropriate disclosures of the Police Authority's and Constabulary's risk management processes and controls.</p>	<p>Insufficient or inaccurate reporting of risk management processes in the financial statements.</p>