



RYERSON
UNIVERSITY

Quality Assurance and Risk Management: Research Informing Practice

Wendy Cukier

MA, MBA, PhD, DU (hon), LLD (hon), M.S.C.

Associate Dean, Business

Ryerson University

wcukier@ryerson.ca

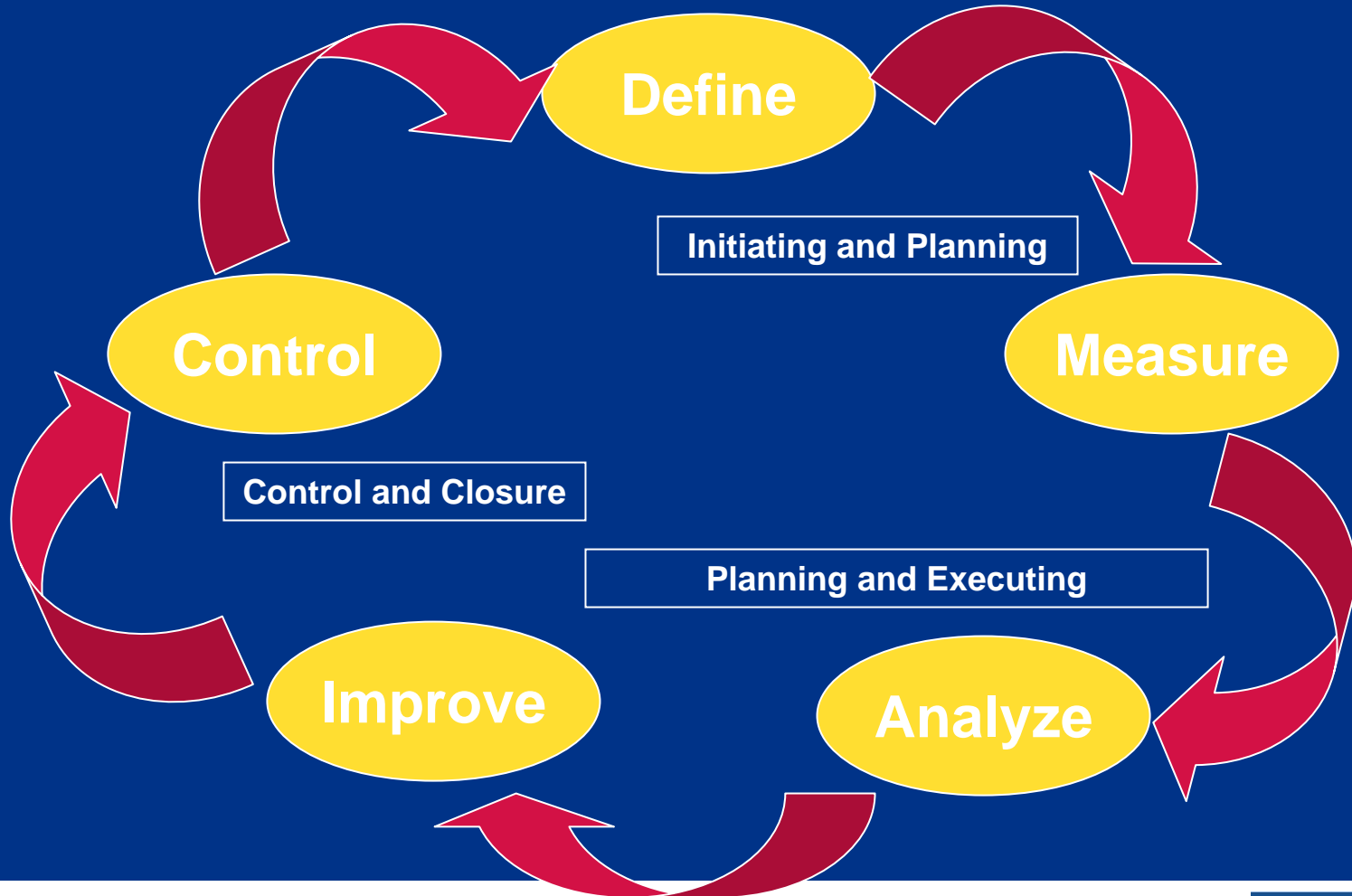
Objectives of the Study

- To provide a preliminary review of approaches to Quality Assurance and Risk Management in Canadian Policing
- To identify issues of common concern
- To identify areas for potential collaboration
- To identify areas for further examination

