

AUDIT PANEL

Friday, 31 March 2017

MPS Risk Report

Report by: The Deputy Commissioner

1. Report Summary

This report provides an overview of Met's corporate risks including key controls and the remaining residual risks.

2. Recommendations

The Audit Panel is recommended to note the Met's risks and assure its self that appropriate governance is in place to manage these.

3. Supporting Information

Corporate risk update

- 3.1 Attached at **Appendix A** is a summary of the Met's corporate risk register. This register sets out the significant risks that will prevent the Met from achieving the One Met Strategy and objectives. Each risk owner has reviewed their risk area and agreed the proposed controls shown in **Appendices B and C**.

- 3.2 **Appendix B** provides the status of the key controls in progress to improve each risk and sets out the residual risks which are not yet within appetite for each risk area. More detailed information for each risk area setting out the significant controls or key comment is provided at **Appendix C**.

- 3.3 The register was discussed at MPS Risk and Assurance Board on 1 March 2017. This report presents the updated position of the risks following discussions at the Board.

Risk position update

- 3.4 Whilst the overall likelihood and impact of all risks have not changed this quarter, the financial, quality investigation and technology risk trends are considered to be worsening. Where risks are unchanged this is generally because plans are in place but controls are not yet working effectively to reduce the likelihood of occurrence.

3.5 Significant (blue) risks to note are:

Vulnerability (risk 1):

- The governance landscape around safeguarding and vulnerability remains confused with responsibilities spread across a number of command areas. A Safeguarding Framework, which is in the early stages of development will seek to address this but a number of key decisions are required in order to create a more streamlined governance approach.
- As expected, the vulnerability section of the HMIC PEEL Effectiveness report published in early March was impacted by the Child Protection report. The MPS received a judgement of “inadequate” which has resulted in eight ‘immediate’ draft recommendations. Whilst child protection matters are highlighted within the report, issues related to mental health and domestic abuse are also cited and three recommendations are specifically related to awareness, knowledge and training. This corroborates the growing concern that our current training provision is insufficient to meet the challenge.
- The revised structure to deliver safeguarding services will be implemented on the Pathfinder sites at the end of March. This structure aims to address silo working and the lack of information and intelligence sharing across some specialisms, all issues that were particularly highlighted in the Child Protection report. It will also introduce a Safeguarding HQ which will draw into one command many of the teams currently overseen by the Diamond Groups. This may assist with the streamlining of governance around this area. The new structure is not without risk, but control measures from first contact through to investigation have been built into the risk assessment process and safeguarding hubs will provide oversight of the risk assessment process.
- The constituent parts of this complex risk continue to be monitored by Diamond Groups and reported quarterly to the Risk and Organisational Learning meeting chaired by the Assistant Commissioner for Professionalism.

Cumulative change (risk 7):

- A Portfolio level milestone tracker has been produced and detailed programme plans that will aggregate into a portfolio view showing critical interdependencies are in development.
- Resourcing challenges remain but recent recruitment campaigns have increased the number of officers on attachment. From May 2017, officers will be able to be posted to the One Met Model (OMM). More needs to be done to anticipate resource requirements, both skills and numbers, in order to deliver the programmes. A high level training needs analysis is being conducted and this will help form opinion on the priority of training required. External recruitment is being actively planned for transition and surge roles.
- Tranche 1 of the new BCU model launched in January 2017. Tranche 2, which will see initial changes to the cross-border response and ‘Mi’ investigation implemented, launched on 27 February. Changes to the delivery of safeguarding services (alongside any IT changes) will be launched on 27

March. These changes alter the way in which we deliver a large amount of the Met's services to Londoners therefore engagement work with key partners and stakeholders, particularly Local Authorities continues. Evaluation of the programme is continuous with demand and performance being monitored and reported through existing business as usual processes such as Crimefighters.

Assurance (risk 11):

- The lack of an adequate level 2 assurance capability has resulted in too much reliance being placed at level 3, pushing an organisational responsibility to level 3 auditors. Assurance capability within HQ functions such as Finance and Health and Safety exist, but at the general operational policing level, it is limited. The Serious Crime Incident Review Group, Child Protection Audit Team and TP Capability and Support (which is currently under redesign) are the most visible but they focus on specific areas of business.
- Consideration should be given to the development of an organisation wide, operational assurance capability that is taskable by Management Board and reports to a more independent lead such as AC Professionalism. Various strands of work across the OMM and TP are in progress which may require some consolidation.
- Significant cultural and behavioural change is needed to create an improved compliance culture which will require more rigorous Level 1 supervision. However, there is an emerging national risk regarding forces moving compliance type issues directly to discipline over learning opportunities. This could have a negative impact and prevent individuals from admitting mistakes.

3.6 Increasing risks: The general trend of the finance, investigation and technology risks is considered to be worsening this quarter although the likelihood and impact scores have not changed.

- **Finance (risk 3):** There is a rising uncertainty around this risk created by the potential impacts of reviews of the Funding Formula and National, International & Capital City grants, plus further cuts to Home Office budgets.
- **Investigation (risk 5):** January 2017 saw the second highest monthly attrition of police officers on record (c.80 above average), whilst recruitment at around 40, fell short of the forecast. Performance regarding Detective numbers is declining as the forecast for year end is 4793 against a target of 5531.
- **Technology (risk 6):** while the 2017/18 funding position has now been increased, this will still leave a significant savings challenge; also the position from 18/19 onwards has not yet been forecast.

3.7 Amended risks: New risk descriptions for three risks have been agreed although this has not meant significant change to the underlying analysis.

- **Finance (risk 3):** Failure to align our overall medium term resources to support the Police and Crime Plan and MPS Strategic objectives.

- **Legitimacy (risk 10):** Failure to identify swiftly and respond effectively to the impacts of significant criticisms of operational policing, past and present, from key sources such as inspection, public inquiries or independent scrutiny, resulting in a loss of confidence with key stakeholders including communities, our staff, politicians and the media.
- **Assurance (risk 11):** Lack of a robust assurance framework and processes in some areas across the Met, from external audit through to first-line supervision, resulting in a failure to learn/

3.8 **Closed risks:** There are no closed risks this quarter.

3.9 Members are to note the Met's risks and assure themselves that appropriate governance is in place to manage these.

4. **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.

5. **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.

6. **Legal Implications**

There are no direct legal implications arising from the recommendations contained in this report. Regulation 3 of the Accounts and 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.

7. **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.

8. **Contact Details**

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9. **Appendices and background papers**

Appendix A - MPS corporate risk register - Restricted

Appendix B - Risk summary position - Restricted

Appendix C - Detailed risk position - Restricted