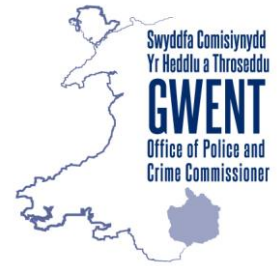


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Heddlu  
Gwent  
Police



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**GWENT POLICE  
AND  
OFFICE OF THE POLICE AND CRIME  
COMMISSIONER**

**JOINT STRATEGIC RISK MANAGEMENT  
STRATEGY 2019**

Last Updated: May 2019  
Date of Next Review: May 2020

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**1.0 File Introduction: SWYDDOGOL-DIM ANGEN MARC OFFICIAL - NO MARKING**

- 1.1 Risk Management is central to any organisation's strategic management and is a fundamental element of good corporate governance. It is a strategic decision making tool that assists an organisation in identifying and managing risks that would prevent or disrupt them from meeting objectives. It also protects the organisation whilst leading to improved decision making, better use of resources, optimises service delivery and organisational reputation.
- 1.2 Gwent Police (GP) and the Office of the Police and Crime Commissioner (OPCC) recognise that they have a responsibility to ensure there is an effective framework in place for managing risk and maximising opportunity. Such a framework enables a focus on the most significant risks that would prevent the achievement of the Organisation's vision and strategic objectives. To be effective, strategic risk management and its framework must be embedded into the culture of the Organisation as a shared responsibility.
- 1.3 Gwent Police and the OPCC are two corporations sole. However, the OPCC and Gwent Police have adopted a joint strategic management approach to managing strategic risk. It should be noted therefore, that where reference is made to 'the Organisation', for the purposes of this document the term refers to both the OPCC and Gwent Police jointly.

**2.0 Declaration**

- 2.1 This strategy has been drafted in accordance with the principles of relevant legislation and documentation, including:
  - The Accounts and Audit Regulations 2015
  - The Risk Management Standard (Institute of Risk Management).
  - Health and Safety Act 1974
  - Management of Health and Safety at Work Regulations 1999.
  - National Decision Model
  - College of Policing Code of Ethics

**3.0 Aim**

- 3.1 This Strategic Risk Strategy sets out the OPCC's and Gwent Police's joint approach to strategic risk management and outlines the supporting governance framework.
- 3.2 Strategic risks are those risks that will impact on the Organisation as a whole. They therefore require higher levels of management action and monitoring due to their potential impact. This strategy will be underpinned by a Joint Risk Management Policy and the Joint Strategic Risk Register (Risk Register)

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- 3.3 This Strategy aims to:
- Communicate Gwent Police and the OPCC's joint approach to Strategic Risk Management
  - Provide a definition of a strategic risk
  - Define the strategic risk management process within the Organisation
  - Outline roles and responsibilities for strategic risk management within the Organisation.

#### **4.0 Objective**

4.1 The objective of the Organisation in relation to strategic risk management is to:

- Continuously integrate strategic risk management into the culture of the Organisation and existing processes
- Prevent or minimise the potential consequences of events which could have been reasonably foreseen
- Prevent or reduce events and/or actions that could damage the reputation of the Organisation
- Improve decision making, planning and the allocation of resources
- Anticipate and respond to changing political, economic, sociological, technical, environmental, legal and organisational requirements
- Maximise the opportunity to achieve objectives and underpin corporate governance
- Preserve and enhance effective service delivery
- Protect its staff, public and communities.
- Continually review and improve risk management processes within the Organisation

4.2 Risk management also aims to support the main areas of strategic focus for the OPCC and force:

- Crime Prevention
- Supporting Victims
- Community Cohesion
- Tackling Anti-Social Behaviour
- Effective Service Delivery

These areas of strategic focus are interdependent and rely on each other. They support the Organisation's plans to keep people safe from harm.

