

**Meeting:** Joint Audit Committee

**Date:** 16 June 2023

---

**The PFCC's strategic risk register**

**Report by:** Janet Perry, Chief Financial Officer, and Strategic Head of Performance & Resources.

**Contact:** As above

---

**1. Purpose of the report**

1.1. The purpose of this report is to brief the Joint Audit Committee on changes and exceptional strategic risks on the PFCC's strategic risk register and to summarise the overall strategic risk position for the PFCC.

**2. Recommendations**

2.1. The Joint Audit Committee should note the contents of this report, and approve, or challenge as necessary, the updated strategic risk register, attached at Appendix 1.

**3. Background**

3.1. The PFCC's strategic risk register has five categories which are:

- a) The Police and Crime Plan
- b) The Fire and Rescue Plan
- c) Use of resources
- d) Holding to account, and
- e) Other functions and statutory duties

3.2. There are 32 strategic risks on the PFCC's strategic risk register, which is one more than was reported to the Joint Audit Committee in March 2023.

3.3. The overall RAG scores of the strategic risks are shown in figure 1 below which illustrates that, since the previous report, at a summary level, the number of red strategic has increased by one to seven; the number of amber strategic risks has

increased by two to 25 and the number of green strategic risks has reduced by two meaning there are now no green strategic risks.

**Figure 1**

Summary of strategic risk scores			
Scores	Strategic risks in Current Report	Strategic risks in Previous Report	Movement
Red	7	6	+1
Amber	25	23	+2
Green	-	2	-2
<b>Total</b>	<b>32</b>	<b>31</b>	<b>+1</b>

**3.4.** Figure 2 shows the spread of the strategic risk scores and the RAG scores of all 32 strategic risks. The red arrows show the movement of the two strategic risks with deteriorating scores, the green arrow shows the movement of the strategic risk with an improving score and the new strategic risks are in blue.

**Figure 2**

Strategic risk scores					
20 - Catastrophic	20	40	60	80	100
15 - Major	15	34	40 90	55 73 77	75
10 - Moderate	10	33 54	15 58 66 71 79	52 70	78
5 - Minor	5	39 76	57 63 67 75 80	10 91	56
2 - Negligible	2	4	6	8	10
	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost Certain

3.5. A review of the strategic risk register shows that, since the last report, there is one new red strategic risk, one new amber strategic risk, one amber strategic risk with a deteriorating amber score, one amber strategic risk with an improving amber score, and one green strategic risk that has deteriorated to amber.

3.6. One green strategic risk is proposed to be de-escalated to the management risk register.

#### 4. Exception Reporting

4.1. Figure 3 below details the exceptional strategic risks

**Figure 3**

Strategic risk exception reporting - 32 Strategic risks - 12 exception reports		Score			
Risk No.	Risk (of not achieving)	Current	Target	Direction of Travel	Risk Appetite
<b>Police and Crime Plan - 12 strategic risks - 6 exception reports</b>					
14	Benefits from 7F collaboration	10	20	De-escalated to Management Risk Register	Cautious
72	Protection of vulnerable people & reduction in cycle of domestic abuse	60	45	No Change	Cautious
73	Reduction in violence against women and girls	60	45	No Change	Cautious
74	Improvement in the support for victims of crime	60	45	No Change	Cautious
77	Prevention of Business crime, fraud and cyber crime	60	30	No Change	Challenging
78	The encouragement of volunteers and community support	50	10	No Change	Challenging
<b>Fire and Rescue Plan - 8 strategic risks - 2 exception reports</b>					
55	The broadening of roles, developing a wider range of activities	60	20	No Change	Challenging
56	Being transparent, open and accessible	25	5	Deteriorating	Cautious
<b>Use of resources - 4 strategic risks - 1 exception report</b>					
10	Commissioning resources supporting the Police & Crime Plan	40	10	Deteriorating	Challenging
<b>Holding to account - 2 strategic risks - No exception reports</b>					
<b>Other functions and statutory duties - 6 strategic risks – 3 exception report</b>					
67	Appointment of LQCs and IPMs for police misconduct panels	30	10	Improving	Minimal
92	Appointment of Local Auditors from 2023/24 and beyond	60	5	New	Challenging
93	Compliance with Specified Information Order on publication of contracts	25	5	New	Cautious

4.2. The table shows

4.2.1. **The Police and Crime Plan** has 12 strategic risks, of which five are red. There is also one green strategic risk proposed as being de-escalated to the management risk register with no other exceptions to report.

