

## Introduction

This help guide entitled:

[“4Risk Help Combined 2013 R&O Policy Procedure and Guide v1.0”](#)

combines:

[‘2013 Cambridgeshire Constabulary Risk & Opportunity Policy v1.0’](#)

with:

[‘2013 4Risk R&O Procedure & Guide v1.0’](#)

and:

[4Risk Default Help FAQs](#)

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## Additional help

If you are unable to locate the assistance that you require, please contact

[Corporate Risk Officer, Les McCracken on ext. 5728 or by email](#)

or

[Corporate Risk Manager, Neil Stacey on ext. 2467 or by email](#)

## **Cambridgeshire Constabulary Risk & Opportunity Policy**

1. The aim of the Risk & Opportunity Management Policy is to set out the Constabulary's approach to managing corporate and operational risks and opportunities that may affect its objectives.
2. The intention is to provide clarity and transparency across the organisation so that the Force Executive Board (FEB) and Police and Crime Commissioner (PCC) have clear visibility of the Constabulary's significant risks.
3. Cambridgeshire Constabulary maintains a corporate risk register based on RSM Tenon software entitled 4Risk. Risks are initially scored in terms of severity related to impact (1-4) and likelihood (1-4) and similarly rescored after any actions are taken into account. The score is the product of the impact and likelihood scores, with 1 being the least severe and 16 being the most severe.
4. Risks can be tolerated (accepted), transferred (e.g. insured, outsourced), treated (mitigated) or avoided. Actions may be undertaken to reduce the severity of the risk which is then rescored as described above. All High or Very High risks should be actioned urgently in order to reduce the severity.
5. Risks and opportunities that relate to collaborative opportunities with Bedfordshire Police and Hertfordshire Constabulary are held on the Orchid system on Herts network to which senior managers and the risk team within Cambridgeshire have access for monitoring purposes.
6. Risks and issues related to specific departments or projects including Civil Contingency and Health & Safety are held and managed by those areas outside 4Risk but where the relevant SMTs or corporate boards consider that they are of greater breadth, the risks will be escalated to FEB. Similarly, risks and opportunities identified through partnerships with other agencies will be escalated where appropriate.
7. The processes for conducting the Constabulary's business related to risks and opportunities are set out in "2013 4Risk R&O Procedure and Guide".
8. There is no specific individual budget for managing risks or realising opportunities but each may be escalated individually to FEB for consideration of funding. There is a small amount of contingency funding available for immediate resolution of risk issues impacting on staff safety.
9. Risks and opportunities are reviewed monthly by FEB on a rolling basis and quarterly by the PCC, emphasis being on the more severe risks.
10. Management of Risk within Cambridgeshire Constabulary is audited annually by internal and external auditors and their recommendations are factored into the policy and procedures.
11. The Freedom of Information Act 2000 applies but sensitive covert or operational areas may be declared exempt or be redacted from published papers.

12. The strategic risk register is a joint register shared with the Constabulary and Office of the PCC (OPCC). The controls are assured by the joint Audit Panel and FEB.
13. Printed copies of this policy, 2013 4Risk R&O Procedure and Guide, and reports from 4Risk should not be assumed to be current. Reference should be made to the relevant databases (including 4Risk) for current copies.

## Force Risks and Opportunities Procedure and Guide

**14 October 2013**

Owner: Risk Manager Neil Stacey, Risk Officer Les McCracken

### AIM

1. The aim of this guide is to outline the Risk and Opportunities (R&O) Management Process including a User Guide describing how risks/opportunities are entered into the R&O Register.

### THE RISK MANAGEMENT PROCESS

2. **Introduction** The Policy for R&O Management as applied to Cambridgeshire Constabulary is stated in the '2013 Cambridgeshire Constabulary Risk and Opportunity Policy' document dated 14 October 2013.

References to the Police & Crime Commissioner (PCC) in this document and in the policy document referenced above include its predecessor The Police Authority.

3. **Responsibilities of the Key Officers** The specific responsibilities of individual roles related to risk management in Cambridgeshire Constabulary are shown in Appendix A.