4.3 Risk Management supports these areas of focus by:

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- Establishing clear roles, responsibilities and reporting lines for risk management
- Identifying and assessing on an on-going and timely basis the risks to which the Organisation is exposed
- Considered decision making, planning and prioritisation using unified procedures
- Maintaining a Joint Strategic Risk Register aligned to the OPCC and force's purpose and objectives
- Encouraging all staff to develop and maintain a risk management ethic and to report concerns accordingly.
- Ensuring that risk management is integrated into the Organisation's core management processes

## 5.0 Definition of Risk Management

5.1 The management of risk can be defined as:

"The combination of the probability of an event and its consequences (ISO/IEC Guide 73). In all types of undertaking, there is the potential for events and consequences that constitute opportunities for benefit (upside) or threats to success (downside)." *Institute of Risk Management – Risk Management Standard 2002*

- Strategic Risks are those that may affect the achievement of the organisation's strategy and objectives.
- Operational risks are those that affect an organisation's ability to execute its strategic objectives

The task of risk management is to manage exposure to risk, which is the probability of specific risks occurring and the potential impact if they did occur. However, risk management is also a tool for exploiting opportunities as well as being a safeguard. Best practice in Risk Management recognises that a certain amount of risk taking may be desirable in order to maximise opportunities but negative threats can potentially have a disastrous impact on delivery objectives.

## 6.0 Approach

6.1 There will be a two-tiered approach to managing risk within the Organisation. Firstly, the departmental/local level where risks relate to day to day, operational activities specific to that area. Where necessary, local area risks should be escalated to strategic risk level by using the risk process set out within this Risk Strategy. Secondly, the strategic level, which involves management of high level, corporate risks that could impact the OPCC and force as a whole and upon the achievement of the objectives of the

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**MARKING**

- 6.2 The OPCC may maintain its own risk register, holding those risks specific to the business of the OPCC only. Where necessary risks will be escalated to the strategic level and monitored through the relevant **Governance Board**.
- 6.3 Strategic risks, both new and current, are submitted and monitored within service area Governance Board meetings. Meetings take place on a monthly basis and are chaired by the service area Lead. Oversight of decisions made at these meetings is held within the Deputy Chief Constable's Scrutiny and Executive Board (SEB) attended by Heads of Service Areas, representatives from the OPCC, and staff associations.
- 6.4 It is the role of the Service Area Boards, SEB and the OPCC to:
- identify new and emerging risks
  - assesses risks for potential impact and probability
  - put into place mechanisms to absorb and control any consequences arising from a risk
  - monitor mitigation of registered risks
  - act as the driver for implementing strategic changes in risk management; and
  - integrate the management of risk with the business of the Organisation.

