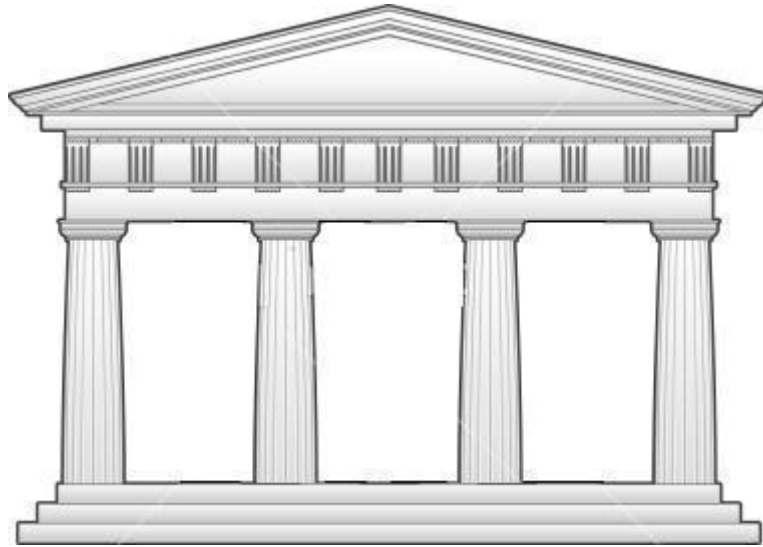


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Risk Management
in
Hampshire Constabulary

- NOT PROTECTIVELY MARKED -

Risk Management in Hampshire Constabulary

Vision

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.

This includes:

- understanding what level of risk is acceptable
- knowing what initiatives to target
- making best use of existing information to embrace an unknown future with confidence.

Everyone in Hampshire Constabulary should appreciate that there are risks in all that we do and should identify and manage these risks to an acceptable level as part of their every-day decision-making.

Mission

To develop Hampshire Constabulary as a risk-based organisation, where people will use their understanding of risk as the foundation of decisions taken. This will:

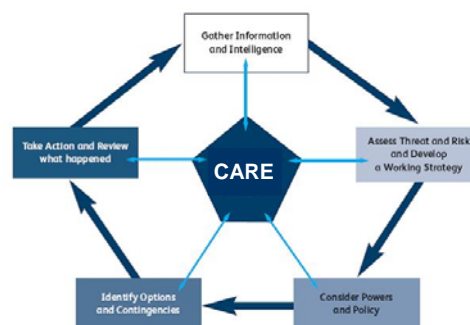
- promote a mature risk culture, where there is an awareness of a suitable balance between risk and control
- help to deliver optimum effectiveness and efficiency
- enable the organisation to move at a pace which is appropriate, with unplanned and undesired disruption minimised or avoided.

Context

Risk management is an inherent part of corporate governance and a very significant part of the system of internal control.

Risk management in Hampshire Constabulary is designed to meet the requirements of the Policing and Crime Plan and the Hampshire Constabulary Code of Corporate Governance. Additionally, it is aligned to ISO 31000, with the risk culture being developed in line with the National Performance Model for Risk Management in Public Services.

Management of risk is both a way to help achieve objectives reliably and effectively and also to assist in setting and reviewing corporate strategy. The operational activity intended to achieve objectives is itself governed by the National Decision Model, with our CARE values at its heart.



Very many control mechanisms are already in place, such as operational procedures, health and safety measures, fire safety systems and so on. To close the loop we need assurance:

- Common sense and sound judgement
- Act with integrity, courage and compassion
- Respect people and keep our promises
- Experiences are used to learn and improve

- that risks have been identified and assessed correctly
- that control measures being counted upon are actually in place and effective (on the one hand) and are not disproportionate or outdated (on the other)
- that additional measures being developed are on target and according to expectation and
- that all arrangements keep up with developments in the external environment.

The assurance model is detailed below.

The Management of Risk

Everyone should be aware of risks and their management, but formal procedures for doing so, and recording outputs and actions, use resources and so a balance has to be struck. It is necessary to manage risks formally in the key divisions of the organisation – and elsewhere, where it adds value to do so.

Under the present structure, this means at the strategic level and also for Portfolios, Areas, Departments and Programmes, as a minimum, with interactions and routes for escalation (and delegation/other movements of the principal management of a risk) as depicted.

