

Committee(s): Police: Performance and Resource Management Sub Committee Police	Date(s): 31 st May 2016 30 th June 2016
Subject: City of London Police: Risk Register	Public
Report of: Commissioner of Police Pol 23-16	For Information
<p style="text-align: center;"><u>Summary</u></p> <p>The Force Strategic Risk Register has been reviewed as part of the quarterly assurance process maintained within the Force with notable amendments to the register as follows:</p> <ol style="list-style-type: none"> 1) SR 16: Continued pressure on funding streams reducing overall budget. This risk has been formally closed after review by Director of Finance as it was felt it no longer adequately reflected the Force position around budget and the risk had evolved. (Since this risk has been reviewed there have been developments in the Force budget position which will be debated at the next Risk and Business Continuity group on the 20th May 2016, an update of this will be provided verbally at the Sub Committee). 2) SR 23: Force unable to dynamically respond to funding stream changes. This is a new risk added to the register to replace SR 16. Information supplied by Director of Finance was used to reformulate the Force financial risk to reflect current position and work undertaken within finance to create a clear picture of Force budget position. 3) SR 20: Policy approval and management process leaves Force open to potential litigation. This risk was closed as a strategic risk and will be managed locally within the Chief Officer risk register. It was felt that the increased oversight provided by PMG and the improvement in force position meant that this risk was now being effectively managed. This risk had been assessed as Green for a number of quarters and the decision to remove from the strategic risk register reflected the improvement in position. <p>RECOMMENDATION</p> <p>It is recommended that Members note the content of this report.</p>	

Main Report

BACKGROUND

1. The Force Strategic Risk Register remains monitored on a quarterly basis. In March 2016 our risk and business continuity groups were merged into a single meeting to cover both agendas and ensure the clear link between risk management and business continuity was maintained to further join the management of these Governance processes together.
2. This report sets out the position of the Force Strategic Risk Register following the Risk Assurance Group held on 15th March 2016. The risk register has been amended and updated following this meeting and reported to SMB for oversight on the 26th April. The current position of the Force risk profile is reflected within this report for members' information.

CURRENT POSITION

3. In accordance with the City of London Corporation's responsibilities as a police authority, it is appropriate that your Committee is made aware of critical risks, which may impact on service delivery or performance, together with any plans to eliminate or mitigate critical risks, and the changing risk profile of the Force. WE therefore present the current position of our risk register for Committee to note.
4. The Force has initiated a risk assurance process to provide oversight to the risk register cascade and to provide a forum for the Assistant Commissioner to actively question all risk registers within the Force and allow Directors to collectively assess their risks and control measures. This aims to provide a top-down and bottom-up approach to the management of risk. This process is reviewed each year and refined where appropriate to ensure it remains fit for purpose and provides sound oversight to the risk process.
5. The assurance meetings have taken place on a quarterly basis since the 3rd May 2011. The last meeting to be held was chaired by the Assistant Commissioner on the 15th March 2015, where the Force risk profile for 2016/17 was reviewed, setting out the risk assumptions of the Force for the new financial year.

6. The Strategic Risk Register continues to be supported by a cascade of Directorate risk registers that are maintained and reviewed by Directors in support of the delivery of their portfolio business plans. Significant risks from Directors areas that they define as unmanageable by them alone are also discussed at the Risk Assurance Group to add information, where appropriate, to the Force risk profile. The position of the Force risks as at 4th May 2016 is detailed below:

