

SCOTTISH POLICE  
AUTHORITY

Meeting	SPA Audit & Risk Committee
Date and Time	23 October 1315 hrs
Location	The Royal Scots Club, Douglas Room, 29-31 Abercromby Pl, Edinburgh EH3 6QE
Title of Paper	SPA Risk Register
Item Number	16.1
Presented By	Graham Stickle
For Approval / For Information –	FOR APPROVAL
Appendix Attached: Yes or No	Yes

**PURPOSE**

1. To invite the Audit and Risk Committee (ARC) to note the Contents of SPA's Corporate Risk Register.

**BACKGROUND**

2. Risk is reported to the ARC quarterly.
3. In accordance with Schedule 1 section 11 of the Police and Fire Reform (Scotland) Act 2012, risks have been excluded from Appendix A if public knowledge of weaknesses identified could be detrimental to the operation of the organisation. Risks excluded will be reviewed in the private session of the meeting.
4. The risk register has been reviewed and approved by the SPA Senior Management Group.
5. A Strategic Risk Register, aligned to the priorities and objectives of the Strategic Police Plan, is currently under development and is anticipated to be presented to the ARC in January 2015.
6. As agreed at the March meeting of the ARC, the risks presented reflect the "top 10" risk to the organisation selected based on score and those with the most significant potential corporate impact on SPA.

**RECOMMENDATIONS**

7. The ARC is invited to note the risks shown at Appendix A and record of changes shown at Appendix B

Ref: SPA Audit & Risk Committee  
23 October 2014

**APPENDIX B – Changes since risks reported to ARC previously**

<b>Risk ID and Title</b>	<b>Change</b>
Oth-046. Resource available to deal with complaints	This risk is now closed reflecting that the recruitment of complaints staff is complete with all staff in post
Fin-009. Target savings for 2014/15 will not be achieved.	Probability reduced from 4 to 3 reflecting increasing confidence that the budget will be achieved.
Gov-020. SPA will be unable to demonstrate and evidence its function of holding the Chief Constable to account	Probability reduced from 3 to 2 reflecting the various methods (Board Meetings, Committees, working groups, forums, internal senior management meetings etc) in place that contribute to mitigating the risk.

Risk ID	Reported to SPA Board/ Committee	Description of Risk	Untreated Probability	Untreated Impact	Untreated Risk Rating	Control Measures	Current Probability	Current Impact	Current Risk Rating	Risk Score Trend	Risk Owner
Fin-013	Finance & Investment Committee and Board	There is a risk that the <b>target savings for 2015/16 and beyond will not be achieved</b>  Impact 1. Requirement to implement savings that are not in line with strategy and/or objectives 2. Requirement to seek additional funding from Scottish Government to bridge funding gap 3. Drop in service	4	5	Very High	<b>Complete:</b> 1. PSoS Corporate Strategy 2. Business change group (meets as required) 3. Police reform budget up to £70m available for 2015/16 4. Financial challenges workshop held on 14 July  <b>Ongoing:</b> 1. Identification of efficiencies to deliver balanced budget 2. Bids for POCA funding during financial year - £10m assumed for 2015/16 3. Budget review from SG expected Oct 15  Notes:- Indicative budget for 2015/16 known Risk anticipated to reduce as plans are developed and implemented to deliver efficiency savings  <b>Risk Owner Assessment:</b> The significant challenge ahead is recognised. Work to identify savings is a priority. This risk is anticipated to reduce as savings are identified and plans are firmed up for delivery.	4	5	20 Very High  Previous Score 20 Very High  Target Score 1 Medium	↔	Chief Executive Officer
Oth-013	HR & Remuneration Committee and Board	There is a <b>risk that change across SPA and Police Scotland will not be managed</b> to an appropriate standard  Impact 1. Poor workforce morale/increased attrition and absence 2. Drop in productivity 3. Lack of staff buy-in 4. Potential for increased staff grievances/tribunal claims 5. Inability to achieve reform objectives 6. Potential drop in service delivery	5	5	Very High	<b>Complete</b> 1. SPA HR & Remuneration Committee meeting regularly to review key organisational change proposals prior to being submitted to the JNCC 2. Business Change Working Group set up to identify reform projects and associated savings 3. Formally agreed organisational change process in place to support change programme 4. Regular communication via intranet 5. Enhanced engagement between SPA Board and HR & Remuneration committee with unions and staff associations 6. Management of staff/officers reflecting their individual circumstances as part of consultation process 7. Programme of scrutiny approved by HR & Remuneration Committee April 14  <b>Ongoing</b> 1. Framework in place for monitoring KPIs such as sickness, attrition and ER activity including trend analysis to be reported to next HR & Remuneration Committee 2. Continued implementation of control measures  <b>Risk Owner Assessment:</b> With the scale of changes ongoing throughout Scottish policing this risk is anticipated to be significant for the immediate future. It will continue to be closely monitored.	4	4	16 High  Previous Score 16 High  Target Score 4 Medium	↔	Chief Executive Officer
Fin-009	Finance & Investment Committee and Board	There is a risk that the <b>target savings for 2014/15 will not be achieved</b>  Impact 1. Requirement to implement savings that are not in line with strategy and/or objectives 2. Requirement to seek additional funding from Scottish Government to bridge funding gap 3. Drop in service	4	5	Very High	<b>Complete</b> 1. Approval of budget for 2014-15 by SPA Board in March 2014 2. PSoS Corporate Strategy approved by SPA Board March 2014 3. SG confirmed that capital receipts can be allocated against spend  <b>Ongoing</b> 1. Continued use of reform funding up to £70m. 2. Management efficiencies of £10m to be targeted and realised during the year 3. On-going management reporting and monitoring 4. On-going reporting of budget (actual v planned) to Finance and Investment Committee and SPA Board 5. Ongoing bids for allocation of POCA funding 6. VR/ER progress update to SPA Board outlining savings achieved via that stream  <b>Risk Owner Assessment</b> Positive progress continues to be made reducing the budget gap. However, clarity on POCA funding required to give confidence in ability to deliver balanced budget at year end.	3	5	15 High  Previous Score 20 Very High  Target Score 1 Medium	↓	Chief Executive Officer