The risk management procedure sets a basic common standard to follow and then moves towards guidance, rather than regulation, recognising that more is not always better and that we want judgment to be exercised.

Risk management is all about prioritising. As well as identifying which are the most important risks, it has to be able to prioritise activity in respect of those risks, in order to provide maximum benefit.

This means making practical decisions about where scarce resources can be best applied and empowering people to make informed choices to do nothing about risks, where that is appropriate.

There are also various areas of collaboration, which are considered below.



Risk at the Strategic Level

A strategic risk is one which affects the whole organisation and/or could have serious consequences for our reputation. (These consequences could arise from

various sources, such as a legal/regulatory breach or a serious financial, operational or personal safety problem.

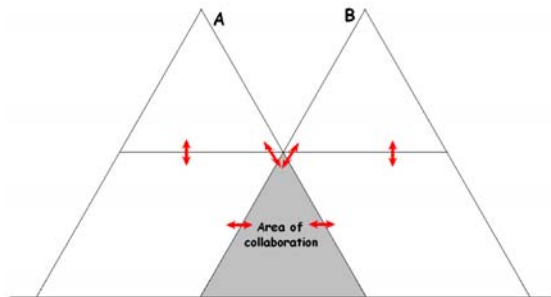
A similar approach should be used to determine whether a risk sits at Portfolio level, at Area, Department or Programme level or at a lower level within its respective area.

Working with the Office of the Police & Crime Commissioner (OPCC)

HC and OPCC agree to work closely together on risk management and to follow the same procedures. As part of this, HC and OPCC will have a single Joint Strategic Risk Register, showing which party leads on each risk. This means that each party's senior management will have automatic oversight of all of the strategic risks of both and their status, as well as these details being reported to the Joint Audit Committee.

Working with Others

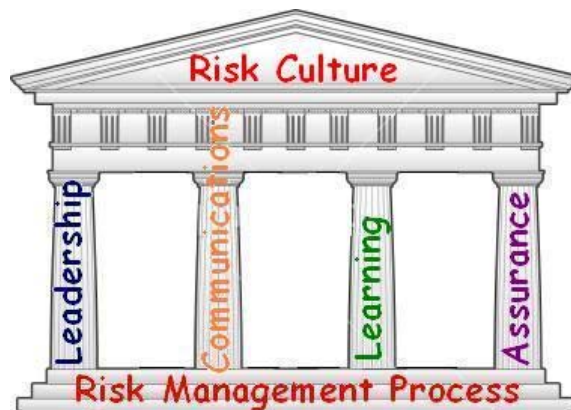
Where we are working with others, it must be recognised which risks belong to which organisation and which to the area of collaboration itself and the ability to escalate appropriately must also be present. Systems of applying risk management will differ in detail, but



not necessarily in principle and the system of either organisation A or organisation B should be used for the area of collaboration. For example, (1) in the case of the collaboration between HC and Thames Valley Police, both organisations make use of comparable risk management systems and (2) in HC's joint working with Hampshire County Council (HCC) and Hampshire Fire & Rescue Service (HFRS), the HCC system is used, with a "translation" to facilitate comparison within HC.

Similar principles should be used as far as possible in other areas of collaboration.

Developing Risk Management



From a simple risk management process, these four pillars are used to develop the organisation's risk culture.

Risk Management Process

The risk management process sets out in simple terms how risks should be identified, prioritised and managed. The key goal is to be aware of risks, be able to prioritise them and know how to respond to them appropriately and proportionately. The process is therefore kept deliberately simple, although much additional guidance is available.



Leadership

Our risk management initiative fully supports and is supported by the Constabulary's leadership principles. Leadership applies at all levels, but it is particularly important that senior leaders (such as Chief Officers, Heads of Department, Area Commanders and Programme Managers) not only provide leadership in actively managing risks, but also support risk-based decisions even when they turn out negatively. Tangible evidence of this consistent and authentic behaviour is required, in order to reassure colleagues that this is the case.



Communications

Good communication is vital to effective risk management. Various formal and informal channels are required to meet the needs and obtain the appropriate support of the many and varied stakeholders. A detailed stakeholder map is being developed to help focus this activity.



It is extremely important to get the balance right between too little and too much, to provide useful and necessary communications. To do this, a mixture of active and passive channels are used, including occasional briefing notes, regular meetings, drop-in sessions; FAQs and other material on Intranet web pages, ad hoc advice and guidance, formal training arrangements, reports to senior management, engagement with external bodies etc.

