

MOPACMAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MPS-MOPAC JOINT AUDIT PANEL

8 January 2020

Met Risk Management Report

Report by: Chief of Corporate Services

Non restricted paper

Report Summary

Overall Summary of the Purpose of the Report

This report provides an overview of the Met's corporate risks and the status of their controls.

Six risks are considered to be 'amber' in terms of progress: two short-term risks – transformation delivery (risk 3), data and information management (risk 6) and four long-term risks – people (risk 10), violent crime (risk 17), legitimacy (risk 16) and technology (risk 18).

Key Considerations for the Panel

Risk and Assurance Board met on 10 December where members reviewed the short-term risks to assure themselves that control activity is commensurate with each risk appetite and that sufficient progress is happening. Actions to develop risk controls were identified at Risk and Assurance Board, but at the time of writing, these actions have not yet been completed.

Recommendations

The Audit Panel is recommended to:

- Note the Met's key risks and the governance in place to ensure these are effectively managed.

1. Supporting Information

- 1.1. Attached at **Appendix A** is a summary of the Met's corporate risk register. This register sets out the significant risks, both and short and long term risks.
- 1.2. **Appendix B** provides information on each risk including risk appetite and the key controls in progress to improve the position of the risk. It sets out the status of those controls and provides an overall assessment on the progress being made towards achieving the 'target score' with four possible options: On track; Limited; Slipped and No progress. Each risk owner and working lead has reviewed their risk area and agreed the proposed controls shown in **Appendix B**.
- 1.3. **Appendix C** provides the criteria by which risk appetite has been set.

Amended risks

- 1.4. Following discussion at the September Board, the risk description for the short and long term Public and local engagement risks (risk 13 & 14) still requires refining and the Board agree that there should be two distinct risks regarding short and long-term risks.

Risk position update

- 1.5. There are six risks that are assessed to be 'amber' in terms of progress however none are considered to be of significant concern at this time.

'Slipped' risks to note:

- 1.6. **Data and Information Management (risk 6 – short-term):** The target score (Low likelihood v Medium impact) is for the DPA Clearance and not for full compliance with DPA Legislation (which is a long-term risk subsumed into the Legitimacy risk (risk 16). The revised target date 30 Sept 2019 was not achieved however the Information Commissioner agreed to extension until the end of December 2019. There is a high level of confidence in the recovery plan.
- 1.7. **People (risk 10 – long-term):** The controls for this risk are a reflection of the significant work that is being completed to manage this risk. The reality however, is that we are not seeing the diversity aspirations through the recruitment pipeline as we would want which is therefore reflected in current assessment and that it is a slipped and worsened position. The expectation to meet the target position (High likelihood v High impact) by September 2022 remains, however it is somewhat challenging to understand the best way to represent a long-term diversity target and our business plan and BAU activities over the next two years. This is being worked through with activity taking place to strengthen and develop a number of controls within the Attraction Strategy including the introduction of outreach leads who are holding a range of events and targeted engagement opportunities.
- 1.8. **Legitimacy - (risk 16 - long-term):** A number of the controls have seen a slight slip this quarter although none are considered significant enough to have an impact on the scoring or trend as all are expected to be completed by the time of the next report.

‘Limited’ risks to note are:

- 1.9. **Transformation Delivery (risk 3 – short term):** The timescales for four of the controls have moved; two controls have moved by one quarter to March 2020 and two controls have moved from December 2019 to June 2020. The Met Operating Model for 2022 is the subject on a minor delay and now working to an end March 2020 target for the Met-wide output. The first product, the Front Line Policing Business Group view, remains on target and is scheduled for completion end of December 2019. This will show the cumulative impact of the changes being implemented via the Transformation Portfolio plus major BAU changes across Front Line Policing, at an April 2022 time horizon
- 1.10. **Violent Crime: (risk 17 – long term):** Following Risk and Assurance Board in September the controls and risk appetite for this risk have been reviewed. Activity continues to develop the controls and this is a maturing and ongoing process. The Violence Reduction Unit and the Met are working together to map partnership interventions and determine good practice and opportunities for joint working however, progress is still considered to be limited at this time. A change of internal governance and oversight has been completed with the Diamond Group on Serious Violence now closed. Management Board are focusing on our top operational priority of bearing down on violence in Performance Board, which is now meeting more frequently and Performance Group. The Gold Group led by DAC Graham McNulty will continue to meet monthly.
- 1.11. **Technology (risk 18 – long-term):** Risk and Assurance Board approved an amendment to the risk description on 10 December 2019. The risk description is now **“Conservative approach to implementing technology impedes delivery – reduces ability to capture benefits, in particular qualitative benefits, of technology.”** There has been limited progress against this risk and the position is unchanged. The target score (Low likelihood v Low impact) will only be achieved with a cultural shift and the full support with others across the organisation and MOPAC. Timescales for implementing controls remain to be determined.