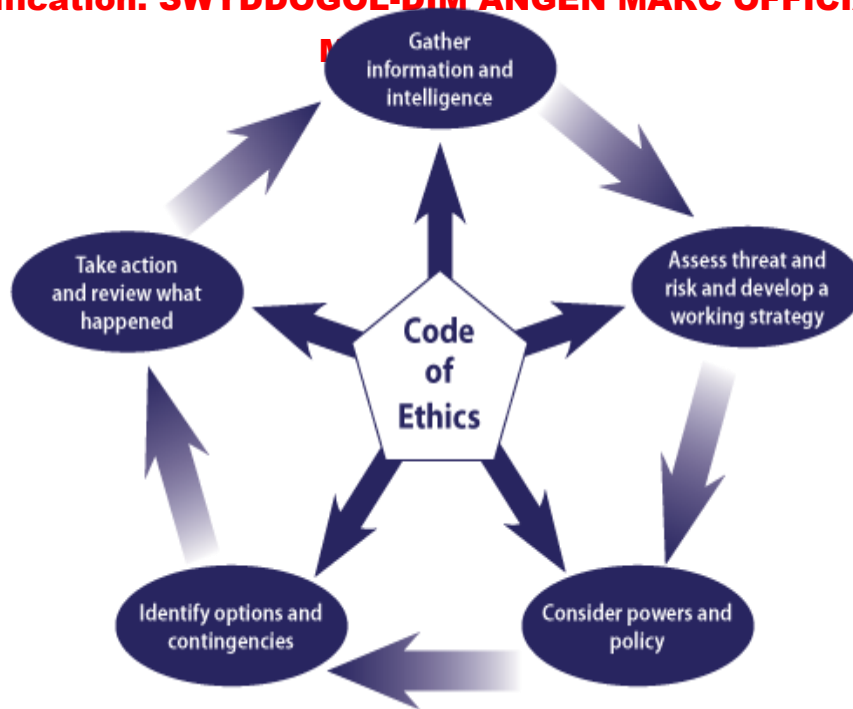
**7.0 The Risk Process**

- 7.1 In order to successfully manage risks, the Organisation follows the five effective stages of the Risk Management Cycle which are based upon the National Decision Model. These should be considered when assessing a risk:

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<sup>1</sup> Refers to both force and PCC objectives and priorities.

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The risk management process that is followed is set out in Appendix 2.

## 7.2 Risk Identification / Assessment

7.3 In order to manage risk, the Organisation needs to know what risks it faces, and to evaluate them accordingly. This is an essential process as it defines what we are to manage, measure and monitor. Any subsequent action plans to mitigate a risk will be flawed and ineffective if the risk is not correctly identified.

7.4 Risks may be identified from any area of the force. This includes operational policing, the OPCC, the Force Corporate Governance framework, internal and external audit and inspection activity, partnership and collaborative projects and service delivery. However, all staff members within the Organisation have the responsibility to identify and raise risks and should a local area/operational risk need to be considered as a strategic risk, a risk assessment<sup>2</sup> should be undertaken and escalated via the line manager to the Force Risk Manager for onward submission to the relevant governance board.

7.5 Following risk identification a risk assessment should be carried out for each risk or opportunity and a Risk Assessment Form (Appendix 1) must be completed prior to submission. Risks scored based on perception will not enable a true picture of the risk and mitigation may therefore not be sufficient

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<sup>2</sup> The Strategic Risk Assessment Form is available from the Force Risk Manager

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of appropriate staff completing the Risk Assessment Form should carefully consider and take into account the criteria outlined in the risk assessment matrix in addition to organisational knowledge. This will enable a true assessment of the risk's impact and probability.

7.6 As the risk matrix criteria sets out, careful consideration should be given to impact upon:

- Financial resources and assets
- Organisational ethics
- Reputation and public confidence
- Information Security
- Business continuity and service disruption
- Breaches of compliance, law and regulation
- Privacy Impact
- Staff, public and community

Every aspect of business will include some or most of the above and it remains the responsibility of all those who work for the Organisation to ensure that necessary protective measures are put into place.

7.7 There are two stages when assessing a risk – the initial phase that gives Risk Owners the *inherent* risk score and the post evaluation phase that achieves the *residual* risk score, which is then recorded on a risk register. Initial assessment through multiplying the *Probability* score by the *Impact* score will achieve the *inherent* risk score (prior to further detailed evaluation).

7.8 All risk assessment is affected to some degree by impression and subjectivity but risks do need to be assessed both in terms of their *likelihood* and *impact*. When assessing the level of likelihood and impact against the matrix criteria, the Organisation will use a number rating system of 1 – 4 (1 = Low, 4 = Critical) to summarise the measurement of risk level and threat (as outlined on the Strategic Risk Assessment form shown in Appendix 1).

7.9 The score attained from any of the columns in the impact table should be multiplied by the probability to give an initial risk score:

<b>Impact</b>	Critical	4	8	12	16
	High	3	6	9	12
	Medium	2	4	6	8
	Low	1	2	3	4
		Unlikely	Possible	Likely	Almost certain/ Certain
<b>Probability</b>					

Overall Risk Score = Impact Score x Probability Score

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<b>MARKING</b>			
Low: 1, 2, 3	Medium: 4, 6, 8	High: 9, 12	Critical: 16