### 4. Risk Management Procedure

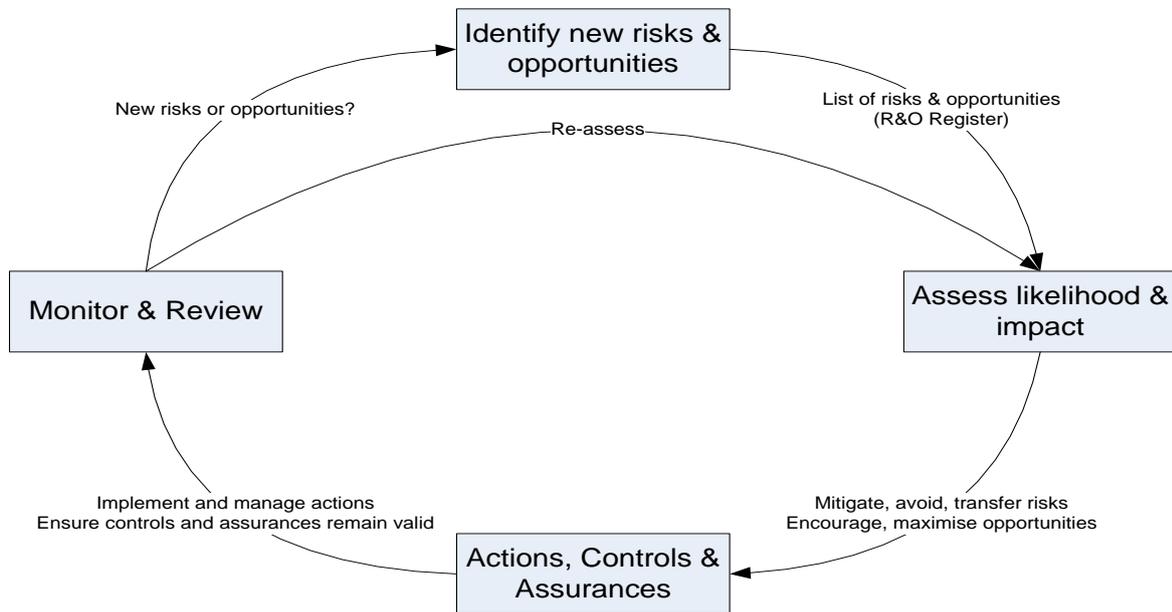
4.1 A risk is a potential **event** which may or may not happen, but if it does, will have an adverse impact on the Constabulary's ability to achieve its priorities (objectives) based on the most recent Police & Crime Plan. An opportunity will provide benefit to the Constabulary, if achieved.

4.2 When entering a risk in the R&O register, it is helpful to clearly state the nature of the risk, its cause (how/why it arises) and its impact if not treated. This will help identify the actions and controls required to treat the risk. In the case of an opportunity, treatment will be designed to maximise benefit.

4.3 The **Impact and Likelihood assessment** allows prioritisation of the risk or opportunity on a 4x4 matrix (explained in more detail in paragraph 10b). The priority (or criticality) of a risk or opportunity is the product of its likelihood of occurring and the impact (in terms of service level, costs, safety and/or damage to reputation). An opportunity is the mirror image of a risk – a high score for an opportunity indicates large benefits likely to occur whereas a high score for a risk indicates large dis-benefits likely to occur.

5. **Treatment of Risks** Risks may be tolerated (accepted), transferred (e.g. insured or out-sourced), terminated (avoided) or, most generally, mitigated i.e. managed by putting controls and action plans in place which are designed to mitigate the risk. Opportunities are managed by putting controls and action plans in place which will maximise the likelihood and/or magnitude of benefits.

**6. Risk Management Cycle** The risk and opportunities management process is an iterative activity that includes identification, assessment, treatment (creating controls and action plans) and review as follows:



Risks and opportunities are constantly managed and monitored by risk owners, actionees and risk co-ordinators. Respective SMTs review their own risks at 6 to 8 weeks intervals and there are rolling Constabulary risk reviews held monthly by FEB and 3-monthly by the Audit Panel. In addition the Force R&O Officer reviews all risks at least monthly.

7. This Procedure / User Guide should be read in conjunction with the Glossary of Risk management in Appendix B. It is important to adhere to the standard definitions for impact and likelihood agreed by FEB to ensure uniformity of assessment across the Force. The Standard Definitions are shown in Appendix C and in the Risk Register (Risk Description and Assessment – Tab1).

