

REPORT TO: British Transport Police Authority
DATE: 30 September 2008
SUBJECT: Annual Risk Management Update
SPONSOR: Director of Finance & Corporate Services
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1. PURPOSE OF PAPER

- 1.1 To present an annual overview of the progress made with Risk Management over the last twelve months to the British Transport Police Authority (BTPA). A summary sheet of strategic risks for the past twelve months is attached as Appendix A.

2. RISK MANAGEMENT PROGRESS

- 2.1 Each Chief Officer and Area Commander has appointed a Risk Representative to act as the single point of contact in their Portfolio or Area. The Risk Representatives assist the Force Risk Management Coordinator to provide the necessary co-ordination and guidance of the Risk Management methodology to the senior managers and risk owners.
- 2.2 Risk Registers have been established in all Areas / Portfolios and workshops are held regularly with risk representatives to aid learning and discuss issues.
- 2.3 As well as the Strategic and Area / Portfolio risk registers, Project Management risks, Health and Safety risks, Business Continuity risks, Insurable risks and Civil Contingency risks are dealt with by those specialist areas.
- 2.4 Risk Management is a standing agenda item for a number of key BTPA and British Transport Police (BTP) meetings, including:
- The quarterly Audit and Corporate Governance (A&CG) Committee, chaired by the BTPA, which monitors BTP's system of internal control

- A quarterly Chief Officers' Group (COG) meeting, chaired by the Chief Constable ensures that the Chief Officers, as the sponsors of risks, have accountability for their mitigation and are responsible for approving new and closed Strategic Risks
- The monthly Corporate Assurance Group (CAG), chaired by the Director of Finance & Corporate Services, which monitors progress of mitigating actions and enacts recommendations from the A&CG Committee
- The quarterly Risk Committee chaired by the Director of Finance & Corporate Services ensures that areas of significant Strategic risk are identified and analysed
- Monthly or quarterly risk reviews held at Area and Portfolio meetings.

2.5 The accountability for Risk Management transferred from the Deputy Chief Constable to the Director of Finance & Corporate Service's Portfolio with effect from 1 April 2008 and a Corporate Risk Team when created. An interim Risk Management Coordinator was appointed following the departure of the previous postholder in January 2008. The new permanent postholder starts on 29 September 2008.

2.6 A number of enhancements have been made to current processes. These include moving to a 4 x 4 matrix for risk analysis and amending standard definitions for use in the matrix. The risk registers have been improved and standardised. Opportunities are being included in registers from October 2008 to ensure the positive side of risk is also captured.

3. AUDITS & REVIEWS

3.1 In January 2008 a risk management health check was commissioned and undertaken by Mr. Buckley from the Institute of Internal Auditors (IIA) to take stock of progress in relation to the implementation of risk management throughout the organisation.

3.2 In summary, the health check reported on "*the considerable progress made by BTP since 31 October 2006*" and that the risk management procedures were "*impressive with many examples of best practice identified*". Mr. Buckley himself reported that he was "*speechless*" given the extent of progress made over such a short period of time.

- 3.3 The health check found 47 items of good practice and only 13 suggestions where improvements might be made. While in 2006 the risk maturity of BTP could have been classed as low, the assessment now is that on a scale¹ of 1 to 5 *“BTP is well on the way to achieving Level 4”*.
- 3.4 PwC commenced its annual audit of risk management in February 2008, and reported at the end of May. They made five recommendations for BTP to address and identified four areas of good practice that have since been shared amongst risk representatives.
- 3.5 A review of Area / Portfolio risk registers and compliance with the Standard Operating Procedure (SOP) has also been undertaken. Nine of the Areas / Portfolios were operating in accordance with the SOP and had achieved a ‘Green’ rating. The remaining four are currently at ‘Amber’, partly due to staff changes, but are expected to have achieved ‘Green’ by the next internal review in December 2008.

4. MOVING FORWARDS

- 4.1 Despite the excellent progress made to date there are a number of areas which will benefit from enhancement and improvement. As a result of the various reviews and audits that have been undertaken during 2008, work is currently progressing in the following areas:
- Improving and updating the SOP, processes and procedures to encompass current best practice
 - Encouragement of Area Commanders and Chief Officers to have visible and effective involvement in the management of risks at both Area/Departmental and Force levels
 - Further training for Area Commanders and Department Heads and their teams to ensure risk management is used as an effective management tool and is specifically linked to the business planning process

¹ CIPFA – “It’s a Risky Business” provides advice on assessing the risk maturity of an organisation on five levels graded between ‘Risk Naïve’ (level 1) to ‘Risk Enabled’ (level 5).

- Reviewing and making recommendations for improvement to escalation processes, including the terms of reference of CAG and the Risk Committee
- Possible IT solutions for a risk management database
- Ensuring all key partnerships have appropriate risk management arrangements
- Consideration of the development of a corporate risk register and ensuring appropriate owners are identified.

4.2 BTP continues to collaborate with other police forces both nationally and regionally to identify, develop and promote best practice in respect of all issues pertaining to risk management in the Police Service. Particular emphasis is placed on issues that would benefit from the deployment of a national approach with the aim being to foster and encourage partnership working in respect of the development of risk management processes, procedures and procurement of services.

5. OVERVIEW OF THE STRATEGIC RISK REGISTER

5.1 The table below summarises BTP's Strategic Risks for the last 12 months. A full summary is attached as Appendix A.

Summary Table of BTP's Strategic Risk Register	
Description	Total
Strategic risks added during the last 12 months	6
Closed risks	11
Impacted risks (risk realised)	1
Open risks:	13
• Red risks (ratings 9,12,16)	2
• Amber risks (ratings 4,6,8)	6
• Green risks (ratings 1,2,3)	5

6. FINANCIAL IMPLICATIONS

6.1 There are no financial implications relating to this paper.

7. DIVERSITY ISSUES

7.1 There are no diversity issues relating to this paper.

8. RISK IMPLICATIONS

8.1 There are no risk implications relating to this paper other than described in Appendix A.

9. RECOMMENDATIONS

9.1 That Members note the contents of this paper and the progress achieved.