

M O P A CMAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MPS-MOPAC JOINT AUDIT PANEL

29 March 2021

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.

In terms of progress against our corporate risks, eleven are assessed by the risk owners and working leads to be 'green'; one risks are assessed to be 'amber' and two 'red'.

Key Considerations for the Panel

Risk and Assurance Board met on 2 March and noted the significant progress made against a number of risks and agreed the closure / remittance of three risks from the corporate risk register. For those risks reporting limited or slipped progress, risk owners provided a response to Risk and Assurance Board as to the reasons why.

Risk and Assurance Board discussed the new trust indicator and how this may be developed further to provide a more multi-dimensional picture of trust and legitimacy, reflective of conversations taking place.

Over the coming quarter will we start the annual corporate risk register refresh process and will present the findings to Risk and Assurance Board with proposals for changes in June.

Interdependencies/Cross Cutting Issues

- The Met's governance improvement plans reported in a separate paper to this meeting include controls for some of our risks.

Recommendations

The Audit Panel is recommended to:

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

1. Corporate risk update

- 1.1. A summary of the Met's refreshed corporate risk register, which sets out the significant short and long term risks, is attached at **Appendix A**.
- 1.2. We have provided information on four of the risks at **Appendix** 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. For all risks, each risk owner and working lead has reviewed their risk area and agreed the controls shown in the template at **Appendix B**. Detailed templates for all risks can be provided if required.

Risk position update

- 1.3. Eleven risks reported a 'green' status and on track this quarter. Two short-term risks and one long-term risk were presented for closure/remittance, one short-term risk has seen an increase in score.

Closed / remitted risks:

- 1.4. **Brexit (risk 4 – short-term):** Considerable work has been undertaken in this past quarter, including of course the end of the transition period as the UK left the European Union. Management Board sought assurance on a number of priority areas (overall readiness, supply chain resilience, audit of interactions with Government and coordination between Brexit and Covid-19 resilience) which was received in mid-December. Risk and Assurance Board agreed this risk should be remitted to the Brexit steering group, which is still chaired by the Deputy Commissioner, as some areas of focus around the use of powers and operational effectiveness remain and the group has been repurposed to focus on residual risk.
- 1.5. **Money (risk 7 – short-term):** Since the last Audit Panel, our short term financial position has improved considerably, with commitments from central Government and additional funding from City Hall, including through a precept rise. The target position is now met and Risk and Assurance Board approved the closure of this corporate risk.
- 1.6. **Covid-19 (risk 13 – long-term):** Risk and Assurance Board agreed that that the business continuity processes and command structure in place to ensure the continued effective management of Covid-19 no longer requires its oversight. Management of this risk has now been remitted to Covid-19 Gold to track and control through the existing governance structure

'On track' risks to note are:

- 1.7. **Money (risk 8 – long-term):** While there remains some considerable uncertainty for the long term financial position, our risk tolerance has grown given a number of factors. Management Board agreed a suite of financial assumptions in January which will enable us to focus planning around a smaller number of future scenarios. As a result, the risk score has reduced.

‘Limited’ risks to note are:

- 1.8. **CONNECT (risk 3 – short term):** In early December 2020, Northgate notified the Met that as a result of complications arising from Covid-19 in their offshore development teams, delivery of Release 7 to the Met (the main pre go-live release for CONNECT) will be delayed from December 2020 to August 2021. As a result of this, the programme has gone into exception whilst a very substantial re-planning exercise is underway. This re-planning exercise is focused on stabilising and agreeing the scope of what is delivered in Release 7 and developing new ways of working with Northgate to increase delivery confidence. This is a highly complex and time consuming task. Until this planning exercise is complete, the full impact on go-live dates will not be known.

The programme has therefore re-prioritised its efforts and resourcing to developing a new plan and much of the business change work described in the risk slide in appendix B, has either slowed or been put on hold. Once a new plan has been developed and a new go-live date reached, then the timescales of the work to control the operational risks will be re-set. With the revised plan and timescales, the programme will then be in a clear position to articulate the controls for these risks moving forward.