#### **USER GUIDE for '4RISK'**

8. The key to implementing the Risk Management (RM) procedure is the '4Risk' database. This database is a management tool that retains and displays data concerning the aspects of risks and opportunities management including:

- a. Description and Assessment (tab1) – includes re-assessment following actions etc
- b. Existing Controls (tab2) – see 10c and Appendix D
- c. Action Required (tab3) – Actions identified, review dates, updates etc
- d. *Contingency Details (tab4) – The Constabulary does not use contingency in 4Risk*
- e. Assurance Record (tab 5) – see 10f and Appendix D
- f. History (tab 6) – Audit trail

9. There are various sort facilities in 4Risk to assist the SMTs to view progress reports of their risks/opportunities and select their risks by area or department, or owner. The most useful reports are in the pdf format and are:

- a. Standard Risk Register

- b. Actions – Outstanding
- c. Controls Assurance Record

## 10. 4Risk Register Entry

- New Risks and Opportunities are generally agreed at the respective SMTs.
- New entries and updates may be completed by the local risk co-ordinator.
- When entering a new risk, the unique ID Number is automatically defined on saving.
- Compulsory fields must be completed before saving.

### a. Opening a new risk into the Risk Register

1. Open the relevant department risk register (left hand of home page)
2. Click on 'New Risk Record' – this opens at the first tab '**Description & Assessment**'
3. Enter the description of the risk and the owner
4. Briefly describe the risk, its cause and impact.

### b. Assessing a risk

1. Select the appropriate Policing Priority (objective) and specify whether the entry is a risk or opportunity from the respective pull down menus.
2. Select the initial (Inherent) likelihood and impact from the standard definitions using the matrix button (bottom of page 1). Consider the strategic areas impacted (Finance, Safety, Service, Staff or Reputation) should the risk occur. Score from 1-4
3. Similarly for likelihood.
4. 4Risk automatically calculates the criticality of the risk.

### c. Controls

1. Select the second tab (**Existing Controls**).
2. Click on 'Edit Risk' then click on 'Create Risk Control'
3. Enter the first Control which is in place or will be in place to mitigate the risk (or achieve the opportunity). Then click on 'Save Risk Control'
4. Repeat 3 for any further controls.
5. When all controls are added and saved, click on 'Save Risk Record'
6. Note that Controls can be edited by selecting the Control from the drop down menu and clicking the 'Edit Risk Control' button, then proceeding as 3 and 5 above.
7. Guidance on suitable controls is provided in Appendix D.

### d. Action Required (third tab)

#### New Action:

1. Click on 'New Action'.
2. Enter a meaningful Action Title.
3. Enter a fuller description of the action in Action Required.
4. Select the proposed actionee using the drop down facility. If the actionee is not found by the search facility, contact the Risk Officer with details of the proposed actionee.
5. Enter the due date ('to be implemented date').
6. Ignore 'Action Cost' and 'Budget Available' – these are not used.
7. Select 'Manager' for 'Action Source'.
8. Ignore 'Action Source Priority' – this is not used.
9. Enter 'Comments' that may be helpful – this is not a requirement.
10. Ignore 'Implemented' and 'Action Cancelled' – one of these will be completed later.
11. Then click 'save action'.
12. Repeat as above to add further actions.
13. Once all actions have been added and saved, click 'save risk' – **NO NEW ACTIONS WILL BE SAVED IF YOU DO NOT CLICK ON 'SAVE RISK'**.
14. The date/time of the most recent updates is displayed on saving the action and risk.

**Amend/update Action:**

1. There is an automatic alert email from 'RMTools' to the actionee seven days before the due date.
2. The link in the email may be used to access the 4Risk Register where user name (full email address) and password should be entered to access the home page.
3. 4Risk may be accessed at any time via [www.4Risk.co.uk](http://www.4Risk.co.uk) using user name and password, as above.
4. If you have forgotten your password, contact the Risk Officer so it may be re-set.
5. On the home page click on 'My Actions' and then click on the relevant action.
6. A Progress Note can be added by clicking on the button. This is not part of editing.
7. To edit an action, click on 'Edit Risk' and select the relevant action(s) from the drop down list.
8. The action can be edited to
  - a. Amend the due date or other details.
  - b. If the action is complete, to indicate that it has been implemented – further boxes will appear requesting the implemented date and a closing statement.
  - c. Similarly, if an action is cancelled before being (even partially) completed.
9. Then click 'save action'.
10. Then once all necessary actions have been edited, click 'save risk' (action updates will not be saved unless the risk is saved).
11. ACTIONS SHOULD NOT BE DELETED UNLESS THEY WERE RAISED TOTALLY IN ERROR (e.g. on the incorrect risk). Please contact the Risk Officer for advice before deleting an action.