- 7.10 Once completed and scored the Risk Assessment Form should be sent directly to the Risk Manager for onward submission to the relevant Board for review by its members. This scoring process will assist the Board in the overall assessment, treatment and management of that risk.
- 7.11 The Service Area Boards will view low and medium risks only. Key decisions from these Boards, such as an intention to remove or lower/escalate a risk, will be escalated to the SEB for final decision by the Chair (DCC). The SEB will review, monitor and maintain those risks rated Critical and High.
- 7.12 Risk Assessment Forms will be retained by the Risk Management Officer and the information contained within the Assessment will be entered onto the Joint Strategic Risk Register.
- 7.13 It is the duty of the Risk Management Officer to collate updated information on each risk to be presented at the Service Area Boards. It is the duty of the Force Governance Officer to collate the risk papers to be submitted to these Boards and inform the Risk Management Officer of the risk management action carried out at the governance Boards.
- 7.14 Risk Appetite

When reviewed, the risks need to be considered in terms of opportunity and threat, the impact on the capability of the OPCC and the Force, its delivery, performance and its reputation as defined by the impacts above. Therefore the Risk Appetite which is defined as “The amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time” (HM Treasury) will be an important part of this process.

There are five levels of Risk Appetite published by HM Treasury which are defined in the Table below:

<b>Appetite Levels</b>	<b>Description</b>
<b>Averse (Low)</b>	Avoidance of risk and uncertainty is a key objective.
<b>Minimalist (Medium / Low)</b>	Preference for ultra safe options that have a low degree of inherent risk and only have a potential for limited reward.
<b>Cautious (Medium)</b>	Preference for safe options that have a low degree of residual risk and may only have limited potential for reward.



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<p><b>Hungry (High)</b></p>	<p>Eager to be innovative and to choose options based on potential higher rewards (despite greater inherent risk).</p>

By establishing a clear position on risk appetite, decisions can be made as to how to prioritise each risk in order of when they should be pursued and for how long. The Organisation adopts a 'Cautious/ Medium' approach to strategic risk management with a preference for treating risks where possible.

How a risk will be addressed will be considered by using one of the approaches described below:

- **Transfer**      This may be done through conventional insurance methods etc.
- **Tolerate**      The ability to take effective action against some risks may be limited, or the cost of taking action may be disproportionate to the potential benefit gained.
- **Treat**          Most risks will be in this category. The purpose of treatment may not necessarily be to terminate the risk but to plan a series of actions to contain the risk to an acceptable level.
- **Terminate**    This involves quick and decisive action to eliminate the risk altogether.

The relevant **Governance Board** should initially chose how to treat a risk based on the risk assessment. It is therefore important that as much relevant detail as possible is included in the risk assessment, and mitigation plans are clear. These plans should include an action plan, tasks, cost, and timescales and risk treatment options should be prioritised in order of when they should be pursued and for how long.

Regular review and scrutiny of actions against the agreed timetable will allow the governance Board to monitor progress on risk mitigation and where necessary to decide when to tolerate the risk.

## 8.0 Insurance

Part of the Joint Risk Management Strategy includes the purchase of insurance cover to protect assets and liabilities. Insurance is a mechanism for the funding of losses, which cannot be reduced or eliminated, i.e. it is a

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plans to transfer the risk. It is not a substitute for risk management and must not be viewed as justification for unmanaged risks.

## 9.0 Monitoring/ Mitigating Risks

- 9.1 Once control action has been agreed by the Board these actions must be effectively monitored and managed and continually updated in response to changing external and internal events. To ensure this, assigned risk owners must provide update accounts to the assigned Governance Board within agreed timeframes. Risks that can be discharged following approved mitigation action can only be removed from the Risk Register following agreement by the SEB.
- 9.2 New risks and risk updates should be delivered at the relevant Governance Board by the appointed Strategic Risk Owner. Risk owners are therefore accountable and if they are unable to attend the Board they should ensure that a suitably informed delegate is in attendance at the meeting to present the risk.
- 9.3 When an established risk is reviewed by the relevant Governance Board, assessment cannot be based upon subjectivity or perception. Re-prioritisation and risk decisions should be continually based upon the force's risk matrix criteria, taking into account the revised likelihood and impact score.
- 9.4 All strategic risks are held on the Joint Strategic Risk Register which is held as a subsection of the Force Management Database. The Risk Register acts as one of the primary assurance mechanisms of risk management and corporate control. The Register is a live database that is reviewed and amended on an on-going basis and all risk entries will include:
- A risk identification code
  - A description of the risk, clearly defining the source and consequence
  - The risk owner
  - The control measures attributable to the risk
  - Mitigation action
  - A review date.

