

## **MPA/MPS RISK MANAGEMENT STRATEGY**

### **Purpose, Aims and Objectives**

1. The Purpose of this Risk Management Strategy is to effectively manage potential opportunities and threats to the Authority and the Service achieving their objectives.
2. This Risk Management Strategy will achieve this purpose through:
  - Integration of risk management into the culture of the Authority and Service
  - Raising awareness of the need for risk management by all those connected with the delivery of services (including partners, suppliers and contractors)
  - Enabling the Authority and Service to anticipate and respond to changing social, environmental and legislative conditions.
  - Introduction of robust framework and procedures for identification, evaluation, prioritisation, control and monitoring of risk, and the reporting and recording of events, based on good practice.
  - Minimisation of the cost of insurable risk.
3. To achieve these aims and objectives, the following strategy is proposed;
  - Develop an Authority Risk Profile, allocate ownership of risks in the profile to members of MPA SMT and take appropriate steps to mitigate each risk
  - Develop a Service Risk Profile, allocate ownership of risks in the profile to members of MPS SMT and take appropriate steps to mitigate each risk
  - Establish clear accountabilities across the MPA/MPS for managing risk, roles and reporting lines
  - Acquire and develop the necessary skills and expertise to provide a centre of excellence for risk management
  - Provide for risk assessment in all MPA/MPS decision-making processes
  - Ensure that the resource allocation framework allocates (targets) resources for risk management as may be necessary from time to time
  - Ensure appropriate consideration of risk within all reviews of performance and subsequent improvement plans.
  - Develop toolkits, procedures and guidelines for risk management for use across the Authority and Service
  - Develop arrangements to measure performance of risk management activities against the aims and objectives
  - To make all partners, suppliers and contractors aware of the MPA/MPS expectations for risk management, both generally as set out in its risk management strategy, and more specifically in particular areas of service delivery.

### **Accountabilities, Roles and Reporting Lines**

4. A framework will be implemented that will address the following issues:
  - The different types of risk – operational and business
  - Where risks should be managed
  - Authority and Service roles and accountabilities for managing risk
  - The need for a “driving force” within the MPA/MPS
  - Prompt reporting of accidents, losses etc
  
5. The guiding principle behind MPA/MPS risk management is that wherever possible it should be embedded within existing management process
  
6. To enhance the MPA/MPS ability to mainstream risk management the Service will establish a Corporate Risk Management Group that will be the “driving force” behind developing and implementing the Authority’s Risk Management Strategy. This group will be led by the Director of Risk Management.
  
7. The Director of Risk Management will service the MPS Corporate Governance Strategic Committee and Management Board on all risk management matters. Each Management Board member will nominate an appropriate senior member of staff to undertake a Risk Management Sponsorship and Liaison role, acting as a link between their Business Group and the Corporate Risk Management Group. Sponsors for risk management will also be allocated at MPS OCU level.
  
8. The Director of Internal Audit will advise the MPA Audit and Risk Committee and Full Authority on all internal control matters. Each MPA Senior Management Team member will make arrangements for a Risk Management Sponsorship and Liaison role to link with the Director of Internal Audit.

### **Framework for Risk Management Reporting Lines**

<b>Group</b>	<b>Role</b>
MPA Full Authority	To receive an annual report on the effectiveness of MPA/MPS internal control and risk management and to approve the statement on internal control and risk management within the annual report and accounts
MPA Finance Committee	To formally approve the Risk Management Strategy on behalf of the Full Authority
MPA Audit and Risk Committee	To keep the MPA/MPS system of internal control and risk management under continuous review, and to be responsible for the preparation of the annual report on the effectiveness of MPA/MPS internal control and risk management

MPA Senior Management Team	To deploy the Risk Management Strategy and to identify, evaluate, prioritise, control and monitor the risks to the achievement of the MPA corporate strategy
MPS Management Board	To manage risks to the achievement of MPS corporate strategy, objectives and targets, develop and maintain the MPS Corporate Risk Profile, and receive an annual report on the effectiveness of MPS internal control and risk management.
MPS Corporate Governance Strategic Committee	To be responsible to Management Board for the deployment within the MPS of the Risk Management Framework, maintain oversight of MPS internal control and risk management environment, to receive quarterly reports from the Director of Risk Management and Director, MPA Internal Audit on risk management and internal control respectively, and to prepare the annual report on internal control and risk management for Management Board.
MPS Business Groups and OCUs	Business Groups - To appoint an SMT level risk management sponsor to be responsible for ensuring risk awareness within the Business Group, for the deployment of the MPS risk management framework, and to be the central point of contact for Corporate Risk Management Group OCUs – To appoint an SMT level risk management Sponsor to be responsible for ensuring risk awareness within the OCU, for the deployment of the risk management framework, and to be the central point of contact for risk management issues
MPA Officers, MPS Police Officers and Police Staff	To identify, evaluate, prioritise, control and monitor risks effectively within the scope of their remit and to report individual risks to their line manager where escalation may be required to ensure that a risk is managed appropriately