‘Slipped’ risk to note:

- 1.9. **Violent crime (risk 1 – short-term):** Whilst much of the engagement work for the violent crime work is progressing well leading to a reduction in the overall score, the coronavirus pandemic has impacted on our ability to fully implement a key control within the timescale of April 2021; this has now slipped to July 2021. Some cross Government and partner work is taking place, however engagement with young people in particular has been difficult and partner interventions and diversion has been more problematic meaning that we have not been able to progress this area as previously anticipated.
- 1.10. **Technology (risk 14 – long term):** Whilst some progress is being made with regards to availability of finance the status of this risk remains unchanged over this quarter. The loss of commercial staff and the ongoing financial constraints are considered to be the key causes impacting significantly on the management of this risk. These are preventing the further exploitation of new technology and resulting in a lack of funds for critical legacy infrastructure required to maintain key services

Legitimacy (risk 16) and trust indicator

- 1.11. To develop a better understanding of legitimacy across all the corporate risks, a ‘trust indicator’ has been applied to each current risk against a set of criteria shown below.

TRUST TEST:	1	2	3
Key drivers that will affect trust	Capability	+ Reliability/ performance	+ Shared values
QUESTION	Do people, partners and workforce believe the Met has the competence and expertise required to deal with this area?	Is our actual performance and reliability in this area increasing or decreasing? Review against the Key Performance Indicators identified for each risk	Are the actions the Met is taking here reflecting the values and expectations of London's communities / partners / our workforce?
YOUR ANSWER	Decreasingly (-1) or increasingly (+1) or stable (0)?	Decreasingly (-1) or increasingly (+1) or stable (0)?	Decreasingly (-1) or increasingly (+1) or stable (0)?
Total this quarter:	-3 to +3 score to transfer to template		

- 1.12. Each risk owner (and working lead) provided an overall score for their respective risks which indicates either an improving, worsening or unchanged position. When the trust indicator is considered to have worsened, controls within the risk will include focused activity to improve areas of concern and the risk owner will provide specific detail within the quarterly update to assure Risk and Assurance Board of the additional steps being taken to improve trust related to the risk.
- 1.13. The opening positions as determined by the risk owner and working lead are shown on the templates at **Appendix B**. Following discussions at Risk and Assurance Board on 2 March, further work is needed to develop this approach. We will seek to expand it into a more multi-dimensional picture of trust and legitimacy taking into consideration the cumulative impacts of areas of challenge or performance matters in order to contribute to our vision for the Met to be the most trusted police service in the world

Annual corporate risk register refresh process

- 1.14. In April and May we will begin the annual refresh of the corporate strategic risk register for presentation to Risk and Assurance Board in June. We undertake this process to ensure that it remains up-to-date and is focused on the areas that are of most concern to the Board.
- 1.15. We will focus our discussions with Management Board members and a small number of level 2 officers and staff to identify short-term risks but in order to ensure that we are not missing any long-term risks, we will also ask interviewees to consider what could impact the Met over the next 3-5 years.

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 – March 2021

Appendix B - 'Road to target' assessments for example corporate risks – March 2021 – Official Sensitive

SHORT-TERM

Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)	Target position
1 M v H	↓	VIOLENT CRIME Our efforts with partners and communities fail to sustainably reduce violent crime	AC Frontline Policing	Head of Profession – CP, Inclusion & Engagement Cmdr Frontline Policing	M v M
2 M v VH	↔	WELLBEING Failure to look after the wellbeing of our staff at a time where usual working practices are challenged (due to Covid-19), leading to a lack of employee confidence, poorer engagement and poor performance	Chief of Corporate Services	Director of HR	L v VH
3 H v H	↑	CONNECT Implementation of CONNECT severely undermines operational performance	AC Frontline Policing	SRO CONNECT Programme	L v M
4 L v H	↓	BREXIT – <u>CLOSED FROM CORPORATE RISK REGISTER – REMIITTED TO STEERING GROUP</u> New post-BREXIT arrangements for cross-border cooperation are inadequate to manage the risk posed by dangerous offenders in London	Deputy Commissioner	DAC Operations	L v H
5 L v H	↔	GOVERNANCE Failure to enable BAU and drive change and innovation in an agile way with proportionate controls which provide MB with the assurance they need on the effective use of public money	Chief of Corporate Services	Director of Strategy and Governance	L v L
6 M v H	↓	ORGANISATIONAL AGILITY Failure to be organisationally agile	Deputy Commissioner	DAC Professionalism Director of Strategy & Governance	M v H

