

# DEVON & CORNWALL POLICE AUTHORITY

## RISK MANAGEMENT POLICY

### AUDIT DECLARATION

This policy has been drafted and audited in accordance with the principles of Human Rights legislation, the Race Relations (Amendment) Act 2000, Disability Discrimination Act 1995 and Freedom of Information Act 2000.

Under the Freedom of Information 2000, the document is classified as 'Open'.

### SCOPE

Risk management is the process of identifying risks or opportunities, evaluating their potential consequences, considering the current controls in place, and determining and implementing the most effective way of monitoring and mitigating them.

Risk Management is one of the pillars of corporate governance. Good governance relies on risk management being embedded into the culture of the organisation, with members and officers recognising that risk management is a shared responsibility.

The Police Authority's duties for risk management are twofold. Firstly, the Devon & Cornwall Police Authority has a responsibility for putting in place arrangements to manage risks it faces, separate from those of the Force, and secondly for ensuring that the Constabulary itself has adequate arrangements for risk management in place.

This document, therefore, sets out the Risk Management Policy of Devon & Cornwall Police Authority. It refers to the management of risk within the Police Authority office and its immediate operating environment and the way in which the Police Authority will monitor the management of risk in the Constabulary.

### INTRODUCTION

Effective management of risk will assist in the achievement of the Authority's vision and strategic objectives, optimise the quality and efficiency of its service delivery, and uphold and enhance its reputation.

Risk management must be clearly aligned to the organisation's strategic objectives, ensuring that there is a strong focus, at the top of the organisation, on those most significant risks that would prevent the Authority achieving its vision and strategic objectives or would impact on our partners.

Devon & Cornwall Police Authority's commitment to risk management is a key part of its Code of Corporate Governance.

### RISK MANAGEMENT OBJECTIVES

- Increase the likelihood of achieving the Police Authority's vision and strategic objectives
- Prevent or reduce the potential consequences of events which could have been reasonably foreseen
- Prevent or reduce events or actions that could damage the reputation and public confidence of the Police Authority
- Improve decision making and planning, assist in the allocation of resources
- Integrate risk management into the culture of the Police Authority and its processes

- Raise awareness of risk management in all members and staff, making it an integral part of their thinking and actions
- Satisfy the requirements of corporate governance for the Annual Governance Statement, and the internal and external auditors as to the effectiveness and adequacy of risk management.

## **PRINCIPLES**

- Activity will be aligned to the Vision and strategic objectives. It will encompass all strategic and functional risks that may prevent the Authority from fulfilling its objectives
- Anticipate and manage risks rather than deal with the consequences
- Avoid creating a risk averse culture by taking an approach which considers the risks of not undertaking activities and not exploiting opportunities
- Mitigation measures should be effective, appropriate, proportional, affordable and flexible. Controls are not to be set up where the cost and effort is disproportionate to the expected benefits
- Procedures and controls are to be implemented with minimum bureaucracy

## **RISK PROCESS**

- Identification, description and evaluation of risks will be undertaken by members and staff through environmental scanning, discussion, workshops and those that become known from general working practices.
- Once a risk has been identified, it will be presented to the Chief Executive, Treasurer, Assistant Chief Executive and Policy Officer (Risk) for consideration of an appropriate response together with the identification of appropriate control measures.

An appropriate response will involve one or more of the following:

- Tolerating the risk.
- Treating the risk.
- Transferring the risk.
- Terminating the risk.
- Alternatively a risk, after evaluation, may present the organisation with an opportunity to deliver savings or efficiencies.

Once a risk has been evaluated and accepted, it will be entered on the Police Authority's Risk Register. The entry will include:

- The risk, clearly defining its cause, effect and consequence
- An indicator of whether the risk is strategic or functional
- The strategic objective to which it poses the greatest risk
- The overall risk value, and whether this has risen or fallen
- The control measures attributable to the risk
- The owner of the risk
- The responsibility holder
- The action plan to ensure mitigation activity occurs
- A review date for progress of the mitigation activity

Entries mitigated or that are no longer considered a risk will be closed and logged in an archive.

## **RISK SCORING MODEL**

A model below will be adopted to score risks to the Authority. Each will be scored the likelihood of the risk occurring and the impact this would have.

