



AUDIT PANEL

Tuesday, 19 December 2017

Met Risk Management Report

Report by: The Deputy Commissioner

Report Summary

Overall Summary of the Purpose of the Report

This report provides a high level overview of the Met's corporate risk register. It focusses on two of the Met's key risks around fair treatment and technology and one emerging risk area around productivity. Due to the strategic nature of the Met's risks, all risk trends remain static this quarter. There are no significant concerns to raise over the progress to deliver risk controls.

Key Considerations for the Panel

Two of the Met's current risks and one emerging risk were discussed in detail by the Met's Risk and Assurance Board this quarter. These were the fair treatment and technology risks and an emerging risk around productivity. Information has been provided within the report to enable the Panel to further consider these.

Interdependencies/Cross Cutting Issues

- The Met's governance improvement plans reported in a separate paper to this meeting include significant controls for some of our risks.
- Information from this report informed the Joint Met/MOPAC risk paper.

Recommendations

The Audit Panel is recommended to:

- a. consider the Met's key risks and whether appropriate governance is in place to ensure these are effectively managed.

Supporting Information

- 1.1. An overview of the Met's corporate risk register is attached at **Appendix 1**. This risk register sets out the key risks that will prevent the Met from achieving

its objectives and was discussed by Risk & Assurance Board on 05 December 2017.

- 1.2. All risk trends are static this quarter. Work continues to deliver controls and there are no significant concerns to raise around delivery however, two risks around fair treatment and capability require further scoping to gain a full understanding of the preventative controls that we are developing.
- 1.3. The definitions of two risks have been amended this quarter. These are:
 - Risk 5 which has been expanded to include capacity as well as capability and now reads as “insufficient capability **and capacity** to deliver a quality service”.
 - Risk 9 which has been reduced to remove the information security element. This is felt to be within risk appetite and will continue to be managed through the Information Assurance and Security Board which is chaired by AC Professionalism. The risk now reads as “poor information management leading to a lack of knowledge of what information we have & where it is stored, resulting in our information not being trusted, accessible, useable or legally compliant”.
- 1.4. At the September meeting the Panel requested that details of the governance risk and the work being done to address it appear in this report. High level information around the governance risk is included in appendix 1 and comprehensive action plans are included for our governance improvement areas in the governance improvement report to this meeting. The Met have commissioned work on an executive redesign which is currently in progress and governance will form an integral part of this – we are working towards a completion date of April 2018. We will also be in a position to share the findings of our annual governance review by this date and suggest that this action is carried forward.
- 1.5. Two current risks and one emerging risk were discussed in detail this quarter; these were:

Fair Treatment

- 1.6. This risk was added to the risk register last quarter, a discussion took place to assist in gaining a better understanding of the risk and its controls. This risk has both external and internal elements as described below.
- 1.7. **External** – The race disparity audit published in October 2017 and the Lammy review published in September 2017 have shone a light on disproportionalities in the Justice system in recent months. Significant causes to this risk include failing to deal with matters that mean most to communities, failing to treat all communities fairly and failure to engage with communities. For public perceptions in policing, the largest inequalities are seen across ethnicity and sexual orientation.
- 1.8. **What’s the solution?**
 - This risk is managed through a number of forums including Confidence Board, STRIDE Board and Pan London Engagement Board.

- MOPAC conduct a Public Attitude Survey and User Satisfaction Survey; the results of these are used to inform discussion and planning.
- We are developing a new Commander led unit to join up diversity and community engagement work.

1.9. **Internal** - In the recent staff survey our staff engagement score remains at 44%, significantly lower than the highest scoring public sector organisations. In answer to the question “I am treated with fairness and respect” 54% of respondents gave a positive response up 1% on the previous year but 22% below the benchmark.

1.10. **What’s the solution?**

- Each unit will develop staff survey action plans.
- Leading for London is now rolling out across the Met.
- Our grievance processes have been reviewed and improved.

Technology

1.11. This risk has been on our corporate risk register for over 2 years. It is one of our highest risks rated as high likelihood and very high impact. The risk has not moved ratings in the last year although sometimes shows an improving trend.

1.12. The significant residual risk is *Risk of failure due to obsolete and out of support hardware and software*: Whilst a wide ranging programme is in place it is estimated that the major obsolescence risks will take 3-5 years to mitigate, during which time the risk of failure due to obsolescence will remain. The highest risks are being mitigated through interim contingency actions.

1.13. Risk and Assurance Board agreed that this risk remained significant and that it required further information to enable a more detailed discussion at the March meeting.

Productivity

1.14. An emerging risk has been identified around productivity; further research is required to establish whether this is real or perceived but it could leave us with challenges in our discussions around police funding.

1.15. It is a complex issue - ‘traditional’ sanction detections both fell by around 40% in the last 8 years – however, increasing non-crime demand, a greater use of alternatives to arrest, less use of stop and search and the complexity introduced to workloads by the shift from volume crime to a greater focus on safeguarding activity explain some of this fall.

1.16. HMICFRS Value for Money profiles show us to be the most expensive force in the country per head of population. This needs to be caveated by weighting for our national responsibilities, day time population and the costs of operating in London but there appear to be some areas where efficiency could be improved.

1.17. This begins to paint a picture publicly of a Met that is less productive than we would like particularly as we are unable to compare productivity nationally across policing against a standard data set or definition.