Risk ID	Reported to SPA Board/ Committee	Description of Risk	Untreated Probability	Untreated Impact	Untreated Risk Rating	Control Measures	Current Probability	Current Impact	Current Risk Rating	Risk Score Trend	Risk Owner
HR-018	HR & Remuneration Committee and Board	<p>There is a risk that SPA <b>staff will become disengaged</b> due to frustration caused by an accumulation of factors including lack of clarity on organisational structures and locations.</p> <p>Impact</p> <ol style="list-style-type: none"> <li>Poor workforce morale/increased attrition and absence</li> <li>Drop in productivity</li> <li>Lack of staff buy-in</li> <li>Potential for increased staff grievances/tribunal claims</li> </ol>	5	5	Very High	<p><b>Complete</b></p> <ol style="list-style-type: none"> <li>SPA Principles &amp; Practice approved at Board meeting 21 August</li> <li>Structure approved by SPA Board Feb 14</li> <li>Communication via SPA intranet as appropriate</li> <li>Group consultation completed</li> <li>SPA Head Office location PQ from 26 May</li> <li>Recruitment and selection of directors completed (July 14)</li> <li>Paper to JNCC 26/6/14 and HR &amp; Remuneration Committee 27/6/14 to close out the re-structure on the majority of business cases</li> </ol> <p>Control measures will have limited impact until clarity is achieved on an individual basis</p> <p><b>Ongoing</b></p> <ol style="list-style-type: none"> <li>Recruitment of all permanent staff to be completed by calendar year end</li> <li>Staff 1-1's and advertisement of posts ongoing as appropriate</li> <li>Local management team meetings 1-1's etc.</li> <li>Deal with concerns on an individual basis</li> <li>Work with PSoS to develop management information for review that will identify trends etc. to facilitate early intervention</li> <li>Staff event planned for November to communicate Business Plan and strategic organisational development</li> </ol> <p><b>Risk Owner Assessment</b></p> <p>Change can be unsettling. The time taken to finalise all roles has been longer than desired. However, work continues to finalise all posts as quickly as possible with staff communication being key</p>	3	4	12 High	↔	Chief Executive Officer
Gov-023	Board	<p>There is a risk that not having full knowledge and understanding of the <b>risk profile across Scottish policing</b> will hinder SPA's ability to fulfil its governance and assurance role.</p> <p>Impact</p> <ol style="list-style-type: none"> <li>Governance and assurance not completed to an appropriate standard</li> <li>Risk profile not considered in decision making</li> </ol>	5	3	High	<p><b>Complete</b></p> <ol style="list-style-type: none"> <li>Police Scotland and SPA risk registers reported to SPA Board on a quarterly basis</li> </ol> <p><b>Ongoing</b></p> <ol style="list-style-type: none"> <li>Development of strategic risks aligned to the Strategic Police Plan</li> <li>Mapping of risks to objectives and priorities</li> <li>Greater understanding of the risk profile across Scottish policing</li> </ol> <p><b>Risk Owner Assessment:</b></p> <p>Understanding the full scope and profile of risk across Scottish Policing is a key to the role of SPA. Development of a Strategic Risk Register will enhance overall understanding of the risk profile across Scottish policing.</p>	4	3	12 High	↔	Chief Executive Officer
HR-013	HR & Remuneration Committee	<p>There is a risk that the <b>ability to realise appropriate savings will be limited by national policy positions on workforce numbers</b></p> <p>Impact</p> <ol style="list-style-type: none"> <li>Inability to realise savings</li> <li>Requirement to support and manage supernumerary staff in parallel to new organisational structures</li> <li>Challenges due to geographical location of roles not matching location of staff</li> </ol>	5	3	High	<p><b>Complete</b></p> <ol style="list-style-type: none"> <li>Supernumerary policy in place</li> <li>Supernumerary staff have preferential treatment when applying for posts</li> <li>Agreed VR/ER in place for 2014/15</li> <li>2015-16 VR/ER early position paper to be presented to HR &amp; Remuneration Committee in June 14</li> </ol> <p><b>Ongoing</b></p> <ol style="list-style-type: none"> <li>Ongoing management of individuals impacted</li> <li>Update by PSoS to HR &amp; Remuneration Committee Aug 14</li> </ol> <p><b>Risk Owner Assessment</b></p> <p>The limited options for workforce numbers have been known since before the new Scottish policing structure was in place. We continue to embrace these limitations while maximising the opportunities to realise efficiency savings</p>	4	3	12 High	↔	Director of Governance & Assurance