Just good management practice

- Growing attention in all sectors of the economy
- Additional focus because of government and professional reporting and performance requirements (eg. Federal, provincial and municipal)
 - RCMP subject to federal requirements and regulation
 - In many provinces police agencies are subject to quality assurance requirements from the province
 - Municipal Performance Measurement Program (MPMP)
 - Ontario Municipal Benchmarking Initiative (OMBI).
 - Commission for Accreditation of Law Enforcement Agencies (CALEA)
- Given the use of both lethal and non-lethal force, there is a high level of risk/liability involved in police work and a particular need for risk management (Archbold 2005)

Quality Assurance Life Cycle



Quality Control or Audit

- Quality control ensures that the procedures and standards established are followed by members of the organization.
- Internal Auditing brings a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes

Risk Management

Risk Management is a management tool for quality control that can be used to identify and manage potential risks and liability problems in organizations or agencies (Archbold, 2004).

“involves the evaluation of, or comparison of risks and the development, selection and implementation of control measures that change, reduce or eliminate the probability or the consequences of a harmful action.”

Some Principles:

- Every identifiable risk is a manageable risk!
- Assumes that risk can be eliminated, avoided, shared, transferred, or controlled.
- Must “weave the fabric of risk management” into the organization’s DNA: Strategic, management and operational levels.
- Everyone in the organization is a risk manager
- Maximize effectiveness and ethics (doing the right things) and efficiency (doing things right).
- Risk Management (RPM+R):
 - Recognition, Prioritization, Mobilization + Review

Risk Assessment Matrix

<i>High</i>				
R i s k	High Risk Low Frequency		High Risk Hi Frequency	
	Low Risk Low Frequency		Low Risk High Frequency	
<i>Low</i>	F r e q u e n c y			<i>High</i>

Research Questions

- How are Quality Assurance, Risk Management and Audit functions defined, organized and resourced in your organization?
- What dimensions of policing and specific activities are subject to QA, RM and Audit functions?
- How are the results of the QA, RM and Audit functions used to improve policing services?
- Are the functions understood by employees and well-supported by senior management?
- What training and support is offered to ensure that employees understand risk management?
- How are computerized tools used to support these functions?
- When were these processes introduced and how have they evolved? Are there any identifiable trends?
- Are there differences in the approaches used for QA, RM and Audit among police services?

Responses

	Officers	Reported Budget
RCMP (6)	17000	\$3,000,000,000 +
OPP	5400	\$790,000,000
Sureté du Quebec	5198	\$744,000,000
Toronto Police Service	7000	\$785,000,000
Peel Police Service	2300	\$240,167,481
York Police Service (2)	1296	\$197,800,000
Durham Regional Police	943	\$124,000,000
Halton Regional Police	563	\$91,884,565
Ottawa Regional Police (2)	1600	\$200,000,000
Waterloo Police Service	699	\$95,073,545

•

Guelph Police Service	261	
London Police Service	578	\$69,859,332
Strathroy-Caradoc Police	42	\$4,327,573
Thunder Bay Police Service	314	\$27,000,000
BNPP Regional Police Service	17	\$1,718,000
Bridgewater Police Service	23	\$2,800,000
Calgary Police Service	1652	\$273,000,000
Lethbridge Police Service	144	\$17,535,000
Vancouver Police Service	1214	\$181,373,000
Total responses: 26 from 19 agencies		

Definitions of Quality Assurance

- “Quality Assurance is made up of several processes designed to ensure quality service in both the Service’s operation and administrative functions by monitoring risk and supporting performance requirements through the monitoring, measuring and evaluation of recommendations implemented to policy, training, communication, process and compliance”.
- “Quality Assurance is a documented risk-based assessment of internal control. It is designed to assess compliance with operational, financial, administrative and program responsibilities.”