### **LIKELIHOOD**

- 1 – Very low: an event that is not expected to happen.
- 2 – Low: could occur at some time but with no more than a 25% chance of happening.
- 3 – Medium: to be expected.
- 4 – High: this will occur in most circumstances
- 5 – Very high: certain to occur.

### **Impact**

- 1 – Insignificant: very minor or no consequence. Negligible financial loss.
- 2 – Minor – little consequence. Modest adverse publicity. Less than £10,000 loss.
- 3 – Moderate: Modest reputational hit. Adverse publicity. £10,000 to £50,000 loss.
- 4 – Serious: ongoing reputational challenge or damage. Extensive local coverage and widespread coverage within policing or partners. £50,001 to £250,000 loss.
- 5 – Very serious: exceptional and long-term damage to reputation of Police Authority. Complete and long term loss of public confidence in Authority. National negative media coverage. Successful legal challenge against Police Authority. Loss in excess of £250,000.

## **RISK TOLERANCE**

The Corporate Governance Committee will establish the risk appetite for the Authority. This will be the combination of impact and likelihood scores for identified risks below which the risk is considered reasonable and will be tolerated within normal business practices.

The tolerance level will be clearly linked to the outcome and level of performance in each category and will be negotiated for each risk.

## **RESPONSIBILITIES**

### **POLICE AUTHORITY**

- Approve and review the Code of Corporate Governance, Annual Governance Statement and Risk Management Policy setting out the Authority's commitment to risk management and governance.
- Embrace risk management in its governance and decision making processes.

### **CHIEF EXECUTIVE**

- Oversee a corporate approach to risk management
- Maintain the Authority's Strategic Risk Register
- Review and where appropriate update the Authority's risk management policy
- Ensure members and staff have access to appropriate training and development opportunities to understand risk management
- Ensure risk management is a standing agenda item at monthly staff meetings.
- Feedback to Authority members/ officers, as appropriate, issues of concern or interest raised during the Chief Officer Group's consideration of the Force Corporate Risk Register.
- Report to the Corporate Governance Committee on risk management activity throughout the Authority when appropriate but at least biannually.

### **Corporate Governance Committee**

- Approve, support and monitor the implementation and ongoing processes for identifying and managing the Authority's key risks

- Scrutinise the content and effectiveness of the Risk Register
- Receive an annual assessment from the Chief Executive on compliance with the risk management policy
- Receive reports from the Treasurer/Deputy Treasurer on risk management activity throughout the Authority
- Review the annual governance statement and Code of Corporate Governance
- Ensure the Constabulary has appropriate arrangements in place to identify risks to its business and service delivery and apportion an appropriate level of resources to mitigate these risks and their controls.
- Ensure appropriate arrangements are in place to align Authority and Force risk management arrangements.

### **INTERNAL AUDIT MANAGER**

- To offer professional advice to but not to guide the development of risk management processes with the Police Authority.
- To deliver training and raise awareness of risk management and the factors influencing it to better enable members and officers to fulfil the requirements of this policy.

### **Policy Officer (Risk)**

- To update, maintain and keep under review the Police Authority's Risk Register and bring any urgent issues to the attention of the Chief Executive.
- Attend the Force Risk Review Group and report back to the Chief Executive any issues of concern.
- Keep abreast of issues affecting the management of risk, particularly in relation to policing.
- Undertake environmental scanning to identify areas of approaching risk.
- Contribute to the development of the Authority's risk management processes.
- Facilitate risk workshops and internal risk management meetings to support the maintenance of the risk register.

### **Report Writers**

Decisions by the Authority and its committees need to be made in the full knowledge of all relevant risks. Accordingly, all reports must include an assessment of the risks associated with the report and how they are to be managed or mitigated. In producing the report the originator should examine the Authority's Risk Register in order to establish whether there will be any impact upon the existing entries. If any changes are foreseen, the report should contain sufficient information to update the Register.

### **Committees**

When receiving and considering reports, committees should include assessment of risks as part of their decision making.

### **Risk owners**

Receive updates of entries in the Risk Register from the Chief Executive, take ownership of the risk and ensure that the action plan is addressed.

### **All Members and Staff**

- Gain an understanding of risk and the benefits of its management
- Support and participate in risk management activities

## **TRAINING**

- Members of the Corporate Governance Committee will undertake risk management training and attend briefings and development workshops according to their role.
- All members of the Police Authority will be offered risk management awareness training as appropriate and particularly upon joining the Authority.
- The Policy Officer (Risk) will receive an appropriate level of risk management training accredited by the Institute of Risk Management.