Learning

Appropriate training is a fundamental part of effective risk management, providing a positive effect on levels of understanding, organisational culture and individual behaviours. A consistent and coordinated training approach ensures that people understand what is expected of them and perform that as efficiently as possible.



A training plan is to be developed, with proposed delivery methods, based on a training needs analysis of the organisation as it is now structured and staffed.

Effective training is one part of learning and learning lessons is the other. This means getting the maximum benefit we can from available knowledge.

This is something which is already done, but we have to capture more potential lessons and apply the knowledge derived more widely and rigorously. Multiple channels have to be harnessed to identify and learn lessons and to communicate and act upon the knowledge effectively.

Assurance

It is vital to ensure that risk management is operating effectively, particularly at the broad, strategic level. Assurance is provided partly within the normal management structure, supported by the risk management function, and partly by internal and external audits and the scrutiny of the Joint Audit Committee.



A Risk Assurance Report is to be developed, for submission to the Force Executive on a quarterly basis and for submission to the Joint Audit Committee. This will collate evidence from the findings of audits, investigations of incidents, reviews with risk owners and otherwise to provide a risk-based exception report to the Force Executive and to the Joint Audit Committee. The outputs of this report will be used to inform the rating of the strategic risks themselves and any action required to address a specific case will be attached to the relevant strategic risk and managed through it, to close the loop.

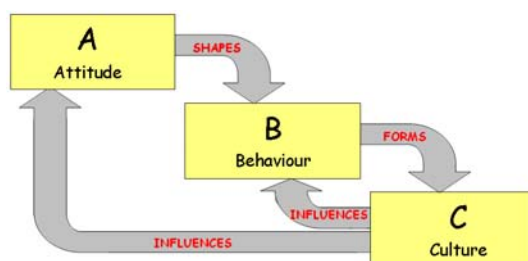
The Constabulary is subject to a number of internal and external audits and efforts should be made not only to deal with the specifics of issues which arise from them, but also to extrapolate from them and consider what they may mean for other parts of the organisation. This understanding should be used to reprioritise future audit activity as a result.

We should work towards a unified procedure for the investigation of incidents, ensuring that all relevant expertise is included and that root causes are identified. This again leads to the ability to ensure that any possible lessons are identified and learned, as well as building a more reliable knowledge base to help identify future trends.

There are also significant governance arrangements within Areas, Departments and Programmes themselves and the same principles should be applied, ensuring that there is scope both to challenge and to learn.

Development of Risk Culture

The goal is to develop the risk culture within Hampshire Constabulary to the extent that much greater benefit may be obtained with less effort and expense.



We will make use of the “ABC” (Attitude, Behaviour, Culture) model – in particular, Risk Attitude, Risk Behaviour and Risk Culture – in an exercise with senior management. This is intended to assess our current level of maturity, benchmarking against the terms of the

National Performance Model for Risk Management in Public Services, as well as setting an agreed and realistic target for future development.

Role of the Risk Management Function ('Management of Risk')

The role of the risk management function is to guide and advise on procedures for risk management generally. In particular, the risk management function will:

- support, assist and encourage risk management activity throughout the organisation, providing the lead on risk management generally and also the specialist aspects of health & safety, fire safety, business continuity, risk financing and management of claims
- specifically support the owners of the strategic risks and manage the strategic risk **register** (in conjunction with the risk owners, who manage the actual risks)
- coordinate training requirements and provide training where appropriate
- facilitate communications, including lessons learned
- provide risk assurance reports to senior management and to the Joint Audit Committee
- review the effectiveness of the risk management arrangements and provide an annual report to senior management and to the Joint Audit Committee.

Benefits

Hampshire Constabulary wants risk management to:

- help make the right decisions for the right reasons
- contribute to the internal control framework
- reduce volatility and avoid surprises
- protect and optimise resource allocations
- protect and enhance physical assets
- protect and develop human assets
- improve stakeholder relationships
- protect and enhance reputation

Activation

The initial aspects of this strategy will be fully operational within the current financial year, with the embedding of training, channels to communicate lessons to be learned etc extending into 2014/15. The full planned development of the organisation's risk culture will probably take at least three years to come to fruition.



Hugh Alexander
Strategic Risk Manager
November, 2013