Risk ID	Reported to SPA Board/ Committee	Description of Risk	Untreated Probability	Untreated Impact	Untreated Risk Rating	Control Measures	Current Probability	Current Impact	Current Risk Rating	Risk Score Trend	Risk Owner
HR-015	HR & Remuneration Committee and Board	<p>There is a risk that the <b>quality of applicant to support the permanent structure of SPA may not be at the level required</b> and/or anticipated primarily as a result of the grading structure</p> <p>Impact</p> <ol style="list-style-type: none"> <li>1. SPA does not operate to an appropriate standard</li> <li>2. Delays in fulfilling permanent structure</li> <li>3. Reduced or limited ability to support the statutory obligations of SPA</li> </ol> <p>Note: - Scale of risk will become clearer during consultation process</p>	3	4	High	<p><b>Complete</b></p> <ol style="list-style-type: none"> <li>1. Proposed structure presented to JNCC 6/2/14. Consultation ongoing</li> <li>2. Market supplement approved by HR &amp; Remuneration Committee April 2014</li> </ol> <p><b>Ongoing</b></p> <ol style="list-style-type: none"> <li>1. Consideration and discussion required on methodology to mitigate the risk as roles are filled the severity of the risk and mitigation required will become clear</li> </ol> <p><b>Risk Owner Assessment</b></p> <p>Progress continues to recruit for all positions in SPA. This risk will continue to be monitored and considered until the end of the current recruitment exercise.</p>	3	4	12 High Previous Score 12 Target Score 4 Medium	↔	Director of Governance & Assurance
Gov-020	Board	<p>There is a risk that <b>SPA will be unable to demonstrate and evidence it's function of holding the Chief Constable to account</b> due to:-</p> <ol style="list-style-type: none"> <li>1. Ineffective or inadequate governance</li> <li>2. Ineffective or inadequate scrutiny in public</li> <li>3. Ineffective or inadequate performance data</li> <li>4. Limited performance baseline data</li> </ol> <p>Impact:</p> <ol style="list-style-type: none"> <li>1. Not fulfilling scrutiny function</li> <li>1. Loss of trust from stakeholders</li> <li>2. Drop in reputation</li> <li>3. Held to account by Scottish Parliament</li> <li>4. Subject to scrutiny by Audit Scotland</li> </ol>	5	4	Very High	<p><b>Complete</b></p> <ol style="list-style-type: none"> <li>1. Reporting in place via Board and Committee meetings</li> </ol> <p><b>Ongoing</b></p> <ol style="list-style-type: none"> <li>1. Enhance performance reporting to support effective scrutiny and challenge</li> <li>2. Address points raised by Audit Scotland report on Police Reform</li> <li>3. Continued review of effectiveness</li> <li>4. Publication of Annual Review of Policing (including case studies) by June 2014</li> <li>5. Agreement and implementation of 2014-15 scrutiny priorities</li> <li>6. Finalisation of forward work programme for committees</li> <li>7. All papers issued to members in a timely manner</li> <li>8. SPA focus on the community impacts of police policies and decisions</li> </ol> <p><b>Risk Owner Assessment</b></p> <p>Holding the Chief Constable to account is a key role of SPA. Embedding the new structure of SPA, implementation of the scrutiny plan and forward work plans for committees will help embed holding the Chief Constable to account within the function of SPA</p>	2	4	8 Medium Previous Score 12 High Target Score 4 Medium	↓	Chief Executive Officer
Oth-046	Complaints & Conduct Committee and Board	<p>There is a risk that <b>resource available to deal with Complaints</b> in SPA may not be at the level required to support the volume of complaints received</p> <p>Impact</p> <ol style="list-style-type: none"> <li>1. Backlog of work</li> <li>2. Reputational damage</li> <li>3. Requirement to re-deploy staff on a temp basis</li> </ol>	5	4	Very High	<p><b>Complete</b></p> <ol style="list-style-type: none"> <li>1. Leave dates of staff deployed to complaints team extended</li> <li>2. Existing resource identified to oversee complaints team until permanent manager appointed</li> </ol> <p><b>Ongoing</b></p> <ol style="list-style-type: none"> <li>1. Two candidates have been identified for Complaints Co-ordinator roles - start dates end of June and Mid July</li> <li>2. Complaints and Conduct Manager role advertised externally 6th June</li> <li>3. Options being investigated for temp resource to support transitional period</li> </ol> <p><b>Risk Owner Assessment</b></p> <p>Risk has materialised due to a number of different factors. Recruitment of appropriate staff is key to address this risk. In the meantime temporary measures have been put in place</p>	Closed	Closed	Closed	↔	Director of Governance & Assurance