Entries mitigated will be closed and logged in an archive.

- 9.5 Access to the Strategic Risk Register is available to both police and OPCC relevant personnel via the Force Management Database hosted on the force Intranet. A login is required from the ICT department. This allows risk owners to monitor and update risks directly.

**10.0 Governance: SWYDDOGOL-DIM ANGEN MARC OFFICIAL - NO MARKING**

10.1 As set out above, Strategic Risk Management is reviewed within all of the Service Area Governance Board meetings together with other key strategic risk and business elements to ensure that risk awareness, identification and mitigation is fully integrated into all areas of the Organisation's business. Outside of the Service Area Governance Boards, risk management and reporting should run as a central theme through all meetings, ensuring that risks are discussed, registered and mitigated where necessary.

10.2 Risk Management is a key aspect of The Annual Governance Statement.

**11.0 Roles and Responsibilities**

11.1 Deputy Chief Constable:

Responsible for the management and governance of the Joint Strategic Risk Register on behalf of the Police and Crime Commissioner for Gwent and the Chief Constable.

11.2 OPCC:

Jointly identify, prioritise, manage and control risks facing the organisation and the public, maintain the OPCC risk register if held, maintain a strategic overview of risk management issues and report as appropriate to the relevant OPCC Board. Responsible for joint oversight and scrutiny of the Force's Strategic Risk Management.

11.3 Head of Strategy, Performance and Change Department:

Responsible for oversight of Strategic Risk Register, authorising the Corporate Strategic Risk Management Policy and Strategy and ensuring they remain up to date and fit for purpose.

11.4 Local Policing Area Commanders and Heads of Departments:

Responsible for identifying and managing risks within their portfolios and for managing individual risks within the Strategic Risk Register. Each identified strategic risk will have an appropriate appointed owner responsible and accountable for ensuring that prepared responses are timely and implemented and that overall progress of risk mitigation is monitored.

11.5 Operational Owners/ Heads of Service Areas:

Responsible for completing all actions as directed by supervisors and the Governance Service Area Boards and providing timely updates in relation to progression of risk mitigation. Identify and make decisions in respect of risks facing their department and escalate risks to a strategic level where appropriate.

11.6 Risk Management Officer/ Governance Officer:

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Responsible for ensuring strategic risk management records are properly maintained, the Strategic Risk Management Strategy and Policy are updated where necessary, decisions are recorded accurately and that clear audit trails exist in order to ensure openness and accountability.

11.7 All Staff:

Responsible for identifying any potential areas of risk or opportunity impacting on the organisation and bringing any risks to the attention of their line manager.

**Appendix 4**  
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**RISK MANAGEMENT**  
**RISK ASSESSMENT FORM**

Please complete the assessment below as fully as possible and return to Rachel Jones, Service Development Department.