Short-term risk progress

- 1.12. This quarter is the six-month point from the identification of the short-term risks. Short-term risks are defined as those that are either of immediate concern or have the potential to manifest within the next 12 months. Applying quick, robust and strong preventative controls are key to managing these risks and we would expect to see more movement around risk trend and score and therefore there is an expectation that these risk will have significantly moved towards or reached their respective target positions by June 2020 (the time of the next refresh process).

The short-term risks are:

- Risk 1 – Commercial contracts
- Risk 2 – Wellbeing
- Risk 3 – Transformation delivery
- Risk 4 – Brexit

- Risk 5 – Governance and assurance
- Risk 6 – Data & information management
- Risk 7 – Money
- Risk 9 – People (Target date reflects a long-term risk rather than short-term)
- Risk 11 – Capability (Target date reflects a long-term risk rather than short-term)
- Risk 13 – Public and local engagement (No short-term target date)

The Board sought to assure itself that progress against the short-term risks is sufficient and that:

- Risk Owners are content that the control activity is commensurate with each risk appetite;
- Risk Owners are confident that control activity is adequately progressing to move their risks' rating by June 2020.

2. Equality and Diversity Impact

Individual control owners should ensure that their work to prevent and mitigate corporate risk has a positive race and diversity impact. Equality impact assessments 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 the register 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 A** – Summary of corporate risks and heat maps – December 2019
- Appendix B** - 'Road to target' assessments for each corporate risk – December 2019 (official sensitive)
- Appendix C** – Risk appetite criteria

SHORT-TERM

Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)	Target position
1 LvVH	↔	Failure to effectively manage critical contracts (including PEQF, Connect & Command and Control system)	Chief of Corporate Services	Director of Commercial Services	LvH
2 HvM	↓	Failure to look after the wellbeing of our staff at a time where we have insufficient resources and the workforce is working at 'stretch' for extended periods of time, leading to poorer employee engagement and sub-optimal performance	Chief of Corporate Services	Director of HR	MvL
3 MvH	↓	Failure to plan and manage for the cumulative operational impacts of large scale transformation and reap the benefits through effective business change	Chief of Corporate Services	Transformation Director	LvM
4 LvH	↔	Met service delivery fails as result of sustained long term disruption (Brexit)	Deputy Commissioner	DAC Operations	LvH
5 MvH	↔	Failure to enable BAU and drive change and innovation in an agile way with proportionate controls which still provide MB with the assurance they need on the effective use of public money	Chief of Corporate Services	Director of Strategy and Governance	LvL
6 VHvM	↔	Failure to comply with regulations related to the management of data lawfully and ethically leading to a loss of trust and confidence in policing	Chief of Corporate Services	Director Data, Information & Insight	LvM