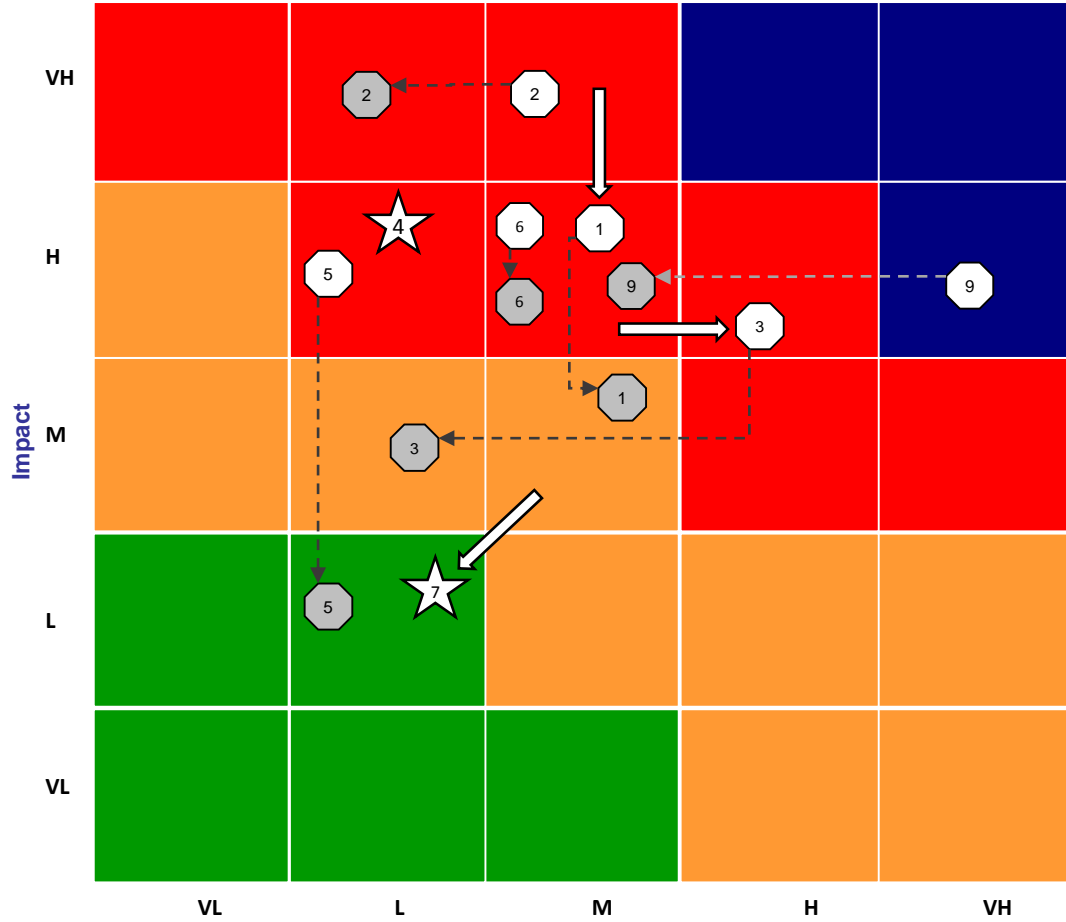
SHORT & LONG-TERM

Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)	Target position
7 LvL	↓	MONEY - <u>CLOSED FROM CORPORATE RISK REGISTER</u> (SHORT) High risk of overspend as a result of currently unfunded Covid-19 costs, risks of lost income; and other in-year pressures, with inadequate mitigations to cover all risks, could require disruptive action to control spending in the latter half of the year which impacts adversely on performance	Chief of Corporate Services	Head of Finance	LvL
8 HvM	↓	MONEY (LONG) Highly unpredictable financial outlook undermines ability to plan effectively; coupled with an inadequate efficiency strategy at present, risks undermining operational performance; sub-optimal decision-making and potentially an unbalanced organisation with additional funding for officers but savings required to other budget lines.		Head of Finance Director of Strategy and Governance	MvM
9 VHvH	↓	PUBLIC & LOCAL ENGAGEMENT (SHORT) Levels of confidence in policing from London's black communities is / are further affected by the impact of using force, stop and search and the consequences of Covid-19 and BLM, or the perception of these.	AC Professionalism	HoP – CP, Inclusion & Engagement	MvH
10 MvH	↓	PUBLIC & LOCAL ENGAGEMENT (LONG) Failure to engage effectively to address appropriate priorities and manage community expectations will have negative impact on public confidence and policing legitimacy			MvM