4.2.2. **The Fire and Rescue Plan** has eight strategic risks, of which one is red, and one has a deteriorating amber score, with no other exceptions to report.,

4.2.3. **Use of resources** has four strategic risks, of which one has deteriorated from green to amber, with no other exceptions to report.

4.2.4. **Holding to account** has two strategic risks with no exceptions to report.

4.2.5. **Other functions and statutory duties** has six strategic risks, of which one is a new red strategic risk, one is a new amber strategic risk, and one is an improving amber strategic risk, with no other exceptions to report.

4.3. The 12 strategic risks identified for exception reporting in figure 3 are considered in further detail below.

**4.4.** There are six red strategic risks, which were also red in the last report, these are:

- 4.4.1.** Strategic risk 72 (Police and Crime Plan) relating to protecting vulnerable people and breaking the cycle of domestic abuse (DA). Essex experienced a 10.2% decrease (3,146 fewer) in the number of recorded Domestic Abuse (DA) offences for the 12 months to April 2023 compared to the 12 months to April 2022. Essex Police solved 2.9% (94) fewer DA offences for the 12 months to April 2023 compared to the 12 months to April 2022. There was a 6.6% decrease (1,948 fewer) in DA offences and a 4.8% increase (143 more) in the number of DA offences solved for the 12 months to April 2023 compared to the 12 months to December 2019., there was a 3.0% decrease (887 fewer) in DA offences and a 9.3% increase (280 more) in the number of DA offences solved. There were 3,145 fewer repeat victims of DA in the 12 months to April 2023 compared to the 12 months to April 2022 (14.8% less). There was also a decrease of 6.9% (1,426 fewer) compared to the 12 months to December 2019. Confidence that the policing response to protect children and vulnerable people (from the independent survey commissioned by Essex Police) is at 79.2% (results to the 12 months to September 2022). Compared to year ending September 2021, confidence has decreased by 10.1. The score for this strategic risk remains red despite some improvements in performance.
- 4.4.2.** Strategic risk 73 (Police and Crime Plan) relating to reducing Violence against Women and Girls (VAWG). Essex experienced a 7.8% decrease (3,114 fewer) in the number of Violence against the Person (VAP) offences committed against females in the 12 months to April 2023 compared to the 12 months to April 2022. There was a 6.3% decrease (311 fewer) in the number of Sexual Offences committed against females in the 12 months to April 2023 compared to the 12 months to April 2022, and a 22.3% increase (849 more) compared to the 12 months to December 2019. Essex Police solved 18 more of these offences in the 12 months to April 2023 compared to the 12 months to April 2022 and solved 104 more compared to the 12 months to December 2019. From the independent survey commissioned by Essex Police and the PFCC, 43.5% of females feel safe walking alone in their area after dark for the 12 months to December 2022 compared to 74.7% of males. Improving the safety of women and girls remains a priority and the strategic risk score for this priority remains red.
- 4.4.3.** Strategic risk 74 (Police and Crime Plan) relating to improving support for victims of crime. Essex experienced a 7.7% decrease (3,708 fewer) in the number of offences with a repeat victim for the 12 months to April 2023 (44,311 offences) compared to the 12 months to April 2022 (48,019 offences). The number of individual repeat victims decreased by 2.0% (458 fewer) for the 12 months to April 2023 (22,066 individual victims) compared to the 12 months to April 2022 (22,524 individual victims). Confidence among victims (from the independent survey commissioned by Essex Police and the PFCC) is at 61.0% (results to the 12 months to December 2022). Although this is 16.1 percentage points lower than confidence of non-victims for the same period (77.1%). The risk appetite for this strategic risk remains as cautious and remains with a red score.