### **Skills and Expertise**

8. Having established roles and accountabilities for risk management, the Authority and the Service must ensure that they have the skills and expertise necessary. This will be achieved by a programme of embedding risk management within existing training and learning opportunities that addresses the individual needs of staff – this programme will not be “one size fits all”.
9. The programme will include relatively high level risk appreciation for Senior Police Officers and Police Staff, risk appreciation for more junior Police Officers and Police Staff, more detailed and intensive courses

### **Toolkits, Procedures and Guidelines**

17. A Risk Management Framework will be issued by CRMG under the auspices of the Corporate Governance Strategic Committee and will be available to all MPS Police Officers and Police Staff. This will provide guidance on all aspects of risk management and will be a practical “toolkit” that will introduce a consistent methodology to be followed throughout the Authority and the Service. The framework will be reviewed at least twice a year and on the occurrence of any major operational change/restructuring.

### **Monitoring the Impact of Risk Management**

18. A performance management framework will be developed to monitor the impact of risk management activities and the success of the Risk Management Strategy itself. Individual indicators will be developed to measure achievement of the aims and objectives.

<b>Aim/Objective</b>	<b>Indicator</b>	<b>Comment</b>
	<i>Work in progress</i>	

### **Key Risk Indicators**

19. For each risk on the MPA/MPS risk profiles a Key Risk Indicator (KRI) will be used to monitor the effectiveness of risk mitigation activity ensuring that a suitable balance is struck between the efficiency of the risk monitoring process and the extent of the risk exposure in each case. KRIs may be existing or new measures as necessary.

### **Risk Management across External Boundaries**

20. The Authority has long since seen the potential benefits and rewards from partnership working including with suppliers and contractors. It also recognises the risks involved. Whilst these risks can be managed by the Authority through formal contracts that clearly allocate risks to the appropriate parties, failure by either or any one of those parties to manage their risks can have serious consequences for the other(s).
21. Before entering into partnership, joint working or business contract arrangements, the prospective partners, suppliers or contractors should be requested for full details of their approach to risk management and asked to provide appropriate minimum evidence to support their response to integrate into existing procurement arrangements.

focusing on good practice in risk management for the Risk and Quality Assurance community, and specialist risk training where necessary (e.g. Business Continuity Planning).

#### **Risks and Decision Making Processes**

10. Risk needs to be addressed at the point at which decisions are being taken. Where MPA Officers, MPS Police Officers and Police Staff are required to make decisions they should be able to identify, evaluate, prioritise and control the risks associated with recommendations being made and action being taken. This necessitates the mainstreaming of risk management within training as described in the preceding section.
11. In addition to actually managing risks when making decisions, the MPA/MPS need to be able to demonstrate that reasonable steps have been taken to consider the risks involved in a decision. Where decisions are requested through reports to MPA committees, MPS Management Board and Strategic Committees risks must be addressed appropriately within these reports, ensuring that a suitable balance is struck between the efficiency of the decision making process and the need to address risk.

#### **Supporting Continuous Improvement**

12. Risk Management will be incorporated into MPA/MPS business planning processes with a risk assessment of all business aims being undertaken as part of drawing up business plans. Risk control measures will be fed into Service Improvement Reviews.

#### **Integrating Risk Management with Project Management**

13. A consistent approach to identifying, evaluating, prioritising, controlling and monitoring risk will be adopted and included in MPA/MPS project management methodologies. This will be used in all significant MPA/MPS projects, including the development of Authority/Service strategies.

#### **Integrating Risk Management with Performance Management**

14. Risk Management will be integrated into the existing performance management system.

#### **Best Value Reviews**

15. Before making recommendations, it is essential that risks are properly addressed in order to deliver the intended benefits. Each individual review must demonstrate this when submitted for approval through the Best Value process.

#### **Involvement of Elected Members**

16. Elected Members have a key contribution to make to the assessment of risks to the objectives of Authority corporate strategies and their input will be obtained to all risk assessment exercises relating to Authority objectives. Members will be involved in the annual MPA review of MPA/MPS internal control and risk management.