

Risk Management in Hampshire Constabulary

Annual Report

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Contents

Introduction		5
What is risk management?	5	
Risk Management in Hampshire Constabulary	5	
Purpose of this report	5	
Background		5-6
Key developments in 2013/14		6-8
Governance Structure	6	
The Risk Management Process	6	
Risks at the Strategic Level	7	
Partnership – collaborating with others	7-8	
Internal Audit		8
Future Plans		8-9

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Introduction

What is Risk Management?

Risk management is about anticipating and preparing for uncertain events which may have an impact on objectives. This is done throughout the organisation, but tempered by the extent to which it is practical and proportionate. It embraces opportunities as well as threats. It is about making the right decisions for the right reasons.

Risk Management in Hampshire Constabulary

Hampshire Constabulary's Code of Corporate Governance states that "The Chief Constable is committed to maintaining effective arrangements for the identification and management of risk". The PCC notes, in the Police and Crime Plan, that "...risk taking is essential...to achieve objectives" and that "risk management is as much about exploiting opportunities as it is about managing threats".

The risk management strategy (November, 2013) sets out a vision where "Risk management is positioned as a core enabler to make well-informed decisions at Chief Officer level and throughout the organisation, proportionate to the levels of perceived risk."

Purpose of this report

This report is intended to provide an overview of Hampshire Constabulary's risk management arrangements, their effectiveness in practice and their state of maturity. It includes recent developments, forward plans, an element of both internal and external assessment and a view of the key risks.

It is prepared principally for the Deputy Chief Constable, as the officer responsible for the Management of Risk function, but also for his fellow Chief Officers, the Joint Audit Committee and for wider circulation, as deemed appropriate.

Background

Prior to the appointment of the PCC, in November, 2012, risk management had been used extensively throughout Hampshire Constabulary, with the strategic risks being reported to the Police Authority on a regular basis.

However, the Constabulary had resolved to make improved use of risk management (and boost its profile) and to encourage the development of a more mature risk management culture, in order to obtain greater benefit from the discipline and allow the organisation to assess and effect some quite radical changes – required in order to achieve savings – in an insightful and controlled fashion.

To this end, the new role of Strategic Risk Manager was recruited, also in November, 2012, to unify previously separate disciplines (such as risk management, business continuity, health & safety and insurance) in a new Management of Risk operation.

The changes which have taken place within the past year should be seen against this background.

Key Developments in 2013/14

Governance Structure

To support improved risk management and improved governance generally, new structures have been established.

Portfolio Boards, representing the areas of responsibility of the Chief Officers, consider their own risks, informed by reports of the key risks for the units beneath them. They in turn report key risks to the Risk & Harm Board, which provides a strategic oversight of risk within the organisation. The Change Programmes, Departments, Districts and Projects are incorporated into this approach, as shown in the sketch, with the emphasis on escalating risks where appropriate, from one level to the next.



The essential guidance to risk escalation is:

When to escalate

A risk should be escalated where it is not possible to manage it appropriately at the present level, either because of a lack of resources or a lack of authority (including the situation where the risk applies more widely than the area of authority).

Even where a risk can be managed appropriately at the present level, it should be escalated – at least for information – if it is regarded as sufficiently important &/or outside what had been anticipated when the resources/authority were delegated.

The Risk & Harm Board also takes a forward view and considers upcoming risk areas and those of a wider or overarching nature.

A Strategic Vision

The risk management strategy now sets out the longer term goals and how they will be achieved. A major part of that is around integrating risk management into the other aspects of the organisation, streamlining processes to achieve real benefit and avoiding unhelpful or disproportionate activity.

A baseline assessment is soon to be conducted against the National Performance Framework for Risk Management in the Public Sector, to provide a clear indication of areas requiring further development and a means of tracking progress over time.

The Risk Management Process

The risk management process has been made clearer, more effective and more self-consistent.