<b>PART A (To be completed by the person identifying the risk)</b>			
<b>Subject</b> ( <i>Title of Potential Strategic Risk</i> )			
<b>Person Identifying</b> ( <i>Name, department</i> )		<b>Date</b>	
<b>Information Background</b> ( <i>include history of issue, source information, details of body or organisation, legislation. Attach supporting information where applicable.</i> )			
<b>Impact - Potential Risks or Opportunities Identified</b> ( <i>Nature and likely impact on Gwent Police and Gwent OPCC</i> )			
<p><i>Please consider the following when making an assessment. :</i></p> <ul style="list-style-type: none"> <li>• <i>Financial impact</i></li> <li>• <i>Policy</i></li> <li>• <i>Code of Ethics</i></li> <li>• <i>Staff and public confidence</i></li> <li>• <i>Data/ Information Security</i></li> <li>• <i>Legal implications</i></li> <li>• <i>Collaboration / partnership opportunities</i></li> <li>• <i>Service delivery</i></li> <li>• <i>Compliance/ complaints</i></li> <li>• <i>Corporate Manslaughter/ Health and Safety</i></li> </ul>			
<b>Areas affected</b> ( <i>Departments, service areas, partnerships, public</i> ).			
<b>Suggested Action</b> <i>Please consider the following:</i>			
<ul style="list-style-type: none"> <li>• <i>Outline action: State whether action already in place, or proposed</i></li> <li>• <i>Anticipated timeframe for completion based on the above</i></li> <li>• <i>Cost/ resourcing implications.</i></li> </ul>			
<b>Risk Score/Rating</b> (Please base your opinion on the criteria set out below:)			
Definition of Impact		Definition of Probability	
Critical 4	<ul style="list-style-type: none"> <li>• Major impact on finances/assets greater than £1million</li> <li>• Effect on Organisation/ Beyond Strategic – force boundaries, Home Office, partnerships, public, community</li> <li>• National media attention</li> <li>• Exceptional damage to reputation and public confidence</li> <li>• Multiple fatalities or permanent injuries</li> <li>• Very high impact upon business continuity / service disruption</li> <li>• Breaches of data, compliance, complaints, insensitive or unethical behaviour, corruption or misconduct having very high impact</li> </ul>	Almost Certain 4	<ul style="list-style-type: none"> <li>• Already occurring, newly occurred or likely to be a regular occurrence, daily, weekly, monthly.</li> <li>• 90%-100% chance</li> <li>• This will occur in most circumstances</li> </ul>