Force Strategic Risk Profile Summary

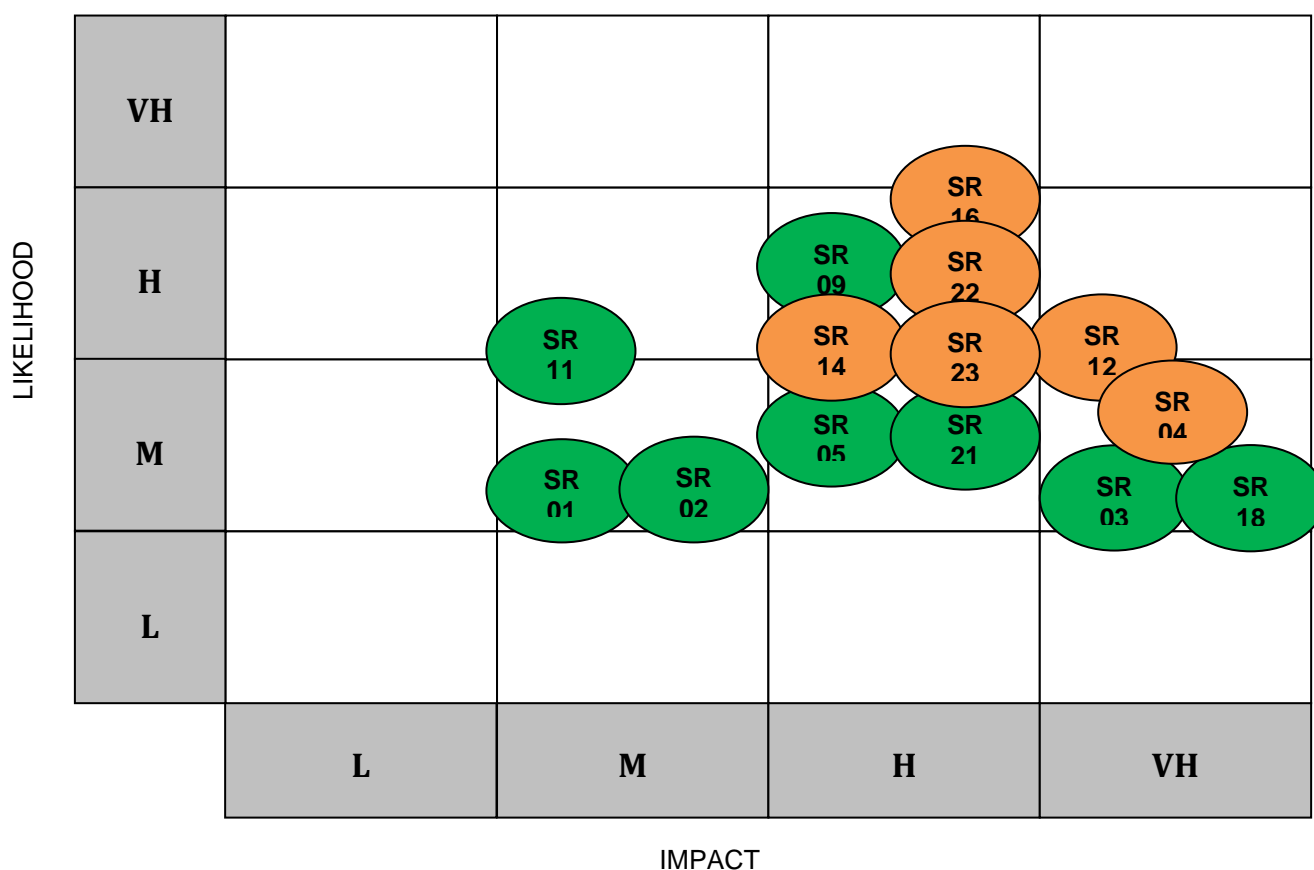
FORCE STRATEGIC RISK SUMMARY		Previous				Current				Trend			Control Colour
Ref	Description	I	L	C	RM	I	L	C	RM	I	L	C	
SR 01	Inadequate response to terrorism within the City	M	L	1	2	M	L	1	2	➡	➡	➡	GREEN
SR 02	Reduction in public confidence in the Force as a result of terrorist attack against City	M	L	2	4	M	L	2	4	➡	➡	➡	GREEN
SR 03	Inadequate management of a high profile event	VH	L	2	8	VH	L	2	8	➡	➡	➡	GREEN
SR 04	Underperforming as Lead Force for Economic Crime	VH	M	2	16	VH	M	2	16	➡	➡	➡	AMBER
SR 05	Reduction of staff morale/well-being	H	M	2	12	H	M	2	12	➡	➡	➡	GREEN
SR 09	Delivery of new Force Estate	H	H	1	12	H	H	1	12	➡	➡	➡	GREEN
SR 11	Delivery of Policing Plan Priorities and Measures	M	M	2	8	M	M	2	8	➡	➡	➡	GREEN
SR 12	Reduction of ECD external funding streams	VH	M	2	16	VH	M	2	16	➡	➡	➡	AMBER
SR 14	IT Business Continuity	H	M	3	18	H	M	3	18	➡	➡	➡	AMBER
SR 16	Impact of continued savings on Force Capability	H	H	3	27	H	H	3	27	➡	➡	➡	AMBER
SR 18	Vulnerability of Force IT network security being compromised	VH	M	2	16	VH	L	2	8	➡	⬇	➡	GREEN
SR 21	Inadequate response to a cyber investigation	H	M	2	12	H	M	2	12	➡	➡	➡	GREEN
SR 22	Rapid pace and scope of transformational change impacts on Force services, capability and functions	H	H	3	27	H	H	3	27	➡	➡	➡	AMBER
SR 23	Force unable to dynamically respond to funding stream changes	-	-	-	-	H	M	3	18	-	-	-	AMBER