## **REVIEW**

- This Policy and the Police Authority's arrangements for risk management will be reviewed annually in preparation of the Annual Governance Statement.
- This Policy will be reviewed in September 2011 to ensure continuing compliance with legislative and best practice principles.

## INITIAL DIVERSITY SCREENING AUDIT FOR POLICE AUTHORITY POLICIES AND FUNCTIONS

**DOCUMENT: RISK MANAGEMENT POLICY**

**AUDITORS: Eelke Zoestbergen.**

**Date :**

- The following provides a set of questions to be applied by those persons involved in auditing, drafting or amending Police Authority policy, procedures or working practices.
- The questions are prompts to ensure compliance with the key principles of the Race Relations (Amendment) Act 2000 and other diversity principles.
- This completed document must be attached to any policy subjected to this form of review, as this will demonstrate what steps have been taken by the Police Authority to ensure compliance with the Race Relations Act Amendment) Act 2000 and other diversity principles especially those relating to disability, age, gender, religion/belief or sexual orientation.
- The policy/function will be audited firstly from the viewpoint of a generic policy/function that could be used in any organisation and then secondly specifically from a Devon & Cornwall Police authority viewpoint;
- In an authority as small as Devon & Cornwall Police Authority, great care must be taken to ensure that actions such as monitoring activities do not provide opportunity for disclosure of information about an individual.

<u>ISSUE</u>	<u>Question</u>	Response (THIS SECTION SHOULD BE COMPLETED BY THE INDIVIDUAL AUDITING OR DRAFTING POLICY/PROCEDURE/PRACTICE AND PROVIDES THE EVIDENCE TO SUPPORT ANY CERTIFICATION OF COMPLIANCE)	Page REFERENCE (cross reference to section in policy which addresses the issues raised)
<b>Initial Screening for key Human Rights Principles</b>	1. What is the intention of this policy/procedure/working practice?	See introduction and objectives	<i>Page 1</i>
	2. Have the contents of this policy been previously audited for human rights compliance?	New policy	

<b>ISSUE</b>	<i>Question</i>	Response (THIS SECTION SHOULD BE COMPLETED BY THE INDIVIDUAL AUDITING OR DRAFTING POLICY/PROCEDURE/PRACTICE AND PROVIDES THE EVIDENCE TO SUPPORT ANY CERTIFICATION OF COMPLIANCE)	Page REFERENCE (cross reference to section in policy which addresses the issues raised)
	<p>3. Is there any <b>potential</b> interference with an individual's rights contained in the policy as set out in the Convention Articles? If <b>yes</b> please provide details and evidence and undertake a full impact assessment by completing the relevant template.</p>	No	
<p><b>GENERAL DUTY TO PROMOTE RACE EQUALITY AND OTHER DIVERSITY PRINCIPLES BOTH INTERNALLY AND EXTERNALLY</b></p>	<p>4. Which if any of the three aspects of the General Duty does the policy/procedure have links with?</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> <i>Eliminate (racial) discrimination</i></li> <li><input type="checkbox"/> <i>Promote equality of opportunity</i></li> <li><input type="checkbox"/> <i>Promote good relations</i></li> <li><input type="checkbox"/> <i>The above 3 principles (eliminating discrimination, promoting equality of opportunity and promoting good relations) in relation to race, disability, age, gender, religion/belief or sexual orientation.</i></li> </ul> <p><i>Does it support our statutory responsibility as outlined in The Children's Act 2004?</i> <i>Does it support our responsibility as outlined in Environmental Strategy?</i></p>	The policy has no direct links with the General Duty as such. There is an indirect link in that ensuring an effective and efficient risk management regime for DCPA will ensure that any risks relating to our General Duty are highlighted at the earliest opportunity and the necessary steps can be taken and appropriate controls put in place.	