**e. Contingency Details** (fourth tab)

Any contingency plan is entered on the fourth tab Contingency. However, this tab is not normally used in the Constabulary.

**f. Assurance Record** (fifth tab)

There needs to be a level of confidence in any Control (see c above) and this is evidenced by the level of Assurance attached to the Control. The Controls and Assurances should be set by or approved by the Business Manager, SMT or Head of Department although they may be entered on 4Risk by the relevant risk co-ordinator.

1. Click on the fifth tab 'Assurance'.
2. Select the Control to be assured from the drop down menu.
3. Click Add Assurance.
4. Select the date of the assurance (generally the date of entry).
5. Select the type i.e. 'management' or 'third party'.
6. Select the level i.e. 'None', 'Limited', 'Adequate' or 'Substantial'.
7. Enter comments to explain the strengths or limitations of the Control, thus explaining the level of Assurance that is being attributed.
8. Although an existing Assurance cannot be updated, new Assurances can be added.
9. Amending an existing Control negates any prior Assurances on it.
10. Guidance on suitable assurances and assurance levels are provided in Appendix D.

Controls and Assurances should be monitored to ensure that they are still appropriate, effective and at the same assurance level. Changes to the Controls and/or Assurances should be updated as explained in section C and/or in this section as well as Appendix D.

**g. History** (sixth tab)

The sixth tab is read only and shows the audit history and is automatically updated.

**h. Closure of a Risk or Opportunity**

When a risk has been accepted, avoided, transferred or mitigated as low as reasonably possible it can be closed.

1. All actions must be closed as described in 'd' above.
2. Then go to the first tab and from the 'Status' (currently showing 'Open') click the drop-down menu and select 'Closed'. Fields for the date of closure and closure statement will appear.
3. Enter the closure date and a (meaningful) closure statement.
4. Similarly with opportunities which should be closed as achieved, partially achieved or not achieved.

Sometimes, although all current actions are completed, the risk is not ready for closing as the substantive risk remains or may soon resurface and monitoring is necessary. If so, a new action to continue monitoring should be raised as in 'd' above.

## **11. Risk Referral**

- a. New risks are referred to FEB by the Risk Officer and Risk Manager for initial review and awareness. The Risk Officer and Risk Manager will refer most risks again at later dates under the rolling review process due to their severity or particular relevance at a specific juncture e.g. when related work is being reviewed by FEB.
- b. Risks may be called by the Audit Panel quarterly.
- c. The Risk Officer reviews all risks at least monthly and follows up where required.
- d. The Risk Officer and Risk Manager meet weekly to review matters arising.
- e. SMTs and Risk Coordinators should have existing risks under constant review with formal review and necessary action at least fortnightly e.g. have existing actions reduced the likelihood and/or impact, is further action required?. SMTs and coordinators should also be alert to new risks or opportunities.

## **12. Appendices**

Appendix A. Responsibilities of Key Officers

Appendix B. Risk Management Glossary

Appendix C. Standard Definitions for Risk (Impact and Likelihood)

Appendix D. Guidance on suitable controls and assurance levels

## **Appendix A Responsibilities of Key Officers**

### **The Chief Constable and ACPO**

The Chief Constable, assisted by ACPO, is accountable to the PCC for the performance and effectiveness of the Constabulary and delivery of the policing part of the Police & Crime Plan. This includes a robust Risks and Opportunities Management Process for managing risks and opportunities that could impact the objectives of the Constabulary.

### **The Deputy Chief Constable**

The DCC is the Risk Champion for the Constabulary

### **Senior Management Team Leaders**

Local Policing (LP), Investigations and Corporate Development Department (CDD) Commanders, Local Policing Area (LPA) Commanders and Heads of Departments are accountable for the successful delivery of their respective objectives. They therefore manage their risks and opportunities.

### **Force Risk Manager**

The Force Risk Manager is responsible for defining the R&O Policy and overseeing the responsibilities of the R&O Officer.

### **Force Risk and Opportunities Officer**

The Force Risk & Opportunity Officer is responsible for the day-to-day implementation of Force risk and opportunity management under the guidance of the Force Risk Manager. This is achieved by undertaking the following duties:

1. Draft the R&O Policy and seek agreement via the Risk Manager. Update taking account of the current Local Policing Plan, any relevant internal audits, external audit, HMIC inspections and/or other sources.
2. Define the R&O Management Procedure and the associated documentation. Update taking account of the current Local Policing Plan, any relevant internal audits, external audit, HMIC inspections and/or other sources.
3. Facilitate and monitor the implementation of Risk & Opportunity management throughout the Force. Specifically:
  - a. Review all risks/opportunities at least monthly and liaise with risk coordinators and/or risk action owners concerning outstanding actions that have passed or are close to their due dates. Ensure risks are updated and notes are appended.
  - b. Review all risk controls and assurances and seek evidence of accuracy, suitability, effectiveness and currency at least 6-monthly. Liaise with risk coordinators as necessary.