- “Quality Assurance is defined in two separate roles,the first [ensures] that all reports are [reviewed] by supervisors for professional standards. The second ... is the Professional Standards Unit which is driven by public complaints and violations of internal policies....it is both proactive (focusing on preventing problems) and reactive (responding to complaints).”
- Quality Assurance, in particular with our stakeholders, strives to provide independent, objective assurance and advisory services in an accurate, methodical, professional and credible manner for the Senior Management of the Service, so that all the citizens (of the region) can be confident in the way policing is managed

An integrated definition

- “Audit and Quality Assurance assists the Chief of Police in fulfilling duties and responsibilities as prescribed by the Police Services Act and supports the governance and oversight functions of the Executive Review Committee” [This describes the purpose and role].
- This is accomplished by: providing independent, objective assurance and advisory activities [This describes the functions]
- to promote risk management, value for money in service delivery, compliance with legislation and regulation and of the stewardship of assets, [This describes the objectives] and
- ensuring all programs and units’ mandates are consistent with and properly address the Service’s goals and objectives
- and ensure that they are implemented effectively, efficiently and economically in response to community needs [This stresses alignment with strategy]

Risk Management

- “A common process developed centrally and implemented locally that supports the alignment of the strategies, processes, people, technology and knowledge with the purpose of evaluating and managing the uncertainties the organization faces as it creates value.”

Risk Management

- “to review disciplinary investigations, prepare and prosecute disciplinary charges against officers, and to provide a monitoring function to ensure compliance with Service standards, policies and procedures for all forms of information.”
- “a systematic, cyclical process to set the best course of action, under uncertainty, by identifying, assessing, mitigating, monitoring and communicating risk”.

What Risks Are Considered?

	Percentage	Number
1. External Environment (media, public, government) eg: funding; reputation; public confidence	63.2	12
2. Operational Risks	63.2	12
3. Potential Legal and Regulatory eg. civil litigation, mandatory training and expected standards.	52.6	10
4. Human Resources eg.: Potential crisis – recruiting and retention. Employee/employer relations – workplace harassment, etc.	47.4	9
4. Information eg.: Information sharing with other agencies and responsibility for accuracy and timelines	47.4	9
5. Technology and Infrastructure eg: Emergency/Contingency and business continuity	42.1	8
6. Risks Associated with Strategy	36.8	7
7. Risks Associated with Governance	36.8	7

Other comments

- Culture
- The risk of the status quo!
- Reputation is key

Audit

- “The audit function is intended as a proactive risk and quality management tool designed to identify, measure and evaluate the organization's internal controls (policy, training, communication, process).
- In some cases, the definition of Internal Audit is similar to the definition of Quality Assurance in others.

The Extent of the Processes

Most respondents indicated they had all three processes:

Quality Assurance	94.7% (n= 18)
Risk Management	84.2% (n=16)
Audit	84.2% (n=16)

Benefits

In rank order:

- Improve the quality of service provided to the public
- Enhance public safety
- Improved officer safety:
- Reduce likelihood of litigation against police
- Improve the cost effective allocation of resources

Structure and Reporting

- In some Quality Assurance and Risk Management were units within the Audit Function.
- In some, the Quality Assurance Unit appeared to be responsible for a full range of risk management and audit services.
- In some the audit function had evolved quite separately from the quality assurance and risk management functions.
- in some the audit function was reported within the most senior level whereas in others it was Quality Assurance
- **CONCLUSION:** Need to be aligned and linked to strategy

Better integration into management and operations

- “ensure that each member appreciates the need for Quality Assurance from ALL perspectives and is not viewed from their own particular lens”.
- “better integrating risk management into the business planning process, particularly the Environmental Scan, SWOT, etc.”
- “ensure an organizational understanding that good management requires all these components. They should not be an afterthought or viewed as supplementary (or redundant) processes.”