Appendix A - Corporate risk register January 2020

SHORT & LONG-TERM

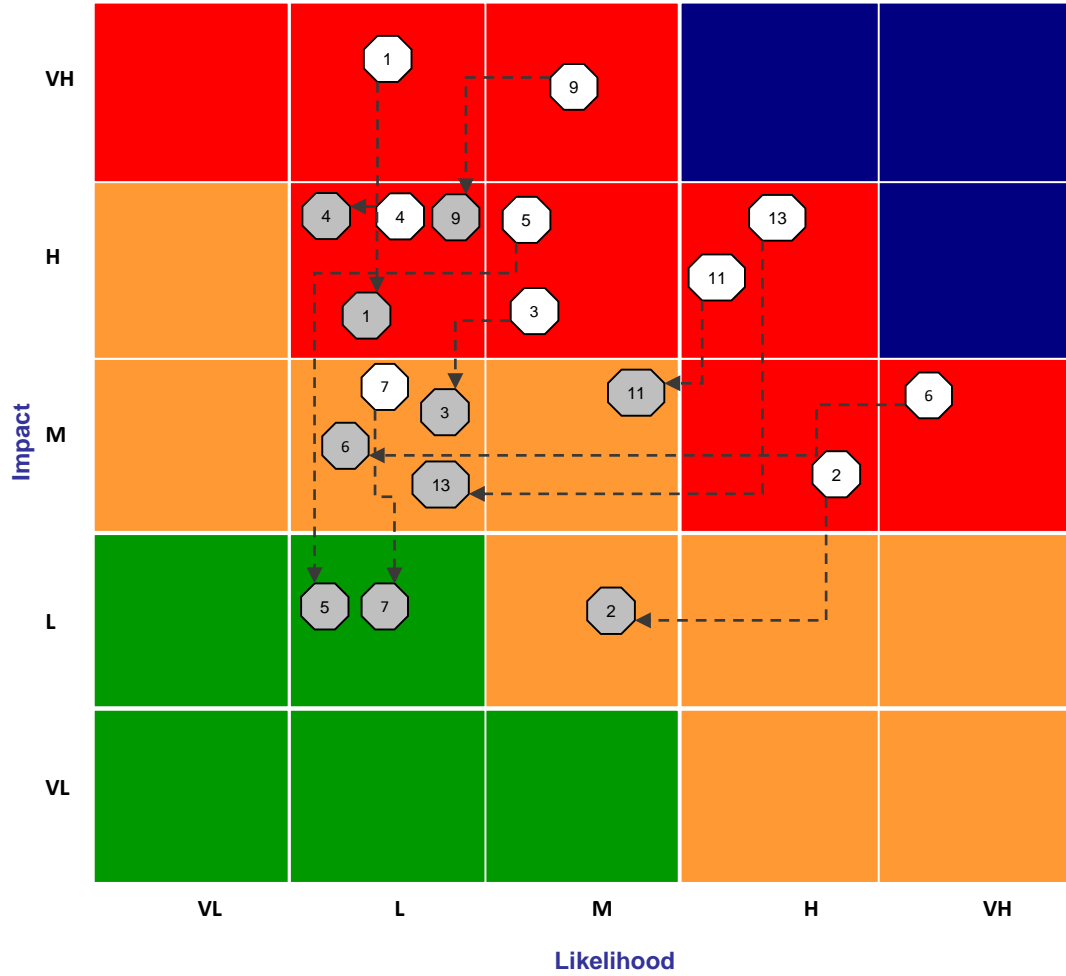
Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)	Target position
7 L v M	↔	(SHORT) Failure to spend in accordance with our plans and deliver planned outcomes and match resources to demand	Chief of Corporate Services	Head of Finance	L v L
8	TBC	(LONG) Inability to long-term plan given the absence of a longer term funding settlement <i>Risk description not yet agreed – further discussion required</i>		Head of Finance / Director of Strategy and Governance	
9 M v VH	↓	(SHORT) Failure to attract, recruit and retain a workforce that provides us with the skills that we want and need	Chief of Corporate Services	Director of HR	L v H
10 VH v H	↑	(LONG) Failure to attract, recruit and retain a diverse workforce that is representative of the people we serve			H v H
11 H v H	↔	(SHORT) Failure to ensure our workforce is appropriately skilled to deliver effectively in a changing environment (PEQF)	AC Professionalism	Director Learning	M v M
12 H v VH	↔	(LONG) Failure to ensure our workforce is appropriately skilled to deliver effectively in a changing environment			M v M
13 H v H	↔	(SHORT) Failure to identify and address the needs of the people we serve through effective local engagement	AC Professionalism	HoP – CP, Inclusion & Engagement	L v M
14 H v H	↔	(LONG) Failure to identify and address the needs of the people we serve through effective local engagement			L v M