- c. Liaise with risk coordinators and/or risk owners concerning new risks, opportunities or actions that are notified through other channels.
4. Liaise with the Risk Manager and risk coordinators concerning risks to be referred to FEB. Prepare the FEB reports.
5. Provide ad hoc reports as required.
6. User access management.
7. User training and advice.

### **Risk Coordinators**

Normally these are the Business Managers, but other SMT members can be co-opted. They take the lead on R&O Management within the SMTs offering guidance to the SMT on this Procedure. They identify the controls and assess the level of assurance provided. When the controls start to mitigate the risk, they reassess the criticality of the risk.

### **Risk or Opportunity Owner**

The Risk or Opportunity Owner is the individual identified for achieving the deliverable/objective affected by a specific risk and therefore the person best placed to be in charge of a mitigation plan for the risk. He/she should discuss the risk with the risk co-ordinator or risk officer to assess the risk and create an action plan with tasks and due dates. The risk owner ensures that the action plan is kept up to date. However 4Risk has an automatic email prompt facility to alert actionees regarding the implementation date of their actions.

### **Action Owner**

The action plan consists of a series of tasks designed to achieve the mitigation of the risk or achieve the potential gain. The actionee is responsible for progressing his/her specific task(s) related to the action plan. He/she reports back to the owner of the risk or opportunity regarding its progress.

## Appendix B Risk Management Glossary

- **Actions** Tasks to treat the risk to reduce the likelihood and/or impact and therefore its criticality.
- **Action Owner (actionee)** The person best placed to implement or ensure implementation of an action. It must be a named individual.
- **Cause(s) of risk** The root cause(s) of a risk. These should be identified as they point to an effective action plan.
- **Child Risk** A risk that is a subsidiary risk to a 'parent' risk. A child risk relates to a single parent risk but a parent risk may have several child risks.
- **Criticality (Priority Rating, Severity)** The product of the impact and likelihood. This positions the risk on the 4x4 matrix for appropriate focus.
- **Heat Map (Risk Profile)** The 4Risk 4x4 Matrix shows the distribution of risks and opportunities across the Force. It is located at the top of the reports page.
- **Issue** An **existing** set of circumstances, which if not managed appropriately will have an adverse impact on the Force's objectives. A risk becomes an issue when the risk occurs, as the set of circumstances now exist.
- **Likelihood** – estimate of probability of a risk occurring. Can be initial (inherent) or current (residual).
- **Opportunity** An opportunity which, if realised, will confer a benefit to the Force (Financial, Safety, Reputation, improved Service)
- **Parent Risk** A high level risk, embracing subsidiary specific 'child' risks.
- **Risk** is a potential **event**, which **if** it occurs, **will** have an adverse impact on the corporate or operational objectives of the Constabulary. Impacts include Finance, Reputation, Service and/or Safety.
- **Risk Appetite** The Force has in recent years been quite risk averse but is now more open to managed risk with a push towards individual empowerment and professional judgement.
- **Risk Control** – A business process i.e. any formalised recurring activity which reduces the level of risk e.g. Force Procedures, regular meeting.
- **Risk & Opportunities Co-ordinator** – The R&O Co-ordinator acts on behalf of Commanders and Heads of Department and will be well placed to co-ordinate activity e.g. Business Manager. The R&O Co-ordinator ensures regular identification and review by SMTs, risk and action owners and manages 4Risk entries and updates for their area of business.
- **Risk Management** A disciplined methodology to identify, evaluate and manage threats and potential benefits to an organisation or project.
- **Risk & Opportunities Officer** See Appendix A
- **Risk or Opportunity Owner** The R&O Owner is the person accountable for the corporate objectives potentially impacted by the risk or opportunity and is responsible for assessing the risk or opportunity and defining appropriate risk controls/mitigation in consultation with Action Owners and R&O Co-ordinator.
- **Risk and Opportunity Register** Database for documenting risks, actions and progress. Cambridgeshire Constabulary uses '4Risk' for corporate risks.