- 4.4.4.** Strategic risk 77 (Police and Crime Plan) relating to the prevention of business crime, fraud, and cybercrime. Essex experienced a 10.7% increase (2,049 more) in the number of Business Crime offences and a 12.7% increase (383 more) in the number of these offences which were solved in the 12 months to April 2023 compared to the 12 months to April 2022. Essex Police have been working with businesses to encourage them to record more offences. There was a 12.0% decrease (2,885 fewer) in the number of Business Crime offences and a 30.5% decrease (1,493 fewer) in the number of Business Crimes solved in the 12 months to April 2023 compared to the 12 months to December 2019. Confidence that Essex Police are dealing with cyber-crime (from the independent survey commissioned by Essex Police and the PFCC) is at 50.4% for the 12 months to December 2022. The overall national judicial outcome rate for fraud crimes is at 11.0% for the 12 months ending March 2022 and although Essex is in line with this percentage, it is still low, and this strategic risk remains as red.
- 4.4.5.** Strategic risk 78 (Police and Crime Plan) relating to the encouragement of volunteers and community support. Having reached a peak of over 500 officers in 2021, the Special Constabulary has started to retract in size (310 end of April 2023) due to a combination of officers deciding to join the regulars and the cost-of-living pressures making volunteering more difficult. With the numbers having reduced by nearly 40%, this strategic risk increased to red last month and with the Special Constabulary reduced even further this period it remains red.
- 4.4.6.** Strategic risk 55 (Fire and Rescue Plan) relating to broadening the roles and the range of activities undertaken by the Service, in particular providing more protection and prevention. This priority remains at substantial risk and the strategic risk is still red.
- 4.5.** There is one new red strategic risk, which is
- 4.5.1.** Strategic risk 92 (Other functions and statutory duties) relating to the appointment of external auditors for the 2023/34 financial accounts and beyond. The procurement process commenced, to enable the selection and appointment of Local Auditors for 2023/24 and beyond. There were no bids received from the Invitation to tender. We then undertook discussions with our current auditors, who put forward a written proposal for a three-year contract for the three Essex bodies, with the option to extend for two further years. The Independent Audit Panel recommended to proceed. Once the local auditors understood the scale of the challenge, they were facing from the backlogs of their new audit contracts, (the current failures of PSAA, with audited financial statements not published according to statutory deadlines, has resulted in a significant backlog of overdue and unaudited financial statements for local bodies spanning financial years) and they decided not to proceed. Delay in the appointment could result in the audit for 2023/24 not being completed in time. In addition, we may come under external pressure to join the PSAA scheme, which has led to audited financial statements not being available in time and with our audited accounts being completely up to date, it is very unlikely that our 2023/24 audit would even start before the audit backlogs from other organisations are completed. The PFCC has written to the Home Secretary explaining the position and informing her that we are not NOW prepared to join PSAA

due to the failures in the scheme We are directly contacting the firms that are potentially able to be Local Auditors for organisations with gross expenditure or income over £500m. This is proving to be extremely challenging, and we are now two months into the first financial year that will be audited under the new contract. Given this is a statutory duty and we have not been able to identify a local auditor yet, the strategic risk has opened with a red score.

- 4.6.** There is one new amber strategic risk identified in this report, which is
- 4.6.1.** Strategic risk 93 (Other functions and statutory duties) relating to the PFCC's compliance against the Specified Information Orders. Essex Police, through the 7F procurement team, do not published the required level of information about contracts and tenders, which means that the PFCC is not complying with statutory obligations which may lead to the potential of legal action from suppliers or bidders and possible sanctions. At this stage there is no identified solution for producing this information and the PFCC is currently seeking legal advice. Once the legal advice is received the matter will be raised again at the PFCC's Performance and Resources Board. This strategic risk has been opened with a mid-amber score.
- 4.7.** There is one amber strategic risk which has a deteriorating amber score since the last report, this is
- 4.7.1.** Strategic risk 56 (Fire and Rescue Plan) relating to being transparent, open, and accessible. Quarterly audits are undertaken of compliance against the Specified Information Orders. The previous quarterly audit highlighted a number of areas where ECFRS were not compliant and where systems had been introduced making this hard to rectify. Work is underway to address this. The strategic risk moved to a low amber score in the last report and with no resolution in sight it has now moved to a mid-amber score in this report,
- 4.8.** There is one amber strategic risk, which had a green score in the previous report, this is
- 4.8.1.** Strategic risk 10 (Use of Resources) relating to The Community Safety and Community Safety Development Funds being used effectively to support the delivery of the Police and Crime Plan / Fire and Rescue Plan / Local Business Case. The Commissioning Officer role is vacant and PFCC capacity for commissioning is limited. This strategic risk score will improve again once an appointment is made and the pre recruitment checks are complete. This strategic risk has moved to a low amber score to reflect the reduced capacity during the period of the vacancy.
- 4.9.** There is one strategic risk, with an improved amber score since the last report, this is
- 4.9.1.** Strategic risk 67 ((Other functions and statutory duties) relating to the appointment of LQCs and IPMs for police misconduct panels. Following the outcome of a case against the Chief Constable of Avon & Somerset Constabulary, the LQCs were concerned by being faced with unlimited personal liabilities, while carrying out their duties. The mitigations that we put in place included, the PFCC providing LQCs and IPMs with an