Key: I: Impact. L: Likelihood. C: Control. RM: Risk Matrix Score (Full criteria contained within Appendix A)

Current Closed Risks May 2016

SR 06	Failure to contain expenditure within agreed budgets	CLOSED 14/08/12
SR 07	Increased dissatisfaction with quality & delivery of service to community.	CLOSED 04/03/13
SR 08	Adverse Impact of Jubilee, Torch Relay, Olympic & Paralympics Policing on Force capability.	CLOSED 21/11/12
SR 10	Delivery of Fraud Academy	CLOSED 28/11/12 To be managed at Directorate level
SR 15	Delivery of IAMM (Information Assurance Maturity Model)	CLOSED 03/12/13 To be managed at Directorate level
SR 13	Department Staff Vacancies affecting ICT Business Continuity	CLOSED 31/07/14 Reflecting SMB decision 16/07/14
SR 19	Failure in Provision of Custody Services	CLOSED 25/08/15
SR 17	Continued pressure on funding streams reducing overall Force budget	CLOSED 15/03/16
SR 20	Policy approval and management process leaves Force open to potential litigation	CLOSED 15/03/16 To be managed at Directorate level

CONTROL ASSESSMENT MAY 2016



7. The Force Risk Assurance Group discussed the risk profile in detail at their last meeting, details of the existing risks are provided below for reference:
8. There were three main changes to the Force risk profile during the review at the last risk and business continuity meeting; these were:
 - **SR 16: Continued pressure on funding streams reducing overall budget.** This risk has been formally closed after review by Director of Finance as it was felt it no longer adequately reflected the Force position around budget and the risk had evolved. (Since this risk has been reviewed there have been developments in the Force budget position which will be debated at the next Risk and Business Continuity group on the 20th May 2016, an update of this will be provided verbally at the Sub Committee).
 - **SR 23: Force unable to dynamically respond to funding stream changes.** This is a new risk added to the register to replace SR 16. Information supplied by Director of Finance was used to reformulate the Force financial risk to reflect current position and work undertaken within finance to create a clear picture of Force budget position.
 - **SR 20: Policy approval and management process leaves Force open to potential litigation.** This risk was closed as a strategic risk and will be managed locally within the Chief Officer risk register. It was felt that the increased oversight provided by PMG and the improvement in force position meant that this risk was now being effectively managed. This risk had been assessed as Green for a number of quarters and the decision to remove from the strategic risk register reflected the improvement in position.
9. These reflect the main discussions of the risk and business continuity meeting that made changes to the risk profile.
10. Details of the existing risks within the register are provided for an overview of position.

- **SR 01: Inadequate response to terrorism within the City:** This is a long standing risk within the strategic risk register that is maintained to ensure that the Force has sound oversight on this priority area. The controls and assessment are robustly reviewed at the risk and business continuity group to ensure that the Force retains sufficient capability to effectively mitigate this risk.
- **SR 02: Reduction in public confidence in the Force as a result of a terrorist attack against the City:** As with SR 01 this risk is retained on the risk register to ensure corporate oversight is maintained. This risk is reviewed to ensure controls remain current and the Force is in a position to effectively mitigate the risk should it be realised.
- **SR 03: Inadequate management of a high profile event:** This risk is substantially managed within the register and as with the previous 2 is maintained to ensure the Force retains oversight and regularly reviews controls in this area to ensure it is prepared should the risk be realised.
- **SR 04: Underperforming as Lead Force for Economic Crime:** While still reported as Amber this risk position has been reviewed and refined within year to reflect all the work undertaken to mitigate it.. This reflects an improving position and rising maturity of Force controls to manage this risk. While still scored as Amber this risk is being managed towards Green as performance is closely monitored within ECD and controls continue to become more robust.
- **SR 05: Reduction of staff morale/well-being:** This risk allows the Force to track how staff morale is being managed and if there is the potential for a negative impact on services delivered. While currently scored Green this risk may be influenced by the future staff survey and will be re-assessed as the structural changes within Corporate services are made and embedded.
- **SR 09: Delivery of new Force Estate:** this risk provides oversight to any potential issues with implementing the accommodation project. It is currently scored as Green but will