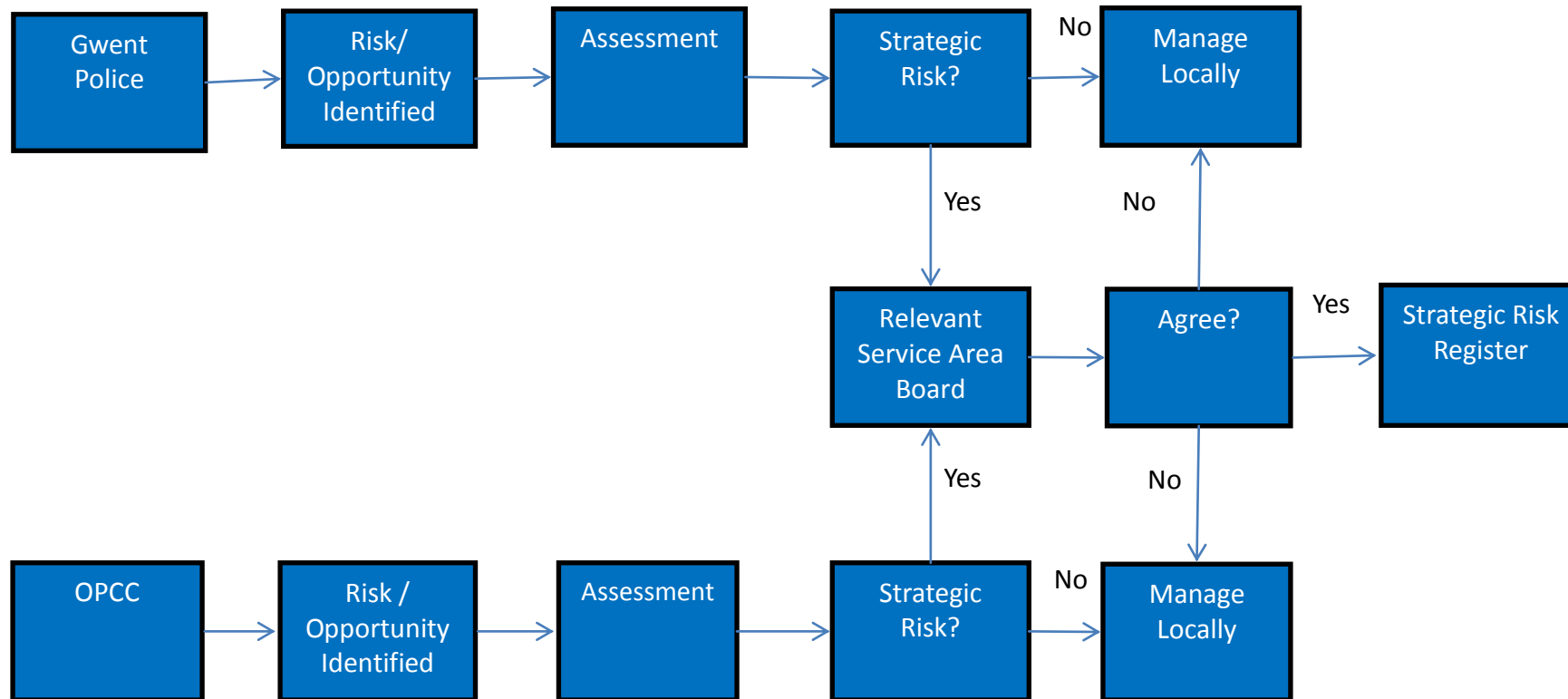
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High 3	<ul style="list-style-type: none"> <li>• National procedures, external facing policies</li> <li>• Serious impact on finances/assets greater than £500,000</li> <li>• High effect on the organisation</li> <li>• Regional media attention</li> <li>• Significant reputational damage and public confidence</li> <li>• Multiple fatalities or multiple permanent injuries</li> <li>• High impact upon business continuity/ service disruption</li> <li>• Breaches of data, compliance, complaints, insensitive or unethical behaviour, corruption or misconduct having high impact</li> <li>• External facing policies</li> </ul>	Likely 3	<ul style="list-style-type: none"> <li>• A reasonable chance that this could happen and may have occurred recently</li> <li>• 50% - 90% chance</li> <li>• Expected to happen</li> </ul>		
Medium 2	<ul style="list-style-type: none"> <li>• Significant impact on finances/assets greater than £250,000</li> <li>• Effect on Division/ Department level</li> <li>• Local media attention</li> <li>• Some negative reputational consequences and public confidence</li> <li>• Single Fatality or severe injury to staff member or public</li> <li>• Medium impact upon business continuity/ service disruption, relevant and noticeable by stakeholders</li> <li>• Breaches of data, compliance, complaints, insensitive or unethical behaviour, corruption or misconduct having medium impact</li> <li>• External/ internal facing policies</li> </ul>	Possible 2	<ul style="list-style-type: none"> <li>• Possible at some point. May occur annually or less frequently.</li> <li>• 25% -50% chance</li> </ul>		
Low 1	<ul style="list-style-type: none"> <li>• Minor impact on finances/assets up to and greater than £100,000</li> <li>• Unit/ Section level/ individual</li> <li>• Low impact upon business continuity/ service disruption</li> <li>• Minor/contained negative consequences relating to reputation and public confidence</li> <li>• Minor or slight injury to staff member or public</li> <li>• Breaches of data, compliance, complaints, insensitive or unethical behaviour, corruption or misconduct having low impact</li> <li>• Internal facing policies</li> </ul>	Unlikely 1	<ul style="list-style-type: none"> <li>• Unlikely to occur at any given point. May occur annually or less frequently.</li> <li>• 0% - 25% chance</li> </ul>		
<b>Gross Risk Score (Impact x Probability) (Without controls in place) =</b>					
Impact 1-4		Probability 1-4			
<b>Impact</b>	Critical	4	8	12	16
	High	3	6	9	12
	Medium	2	4	6	8
	Low	1	2	3	4
		Unlikely	Possible	Likely	Almost Certain/ Certain
<b>Probability</b>					
<b>Risk Level</b>					
Low: 1, 2, 3		Medium: 4, 6, 8	High: 9, 12	Critical: 16	

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APPENDIX 2

OFFICE OF THE POLICE AND CRIME COMMISSIONER AND GWENT POLICE STRATEGIC RISK MANAGEMENT PROCESS



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