<b>ISSUE</b>	<i>Question</i>	Response (THIS SECTION SHOULD BE COMPLETED BY THE INDIVIDUAL AUDITING OR DRAFTING POLICY/PROCEDURE/PRACTICE AND PROVIDES THE EVIDENCE TO SUPPORT ANY CERTIFICATION OF COMPLIANCE)	Page REFERENCE (cross reference to section in policy which addresses the issues raised)
	<p>5. Is there evidence or reason to believe that some groups could be differently affected by the policy/procedure/practice and if so, which groups e.g. people from a particular race, culture or belief, gender, sexuality?</p> <ul style="list-style-type: none"> <li>• How much evidence do you have? You should consider existing performance monitoring data recorded by the Police Authority and issues of public interest.</li> </ul>	No	
	<p>6. Is there any <b>potential</b> for policy/ procedure /working practice to be applied in a discriminatory manner with respect to race or any other group of people to which diversity principles apply?</p> <ul style="list-style-type: none"> <li>• How much evidence do you have? You should consider whether there is a chance for the policy to be applied disproportionately.</li> </ul>	No	
	<p>7. <i>Is there any evidence of public concern that the policy/ procedure /working practice has been or is being generated in a discriminatory way.</i></p> <p><i>How much evidence do you have? You should consider current and historical media and press interest.</i></p>	No	

<b>ISSUE</b>	<i>Question</i>	Response (THIS SECTION SHOULD BE COMPLETED BY THE INDIVIDUAL AUDITING OR DRAFTING POLICY/PROCEDURE/PRACTICE AND PROVIDES THE EVIDENCE TO SUPPORT ANY CERTIFICATION OF COMPLIANCE)	Page REFERENCE (cross reference to section in policy which addresses the issues raised)
	<p>8. Considering the answers to Qs 4-7, is the current policy/ procedure /working practice or proposed policy/procedure/ working practice relevant to the General Duty to promote race equality or the effect on any particular group of people?</p> <p>Please underline a level of priority.</p>	<p>None      <u>A little</u> (3)      Some (2)      A lot (1)</p> <p><b>If None, complete a brief explanation for your reasons.</b></p> <p><b>If the policy is assessed as having “some” or “a lot” of relevance, then a Full Race Impact Assessment needs to be completed.</b></p>	
<b>MONITORING IMPACT OF POLICY</b>	<p>9. Are current recording arrangements and data collection methods sufficient to allow the policy to be monitored with reference to any particular groups of people?</p>	<p><b>If <u>yes</u> please list what they are, where they are held and when and how they are collected.</b></p> <p>Yes, via main and sub Risk Registers – scrutinised and monitored via Corporate Governance Committee and full Police Authority.</p> <p><b>If <u>no</u> please identify what you think needs to be done to enable this policy to be appropriately monitored.</b></p>	

<b>ISSUE</b>	<i>Question</i>	Response (THIS SECTION SHOULD BE COMPLETED BY THE INDIVIDUAL AUDITING OR DRAFTING POLICY/PROCEDURE/PRACTICE AND PROVIDES THE EVIDENCE TO SUPPORT ANY CERTIFICATION OF COMPLIANCE)	Page REFERENCE (cross reference to section in policy which addresses the issues raised)
<b>BUREAUCRACY GATEWAY CHECKLIST</b>	10.What has changed or emerged to trigger this policy (if it is a new policy which is being audited)?	This is a new policy. Risk management is now recognised as one of the pillars of corporate governance and vital for effective performance management. The DCPA had no policy in place to manage to process.	
	11.Are the objectives of the Policy & Procedure clear?	Yes	
	12. Does the policy/procedure require new processes or documents for implementation (consideration must be given to the costs or of implementation against the anticipated benefits)	No	
<b>Freedom of Information Act Considerations</b>	13. Does the policy contain clear information about the application of the Freedom of information Act?  Is the policy / procedure to be published on the Authority's website - if no please give explanation	Yes  Yes	
<b>Declaration of Compliance</b>	14. Does the policy contain a declaration that it has been drafted in accordance with the Human Rights Act, Race Relations Act, Disability Discrimination Act, and the Freedom of Information act and the principles underpinning them?	Yes	

<b><u>ISSUE</u></b>	<i>Question</i>	Response (THIS SECTION SHOULD BE COMPLETED BY THE INDIVIDUAL AUDITING OR DRAFTING POLICY/PROCEDURE/PRACTICE AND PROVIDES THE EVIDENCE TO SUPPORT ANY CERTIFICATION OF COMPLIANCE)	Page REFERENCE (cross reference to section in policy which addresses the issues raised)
<b>Policy Review Date</b>	15. the suggested review date to ensure continuing compliance with legislative and best practice principles.	Review date Sept 2011	