be re-assessed once the next phase of the programme commences.

- **SR 11: Delivery of Policing Plan Priorities and Measures:** This risk covers the ability of the Force to deliver its in-year priorities. Should adverse performance issues be highlighted at PMG that impact a number of measures this risk will be reassessed. This will be refreshed at 1st April to take into account the 2016/17 Policing Plan.
- **SR 12: Reduction of ECD external funding streams:** While still reported as Amber this risk has been reviewed extensively within yea and reflects an improved position from the start of the year with the maturity of controls and assessment of position.
- **SR 14: IT Business Continuity:** The implementation of IAAS will significantly improve the position of this risk and at the time of writing this process is nearing completion with the server moves taking place. Once this has been completed the risk will be re-assessed to reflect the improved position within Force.
- **SR 16: Impact of continued savings on Force Capability:** This risk reflects the current financial challenges facing the Force and how this may impact on our capability to deliver the core policing services we are required to provide within the City. This is currently scored as Amber reflecting the current financial situation, although a balanced budget has been forecast for next year there are continued financial pressures which could impact on our ability to deliver services.
- **SR 18: Vulnerability of Force IT network security being compromised:** This risk is now scored as Green having started the year as Amber. This reflects the discussions and work under taken at IMB and shows the security work that continues to ensure the integrity of the Force IT network is maintained.
- **SR 21: Inadequate response to a cyber investigation:** The inclusion of this risk reflects the increased profile of Cyber Crime and ensures that the Force retains oversight of its capability to manage this crime threat and respond accordingly.

- **SR 22: Rapid pace and scope of change impacts on Force services, capability and functions:** This risk was raised by the Commissioner for inclusion in the risk register last year to ensure the Force managed the amount of change it was going through effectively and had strategic oversight of this change within the risk profile. It is currently assessed as Amber reflecting the scope and extent of the change facing the Force.
- **SR 23: Force unable to dynamically respond to funding stream changes:** This is the new risk raised to replace SR 17 reflecting the work undertaken within finance to define and balance the budget for next financial year.

11. The next risk and business continuity group is scheduled for the 20th May where the risk profile will be discussed before the next scheduled meeting with the Police Committee risk lead.

OTHER SIGNIFICANT IMPLICATIONS

12. Robust implementation of risk management ensures the Force can address the barriers and opportunities it faces so that it continues to comply with all of its obligations, statutory and non-statutory.

CONCLUSION

13. The risk profile of the Force is continually reviewed and updated quarterly by the Force Risk Assurance Group. The Police Committee are kept informed of the Force Risk Profile to ensure they are briefed of new and emerging risks and any significant change in existing risk scores as part of the Force's assessment of its own risk profile.

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Appendix A: Force Risk Scoring Criteria