indemnity letter for each case as well as an assurance that the PFCC for Essex has the continuing ability to meet any liability under the indemnities, if called upon to do so. The mitigations appear to have kept this risk under control since we opened it in December 2021, and it now has an improved amber score.

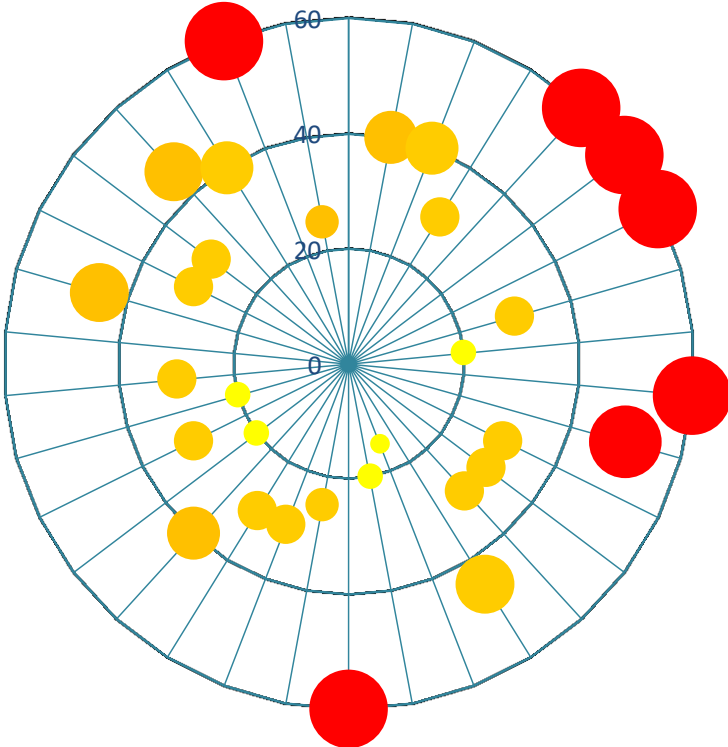
- 4.10.** There is one green strategic risk from the previous report, which is proposed as being de-escalated to the management risk register, this is
- 4.10.1.** Strategic risk 14 (Police and Crime Plan) relating to the benefits from 7F Collaboration, this strategic risk has had a score that is better than its target score for the last year, it was green in the last report and has remained green in this period, therefore it is proposed that this risk is de-escalated to the management risk register.

## **5. The strategic risk register**

- 5.1.** The full detail of each strategic risk is included at Appendix 1, which is the complete strategic risk register. Figure 4 below shows the spread of the current scores and the RAG ratings together with the spread of target scores and the RAG ratings for the strategic risks on the PFCC's strategic risk register. A summary of the strategic risk register is shown in figure 5.