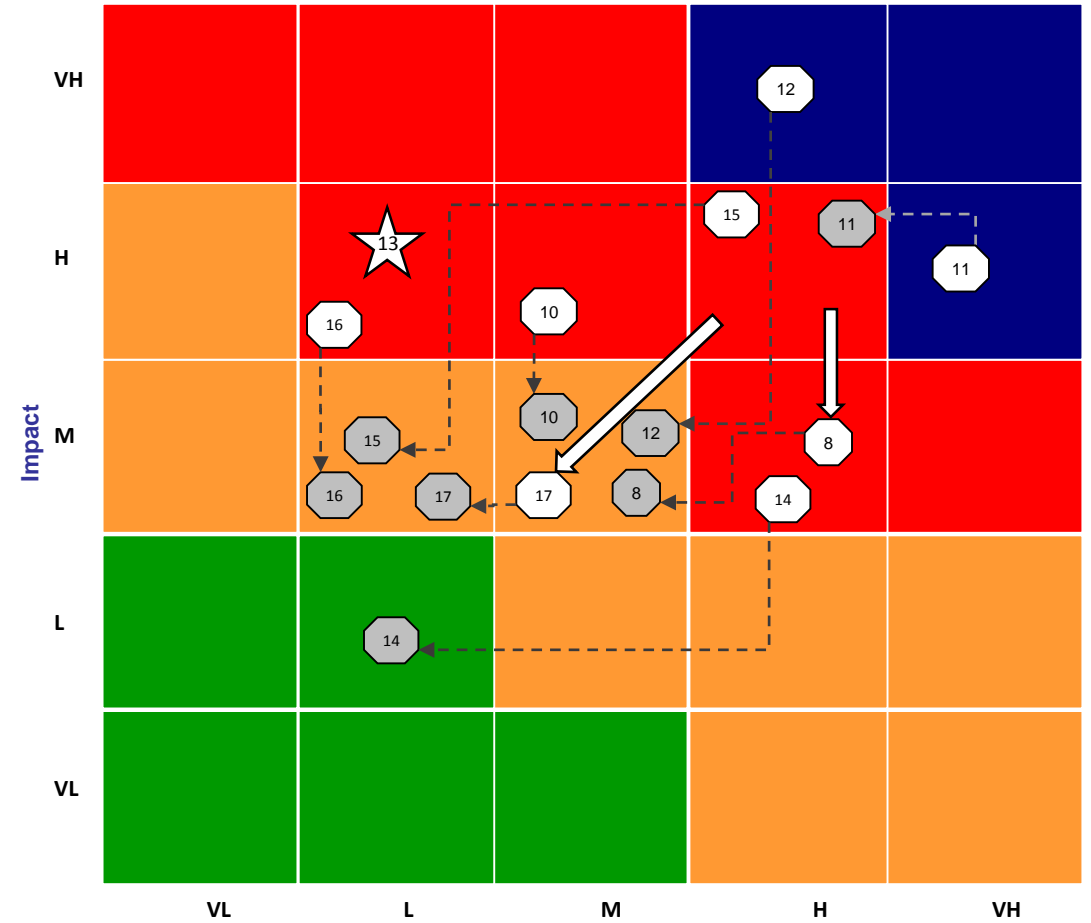
LONG-TERM

Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)	Target position
11 VH v H	↔	PEOPLE Failure to attract, recruit and retain a diverse and representative workforce and support their progression within the organisation	Chief of Corporate Services	Director of HR	H v H
12 H v VH	↓	CAPABILITY Failure to ensure our workforce is appropriately skilled to deliver effectively in a changing environment	AC Professionalism	Director Learning	M v M
13 L v H	↓	COVID-19 <u>CLOSED FROM CORPORATE RISK REGISTER – REMIITTED TO COVID-19 GOLD</u> Met Service delivery fails as a result of sustained disruption caused by Covid-19	DAC Matt Twist T/DAC Jane Connors from Feb 21	DAC Matt Twist T/DAC Jane Connors from Feb 21	L v H
14 H v M	↔	TECHNOLOGY 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
15 H v H	↓	CRIME PREVENTION 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
16 L v H	↓	LEGITIMACY Legitimacy in the Met is weakened because we fail to strike the right balance of ethical and effective policing	Deputy Commissioner	All Risk Owners	L v M
17 M v M	↓	ESTATES Failure to adapt sufficiently to new ways of using our buildings results in higher estate costs than affordable; and / or budgetary caps on estates spending resulting in estates provision that doesn't align sufficiently to operational requirements	SRO Estates Programme	Director of Property Services	L v M

SHORT-TERM HEAT MAP



LONG-TERM HEAT MAP



Alignment with Met Direction pillars

Focusing on what matters most to Londoners			4,13,15,	
Mobilising partners and the public			1, 10	
Achieving the best outcomes in pursuit of justice and in the support of victims				
Seize the opportunities of data and digital tech to become a world leader in policing			3, 14	
Care for each other, work as a team and be an attractive place to work		17	2	
Learn from experience, from others and constantly strive to improve			5	12
Be recognised as a responsible, exemplary and ethical organisation	7		6, 8, 16	9, 11