Appendix A - Corporate risk register January 2020

LONG-TERM

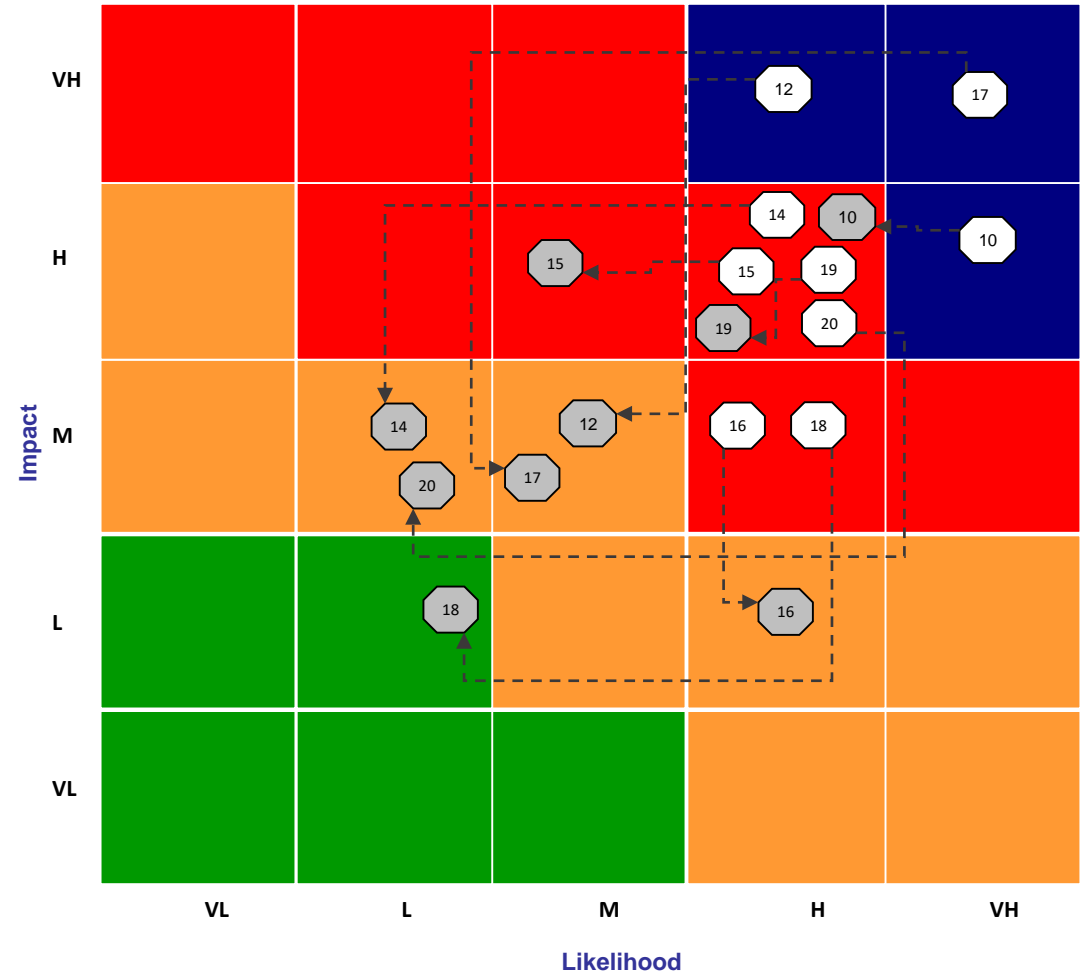
Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)	Target position
15 H v H	↔	Failure to be organisationally agile	Deputy Commissioner	DAC Professionalism / Director of Strategy & Governance	M v H
16 H v M	↔	Legitimacy in the Met is weakened because we fail to strike the right balance of ethical and effective policing in light of new and emerging tools and tactics	Deputy Commissioner	Head of Intelligence and Covert Policing / Cmdr Met Operations	H v L
17 VH v VH	↔	Our efforts with partners and communities fails to sustainably reduce violent crime	AC Frontline Policing	Head of Profession – CP, Inclusion & Engagement	M v M
18 H v M	↔	Conservative approach to implementing technology impedes delivery – reduces ability to capture benefits, in particular qualitative benefits, of technology.	Chief Information Officer	Digital Policing Directors Director Strategy & Governance Transformation Director Director of Commercial Services Heads of Profession	L v L
19 H v H	↓	Legal and statutory framework (or lack of) impedes rather than facilitates the ability for us to do our job	Deputy Commissioner	DAC Operations	H v H
20 H v H	↓	Insufficient and ineffective crime prevention fails to prevent victimisation and undermines community confidence in policing	AC Professionalism	Head of Profession – CP, Inclusion & Engagement	L v M

SHORT-TERM HEAT MAP



Current position
 Target position
 White arrow shows trajectory since last report

LONG-TERM HEAT MAP



Current position
 Target position
 White arrow shows trajectory since last report

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Alignment with Met Direction pillars

Focusing on what matters most to Londoners			4, 20		
Mobilising partners and the public			13, 14	17	
Achieving the best outcomes in pursuit of justice and in the support of victims			19		
Seize the opportunities of data and digital tech to become a world leader in policing			6, 18		
Care for each other, work as a team and be an attractive place to work			2, 9, 11		
Learn from experience, from others and constantly strive to improve			5	12	
Be recognised as a responsible, exemplary and ethical organisation		7	1, 3, 10, 15, 16		Risk 8 not scored

Appendix C - Risk Appetite – rating criteria

Definition = the amount of risk that an organisation is willing to seek or accept in the pursuit of its long term objectives

Appetite	Approach	Tolerance for uncertainty	Choice	Compromise
	Overall risk taking approach	Willingness to accept uncertain outcomes or some quarter to quarter change	When faced with multiple options, willingness to select option that puts objectives at risk	Willingness to compromise against achievement of other measures
Brave	Will take justified risks	Fully anticipate and accept uncertainty	Will choose the option with the greatest positive outcome; accept possibility of failure	Willing
Open	Will take strongly justified risks	Accept some uncertainty	Will choose to put the objective at risk but will manage the impact(s)	Willing under right conditions
Moderate	Preference for safe delivery	Limited	Will accept if limited and heavily outweighed by benefits	Willing only if it's the best option for going forward
Cautious	Extremely conservative	Low	Will accept only if essential and there is limited possibility/extent of failure	With extreme reluctance
Averse	Avoidance of risk	Extremely low	Will always select the lowest risk option	Never