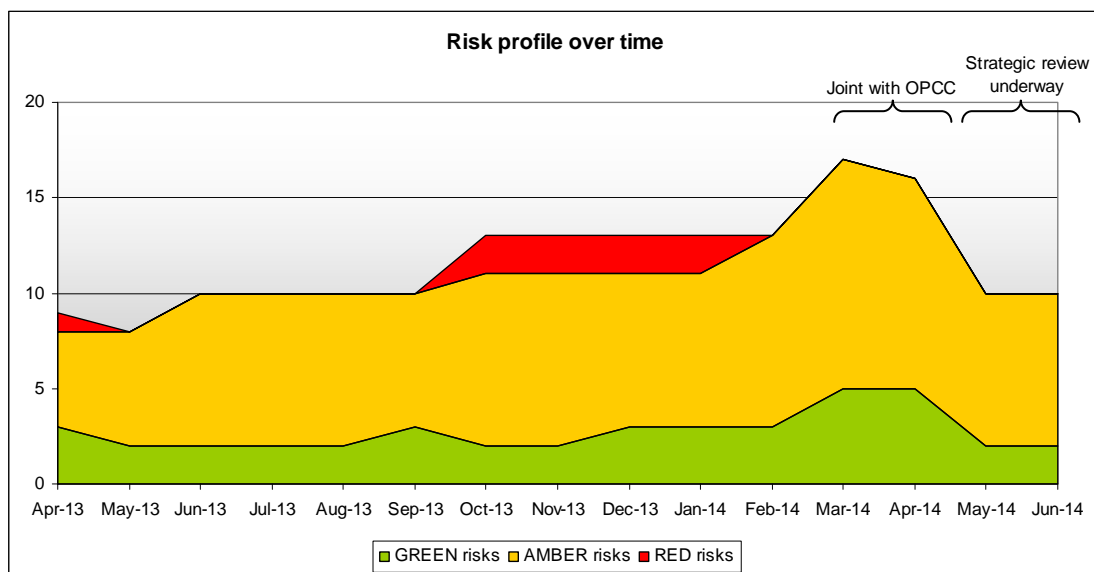
The risk management policy and procedure have been revised and clarified and new guidance has been prepared, to provide quick and clear support. The guidance is also intended to help avoid unnecessary or unproductive work.

This is a theme of the new template for risk registers which has been introduced, which clearly shows progress being made and a destination point for a risk. If the destination is not worth the resources required to get there, the journey can be cancelled and another approach adopted, which may be to accept the symptoms as being better than the cure. The new template is in use at the upper levels and is being rolled out more widely through a migration and training programme.

The communications and training arrangements to support the changes made are now in progress, with the first formal training session scheduled for 20th June.

Risks at the Strategic Level

In addition to the more specific risks managed throughout the organisation, several risks have been managed at the strategic level. Oversight of these was formerly through the Senior Leaders' Group, but is now through the Risk & Harm Board.



Having moved towards uniting the strategic level risk registers of the OPCC and the Constabulary, and having run with a draft on this basis in April/May, the decision has now been made to keep these two separate. This is to allow the different interests and priorities to be reflected, whilst at the same time retaining close communication and cooperation and allowing the two to be subject to the same oversight arrangements.

An organisational risk review process, which commenced on 29th May, has already identified several new potential areas of risk. These are being and being assessed, developed and prioritised through further meetings at present.

Over the course of the year, the risks depicted above have moved from a bias towards the infrastructure to be more representative of the actual business of policing. With the input from the current review, this will give a set of risks of a more truly strategic nature.

The way a strategic level risk is characterised is:

Strategic Risk

Serious implications for more than one Portfolio &/or significant financial, legal, operational or reputational impact for the organisation as a whole.

Partnership – collaborating with others

The new area of joint working is represented by H3, our partnership with Hampshire Fire & Rescue Service and Hampshire County Council. The risk management arrangements here have been established on the basis of the system in use by Hampshire County Council, which is compatible with that of the others. However, for ease of reference and to ensure there is no barrier to communication on risk – and escalation or aggregation, where required – within the partnership arrangements or outside them, a form of “translator” is being developed, to allow an H3 risk to be viewed exactly as though recorded in the Hampshire Constabulary system.

For our collaboration with Thames Valley, efforts have been made to retain compatible risk management systems and regular meetings are held to ensure that this joined-up approach continues.

Internal Audit

The recent review of risk management in Hampshire Constabulary by the Southern Internal Audit Partnership concluded that the arrangements provided **adequate assurance**. The two actions arising from the audit will be concluded by the end of June.

The goal now is to ensure that any subsequent audit finds that the next (and highest) category of assurance applies – **substantial assurance**.

Future Plans

The key tasks for the coming year are:

- to continue to develop and embed **practical** and **proportionate** risk management across the Force, including
 - delivery of the training plan
 - delivery of the communications plan
 - sharing good examples and learning points
- develop a still more integrated and efficient liaison with others, including the OPCC, TVP, H3 and ACRO

There are many specific areas which feed into those, but these points summarise the key items for 2014/15. Integration is a key factor, with the requirement to integrate risk management with many other disciplines across the organisation, including governance generally, to integrate more effectively our internal and partnership arrangements and to provide a more integrated Management of Risk response to colleagues, including insurance, health & safety, business continuity and risk management generally, rather than these being seen as isolated disciplines.

The assessment against the National Performance Framework for Risk Management in the Public Sector will provide a clear baseline against which to develop and assess further progress.

Hugh Alexander

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18th June, 2014