1.18. What's the solution?

- We have risks on our risk register around both demand and capability. We are developing mechanisms to ensure that we understand demand and the change portfolio is looking at how we can be more efficient in all of its programme areas.
- However, a greater understanding of the risks around productivity (both locally and nationally) is required to establish whether this is a perceived drop in productivity or is real and to ensure that we are taking right actions to address this.

1.19. Risk and Assurance Board agreed to add a new risk to the corporate risk register which will be further scoped over the forthcoming quarter and discussed again at the March Board.

1.20. Audit Panel is invited to consider the Met's key risks and whether appropriate governance is in place to ensure these are effectively managed.

2. Equality and Diversity Impact

Individual control owners will ensure that their work to prevent and mitigate corporate risk has a positive race and diversity impact. Equality impact assessment will be undertaken on significant programmes of work.

3. Financial Implications

It is anticipated that the costs associated with the areas of work identified in this report will be met from the relevant unit's staff and officer budgets. Any funding required over and above these existing budgets will be subject to the normal MOPAC/Met governance approval and planning processes.

4. Legal Implications

There are no direct legal implications arising from the recommendations contained in this report. Regulation 3 of the Accounts & Audit Regulations 2015 requires both the MOPAC and the Commissioner, as relevant authorities, to ensure that they have a sound system of internal control which includes effective arrangements for the management of risk.

5. Risk Implications

The corporate risk report assists the Met to manage and track risk to the achievement of organisational objectives focusing particularly on whether controls are fit for purpose and manage risk areas as intended.

6. Contact Details

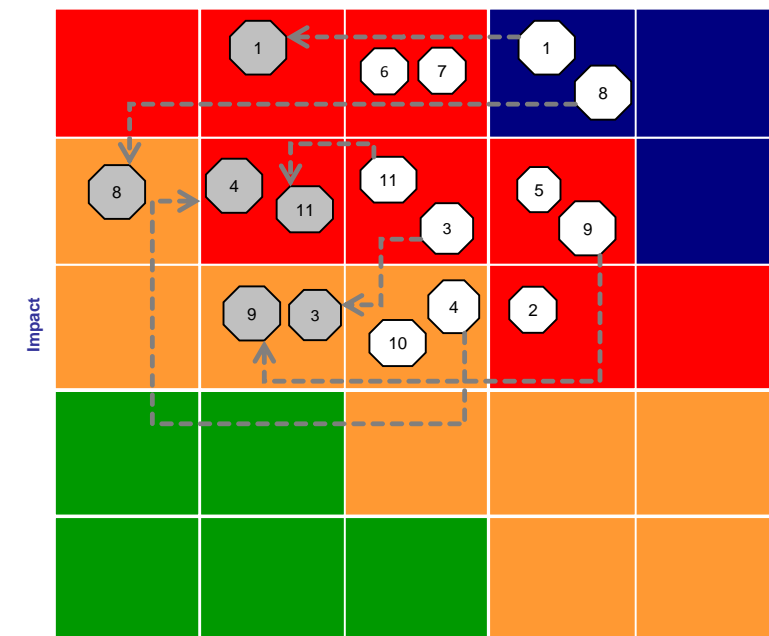
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7. Appendices and Background Papers

Appendix 1 – Met risk register and summary reports (Restricted)

Appendix 1: Corporate risk register

Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)
1	↔	Failure to play our part to protect the most vulnerable members of the community and deliver an effective service to those most in need	AC TP	Cmdr Safeguarding
2	↔	Failure to ensure effective governance of the Met that results in a lack of accountability, robust and effective assurance and empowerment of leaders	Deputy Commissioner	Director of Strategy and Governance
3	↔	Failure to align our overall medium term resources to support the Police and Crime Plan and MPS strategic objectives	Director of Finance and Commercial	Head of Finance
4	↔	Failure to understand existing and new demand and meet and plan for the challenges in an effective, innovative and agile way	Director of Strategy and Governance	DAC Transformation
5	↔	Insufficient capability and capacity to deliver a quality service	Director of People and Change	Director of HR (Capacity) DAC Professionalism (Capability)
6	↔	Failure to engender strong leadership behaviours resulting in a low engagement score, a lack of empowerment, wellbeing and morale risks	Deputy Commissioner	Heads of Business Groups
7	↔	Failure to understand, plan for and manage the cumulative impacts of and the behavioural change required to implement the scale of change needed to make the One Met Model (OMM) a success	Director of People and Change	DAC Transformation
8	↔	Failure to design and deliver appropriate, business-led technology solutions that effectively support changing business operations and enable business transformation towards the One Met Model (OMM)	Chief Information Officer	Transformation Director
9	↔	Poor information management leading to a lack of knowledge of what information we have & where it is stored, resulting in our information not being trusted, accessible, useable or legally compliant	AC Professionalism	Head of Information Law and Security
10	↔	Failure to invest in developing our insight capability resulting in missed opportunities to deliver effective information for decision making	Deputy Commissioner	Director of Strategy and Governance
11	NEW	Failure to treat people fairly resulting in a loss of confidence in our legitimacy and ability to keep London safe with key stakeholders including communities, our partners and our staff	AC Professionalism	Cmdr Diversity and Community Engagement



Current position



Target position

Target position still to be determined



Risk Trend key - Improved (↓), Worsened (↑) or is Unchanged (↔)