Figure 4

Current RAG scores



Target RAG scores

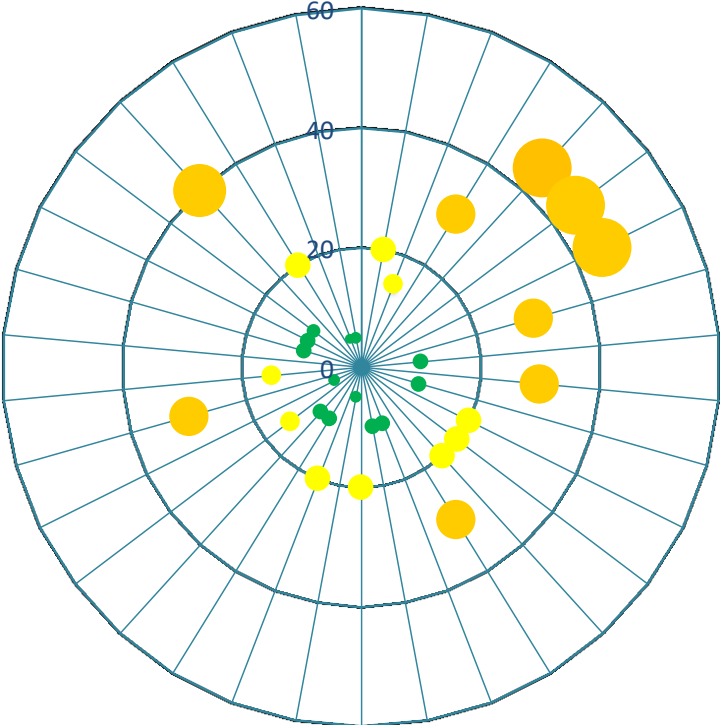




Figure 5

Strategic risk register - 32 strategic risks - 7 red and 25 amber		Score			Risk Appetite
Risk No.	Risk (of not achieving)	Current	Target	Direction of Travel	
<b>Police and Crime Plan -12 strategic risks - 5 red and 7 amber</b>					
52	Improvement in Safety on our roads	40	20	No Change	Challenging
70	Further investment in crime prevention	40	15	No change	Challenging
71	Reduction in Drug driven violence	30	30	No Change	Cautious
72	Protection of vulnerable people & reduction in cycle of domestic abuse	60	45	No Change	Cautious
73	Reduction in violence against women and girls	60	45	No Change	Cautious
74	Improvement in the support for victims of crime	60	45	No Change	Cautious
75	Protection of rural and isolated areas	30	30	No change	Challenging
76	Prevention of dog theft	20	10	No Change	Challenging
77	Prevention of Business crime, fraud and cyber crime	60	30	No Change	Challenging
78	The encouragement of volunteers and community support	50	10	No Change	Challenging
79	Supporting our officers and staff	30	20	No Change	Challenging
80	Increase in collaboration	30	20	No Change	Challenging
<b>Fire and Rescue Plan - 8 strategic risks - 1 red and 7 amber</b>					
15	Assurance of value for money achieved in contracts.	30	20	No Change	Challenging
40	Protection, prevention and response	45	30	No Change	Cautious
53	Protection of Vulnerable people, not exposed to preventable danger	15	10	No Change	Cautious
54	Promotion of a positive culture	20	10	No Change	Challenging
55	The broadening of roles, developing a wider range of activities	60	20	No Change	Challenging
56	Being transparent, open and accessible	25	5	Deteriorating	Cautious
57	Collaboration with partners	30	20	No Change	Challenging
58	Best use of resources	30	10	No Change	Challenging
<b>Use of resources - 4 strategic risks - 4 amber</b>					
10	Commissioning resources supporting the Police & Crime Plan	40	10	Deteriorating	Challenging
39	The setting of a balanced budget	20	15	No Change	Challenging
66	Forecasting not including too much downside	30	5	No Change	Challenging
90	Cost of living (budget, recruitment & retention impact)	45	30	No Change	Challenging
<b>Holding to account - 2 strategic risks - 2 amber</b>					
33	Joint Governance of Police and Fire & Rescue Services	20	30	No Change	Challenging
34	Positive outcome from future inspections of the ECFRS	30	15	No Change	Challenging
<b>Other functions and statutory Duties - 6 strategic risks - 1 red and 5 amber</b>					
61	Protection against fire in high-rise clad building/student accommodation	45	10	No Change	Cautious
63	Compliance with GDPR and Data Protection Act 2018	30	10	No Change	Minimal
67	Appointment of LQCs and IPMs for police misconduct panels	30	10	Improving	Minimal
91	Devolution proposal / PFCC functions and powers	40	20	No Change	Challenging
92	Appointment of Local Auditors from 2023/24 and beyond	60	5	New	Challenging
93	Compliance with Specified Information Order on publication of contracts	25	5	New	Cautious