FORCE RISK SCORING CRITERIA**IMPACT ASSESSMENT TABLE**

Risk Area	Impact Level			
	Low	Medium	High	Very High
Financial	Can be managed within service budget. Or – Results in a financial loss of £10K or less to the Force.	Can be managed within overall budget. Or – Results in a financial loss of £50K or less to the Force.	Will need major budgetary re-allocations and / or savings. Or – Results in a financial loss of between £50K - £250K to the Force. Or – Up to 10% of budget. (Which ever is smaller)	Will need to borrow - a major financial threat. Or – Results in a financial loss of over £250K to the Force. Or – Up to 25% of budget. (Which ever is smaller)
Health & Safety	Incident resulting in minor cuts and bruises.	Incident resulting in broken limbs.	Incident resulting in hospitalisation.	Incident causing widespread injuries and/or deaths.
Reputation	Cursory mention in local press and/or government / audit reports.	Definite adverse mention in press and/or government / audit reports.	Front page on the Standard, possibly national press.	National and possibly international interest or questions asked in parliament.
Planning/Service Delivery	Minimal impact on service delivery. Or – Minor impact on Divisional plan achievement.	Significant impact on service delivery. Or – Disruption on Divisional plan achievement. Or – Minor impact on Force plan achievement	Major impact on service delivery. Or – Failure of a Divisional plan. Or – Disruption of the Force plan.	Catastrophic impact on service delivery. Or – Failure of the Force plan.
Project	Has the potential to materially affect a stage of the project. Or – Has a minor short-term impact on the delivery of a project stage.	Has the potential to cause weakness to the ability to complete a project stage within identified resources. Or – Has a moderate term or medium term impact on the ability of the project to be completed.	Has the potential to cause the failure of one of the project stages. Or – Has a large short-term or longer-term impact on the delivery of the project. Or – Impacts upon the delivery of associated projects.	Has the potential to cause the failure of the project. Or – Could cause other Force projects to fail.
Business Continuity	Has the potential to materially affect a Divisional output. Or – Minor impact on Force outputs. Or – Minor Impact on the ability of the Force to undertake its statutory duties.	Has the potential to disrupt a Divisional output. Or – Has the potential to materially affect a Force output. Or – Materially affects the ability of the Force to undertake its statutory duties.	Has the potential to cause a Divisional Output to fail. Or – Has the potential to disrupt a Force output. Or – Disrupts the ability for the Force to undertake its statutory duties.	Has the potential to cause the outputs of the Force to fail. Or – Serious disruption/impairment to Force capability/outputs. Or – Could cause the Force to fail to undertake its statutory duties.
Security	Could cause distress to individuals. Or – Loss of Force earning potential.	Has the potential to affect diplomatic relations. Or – Loss of earning potential to the City of London. Or – Prejudice individual security.	Has the potential to threaten life directly. Or – Facilitates the commission of serious crime. Or – Disrupt significant operations. Or – Significant loss of earnings to City of London.	Has the potential to affect the internal stability of the UK. Or – Cause widespread loss of life. Or – Raise international tension. Or – Threaten National finances.

LIKELIHOOD ASSESSMENT TABLE

Likelihood Probability			
Low	Medium	High	Very High
<p align="center">Negligible risk A probability of less than 30% of the risk occurring. Or This risk is a remote risk and it is envisaged that this may occur within a timescale of 4 years or more</p>	<p align="center">Possible risk A probability of between 30-70% of occurring. Or This is a risk that could occur in less than 4 years but in more than 2.</p>	<p align="center">Probable risk A probability of between 70-85% of being realised. Or This risk is likely to occur in a timescale of no more than 2 years.</p>	<p align="center">Certain risk A probability of 85% or more of occurring. Or It is likely that the risk will be realised within a twelve month period</p>

RISK MATRIX TABLE

LIKELIHOOD	VH	7	11	14	16
	H	4	8	12	15
	M	2	5	9	13
	L	1	3	6	10
		L	M	H	VH

Key: L= Low, M=Medium, H= High, VH= Very High

Control Assurance within the Risk Register

The Strategic Risk Register is contains the Corporate risks identified for the Force. Each risk has a suite of identified controls that have been scored individually following the criteria below:

Control levels

- 4) **None:** Although controls are being worked on there are none in place to mitigate the risk at this time.
- 3) **In Place:** Control measures have been introduced for the risk but there is no assurance as to their effectiveness, they remain untested.
- 2) **In Place & Tested:** Control measures have been introduced for the risk and they have undergone assurance testing. Additional measures or improvements have been identified but not implemented.
- 1) **Comprehensive & Tested:** Control measures have been introduced for the risk and they have undergone assurance testing, where appropriate improvements and additional controls have been implemented. There are currently no additional measures identified to mitigate the risk more effectively.

This score is reflected within the document next to each control assessed.

Force Risk Multiplier Numbers

Impact		Likelihood		Control	
Low	1	Low	1	Comprehensive & Tested	1
Medium	2	Medium	2	In Place & Tested	2
High	3	High	3	In Place	3
Very High	4	Very High	4	None	4