**Appendix C Standard Definitions for Risk (Impact and Likelihood)**

Standard definitions for Cambridgeshire Constabulary strategic and operational  
See also '4Risk' at the bottom of Risk Description and Assessment Page (Tab 1).

<b>Severity of Impact</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Guide</b>	Operational	Operational	Strategic	Strategic
<b>Finance</b>	Increased cost or loss of funding (£20K - £100K)	Increased cost or loss of funding (£100K - £500K)	Increased cost or loss of funding (£500K - £1M)	Increased cost or loss of funding £1M+
<b>Effect on Service</b>	Minor impact on service	Moderate impact on service delivery	Significant impact on service delivery	Catastrophic impact on service delivery, and grave concern by stakeholders. Resignations possible.
<b>Safety</b>	Minor injury	Major injury	Single fatality or severe injury to several people	Multiple fatalities
<b>Staffing</b>	Minor loss of staff, easy to recruit and train	Significant losses of junior staff	Loss of key staff, costly to recruit or develop	Persistent loss of highly skilled staff, costly to recruit or develop
<b>Public Confidence/ Reputation</b>	Little or no adverse media coverage. Minor adverse comment from HO, NPIA etc	Short term adverse local publicity. Some adverse comment from HO, NPIA etc	Adverse publicity in the local media of a persistent nature or some adverse national coverage or significant adverse comment by HO, NPIA etc	Adverse and persistent national media coverage, massive damage to reputation or major adverse comment by HO, NPIA etc
<b>Likelihood</b>	Remote 1-5%	Possible 6-29%	Probable 30-49%	More likely than not 50% plus

## **Appendix D Guidance on suitable controls and assurance levels**

### **Controls**

Controls to support the efficient management of risk should be identified when creating a risk. Suitable controls may include policies or procedures to be adhered to, reviews by the risk coordinator, regular specialist meetings, SMT meetings, FEB, internal audit reviews. Ideally, between two and four controls should be in place for each risk – many of these controls will be the same for each risk e.g. SMT, but some may be specific.

Examples of good controls are:

- Regular risk review by risk coordinator (generally weekly)
- Regular team meeting (state frequency)
- SMT meetings (state frequency)
- FEB monthly rolling review
- Regular KPI reports (where appropriate)

However, merely stating that controls are in place is not sufficient. There needs to be some assurance that the controls are working and that meetings are seriously reviewing and managing risks and not merely acknowledging them and passing to the next agenda item. Both the controls and assurances should be reviewed by the risk co-ordinator no less than half-yearly and preferably quarterly to ensure adequacy.

### **Assurances**

Each control should be allocated an assurance level based on how well the control ensures that the risk is managed effectively. The system allows four levels of assurance, None, Limited, Adequate, Substantial:

**None:** No current control should have this level of assurance as it means that it is not an effective control i.e. it is not a control at all. 'None' may be used for a control that existed previously but is no longer current.

**Limited:** This is where a control provides some assurance but cannot be fully depended upon. The use of FEB as a control should be no more than 'limited' for a particular risk as risks are reviewed on a rolling basis with emphasis on the higher severity risks or those of particular relevance at a particular point in time e.g. a related paper for review. FEB should not be used as the only control.

**Adequate:** Controls assessed as having adequate assurance are those that provide sufficient assurance on their own – for instance weekly risk coordinator review provided that the review is really undertaken (generally) weekly and conducted in a meaningful manner with regular chasing of actions and escalation where necessary. It would still always be expected that there would be more than one control.

**Substantial:** Not many controls are likely to be so strong that they should be classified as substantial – there would need to be total confidence that the control is highly effective, cannot slip, cannot be discontinued or circumvented. Any such assurance shown on a risk will be critically reviewed by the Force Risk Officer and Force Risk Manager.

All Controls and Assurances should pay due cognisance to the current Local Policing Plan, any relevant internal audits, external audits, HMIC inspections and KPIs.

### **Reviewing and Reporting Controls and Assurances**

The presence or absence of sufficiently strong controls and assurances should be considered along with any actions when reassessing the risk criticality. Insufficient controls or assurances increase the criticality as confidence in effective management of the particular risk will be lower.

Reports of controls and assurance levels are created from the 4Risk reporting mechanism and reviewed by the Force Risk Officer periodically, at least six monthly. In addition, controls and assurances are reported to FEB on those risks submitted under the rolling review process.

#### **4Risk Default Help FAQs**



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