Tools

- A web-based self-audit tool that will be required to complete quarterly, allowing for central analysis of compliance to standards / policies etc.
- Online templates to facilitate reviews and reporting.
- SAP, the records management system (PRIME and Versadex) and regular office software are typically used by the Audit Unit.
- All internal orders and procedures are posted on an Intranet site. Specialized software (e.g., Cognos cube) allows for data mining capabilities for identifying inefficiencies and risk management issues.
- Specific software issued by the Commission on Accreditation for Law Enforcement Agencies (CALEA) to accredited agencies is used to track our compliance and to prepare for on-site assessments every three years.
- An electronic suggestion box within our Intranet page.
- IAPro software is utilized to operate the PSIS. A Microsoft Access database is used to track the implementation status of audit recommendations

Unique approaches

- PACE (Professional Accountability and Corporate Excellence) Committee. A cross-organizational, inter-disciplinary decision making committee made up of senior officers and directors, whose combined experiences and insights offer support in a proactive manner by identifying & prioritizing issues, directing and coordinating change, monitoring and evaluating responses to recommendations and other issues.
- Risk based process. We emphasize not to check everything or to do cyclical reviews but to conduct a risk analysis based on our Risk Framework.

External Memberships and Models

Most (63.2%) belong to Institute of International Auditors (IIA)

Others

- CALEA Assessor,
- International Standards Organization (ISO)
- Committee of Sponsoring Organizations (COSO).
- Accounting designations (Certified General Accountant, Chartered Accountant) Certified Fraud Examiner, Certified Government Auditing Professional and the International Council for Operational Risk Management.

Models used also included

- RCMP
- Provincial Policing Services
- U.S. Justice Department's DEA

Need for integration

- “business planning guidance, process and outputs and includes a key risk summary of the top ten risks with links to its strategic priorities and/or corporate objectives. From the perspective of individual units, the Annual Performance Plan has formalized risk considerations on the front-line using a common risk language, approach and process.”

Need to link back to actions

- Most respondents indicated that there was some tracking of data in their organizations, but almost one quarter of organizations don't formally track the results.
- Yes 78.9% (n=15)
- No 15.8% (n=3)
- No Response 5.3% (n=1)

CONCLUSION: Work to ensure that data informs action!

Need for increased awareness

- “The general term 'risk' is well understood; however, it may be interpreted differently by each person depending on their rank or position. e.g. a senior officer may interpret risk, associated to an incident, from an organizational perspective while a constable may interpret the risk associated to same incident from the personal liability or punitive perspective.”
- “ What they miss is the understanding of Risk Management, and Integrated Risk Management. The working level is also unaware of the risk tolerance of their immediate superiors or of senior management.”

Need for training

- “More education necessary to new managers at all levels. a command school type of training should be required prior to taking on a position with major responsibilities. Those hired to be police officers don't necessarily have the management training required to manage multi-million dollar budget. More understanding of management function is required, Plan, control, direct, allocate, evaluate, monitor, report etc.”

Need to share information

Specific suggestions were:

- More standardization amongst police agencies “common models, definitions and language” or a “unified glossary of terms.”
- Better communication between the provincial Policing Services Division and police services.
- Continued examination of best practices, locally, nationally and abroad and more information sharing among services.
- Forums/conferences and through continuing education.
- Committees and the need for greater support for the provincial quality assurance sub-committee.

Recommendations from Respondents

- 1. Increase awareness and integration of Quality Assurance and Risk Management throughout the organization.
- 2. Improved training and increased awareness
- 3. Improve technological support –simplifying the reporting processes for front line members through e-reporting
- 4. Balance the need to measure and track with the costs. Don't collect data if it will not be analyzed and fed back in some way: “audits should only be conducted when the expected benefits exceed the cost”
- 5. More collaboration to build common understanding and share best practices reinforcing the findings discussed above.
- 6. Link the Quality Assurance function to the Risk Management function as well as clarifying the Internal Audit function.
- 7. Ensure appropriate forms of assessment

Follow up: more questions

1. More responses to have a more complete picture of Canadian approaches and best practices. (You know who you are! Complete the survey in your report, online, or wcukier@ryerson.ca for e-copy).
2. We need to understand perspectives from other stakeholders – senior management? operations? on the value/challenges
3. We need to assess the impact: how do you measure prevention? Do services with processes perform better?
4. We need to add case studies – survey results do not really tell the story
5. We need to document promising practices especially related to senior management support, integration of the function within planning processes, training, technology, feedback
6. We need to compare standards and approaches – where are the gaps and overlaps?