

MOPACMAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MPS-MOPAC JOINT AUDIT PANEL

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

As requested by Audit Panel in July, this report also outlines plans to increase risk maturity across the Met.

Key Considerations for the Panel

Risk and Assurance Board met on 8 September and noted good progress against four key risks – estates, governance, organisational agility and money. 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 and challenged the progress of key controls on a number of other risks (including those assessed as 'on track') to test consistency in approach which resulted in actions to reframe three corporate risks and their controls (violent crime, legitimacy and public and short-term local engagement) to accurately reflect current situation.

Risks around Covid-19 and community engagement still feature highly in our corporate risk register and the Panel may wish to discuss these further in the meeting.

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.

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. As we did last quarter, we have provided information on four of the risks at **Appendix B** (different risks) 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. Fourteen risks are reporting a 'green' status and on track this quarter. This includes four risks that have seen a reduction in their risk score. There are two risks assessed to be 'amber' in terms of progress this quarter. One of these risks (capability) was identified as part of the refresh process in June, therefore this is their first reporting and it shows there has been 'limited' progress this quarter. The technology risk is assessed as 'red' as it has deteriorated from 'limited' to 'slipped', due to financial constraints and uncertainty.

'On track' risks to note are:

- 1.4. **Governance (risk 5 – short term):** Progress against key controls has been good this quarter. Notably the pilot for investment decisions in Met Operations and Corporate Services has been designed and is about to launch; following the Calam review of change in the Met the Board have agreed to review the Front Door and Business Design Authority; and a joint Met and MOPAC co-chaired working group has been established to revise the Scheme of Delegation have all contributed to a reduction in the likelihood score and therefore a positive change for this risk.
- 1.5. **Organisational Agility (risk 6 – short term):** The scanning work needed to ensure we remain organisationally agile has improved this quarter and now covers a broader spectrum. As well as the intense environmental scanning that has taken place in relation to our relationships with diverse communities this quarter, societal changes are now covered within the Force Management Statement. Whilst a reduction in the likelihood score has meant this risk has met its target position, we are undertaking more work to ensure it is sustainable before the risk is closed.
- 1.6. **Money (risk 7 – short-term):** The Quarter 1 financial report indicates a forecast overspend of £19.1m. However, a number of financial controls – including around the use of overtime and the pausing of a number of significant projects – have brought enhanced financial control in the recent period.
- 1.7. **Estates (risk 17 – long term):** Key decisions on design principles (to increase supply, reduce demand and improve management efficiency) were agreed during this quarter; this coupled with the appointment of DAC Amanda Pearson as Senior Business User to support Vince Fihosy (SRO) for the estates

programme has helped reduce the likelihood score down from the very highest level.

'Limited' risks to note are:

1.8. **Violent Crime (risk 1 – short-term):** Following discussions at Risk and Assurance Board in September, this risk is being reframed before the next Board to ensure that the risk description and controls accurately reflect the current position. Huge amounts of work are underway across the Met against this top operational priority.

1.9. **Capability (risk 12 – long term):** The timescale for Portfolio Investment Board to receive the investment case slipped from September to October due to the changed Business Design Authority dependency for the Learning Target Operating Model detailed design. Without investment, Learning & Development will remain unable to effectively manage existing risks in relation to compliance or drive robust blended learning in support of managing prevailing supply vs demand risks.

'Slipped' risk to note:

1.10. **Technology (risk 14 – long term):** The lack of certainty on finances and the need for 'underspend / uncommitted monies' in the Digital Policing budget to be used to support overspends in other areas of the Met is the primary reason for the change in status.

Risk Maturity

1.11. The risk maturity model rates the level of maturity on a 1 to 5 basis, 1 being the lowest score (starting to embed risk management) up to 5, the highest (risk management is a key driver for the business). When last assessed, risk maturity was level 3, however, it is recognised that this has not been tested internally for some time. The health check assessments for OCU/BCUs are being refreshed to simplify the current process and will follow a similar structure to the Health and Safety risk assessments. The outcome of each health check will be reported to the respective business group level meeting with suggested implementation plans to develop risk maturity to level 3 (working) where there are shortfalls or to sustain risk maturity for each business group. It is anticipated that the health checks will commence early 2021 and the overarching result reported to Risk and Assurance Board in March 2021.

1.12. Additionally, ad-hoc foundation risk management training is offered to OCU/BCUs to expose their staff to the principles of risk management and introduces tool and techniques for improving risk management at a local level – within the last year, three sessions have been run, including one virtually due to Covid-19 restrictions. There are plans to actively promote more of these sessions in early 2021 to coincide with the health checks.

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 – October 2020

Appendix B - 'Road to target' assessments for example corporate risks – October 2020 – Official Sensitive

SHORT-TERM

Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)	Target position
1 VH v VH	↔	VIOLENT CRIME Our efforts with partners and communities fails to sustainably reduce violent crime	AC Frontline Policing	Head of Profession – CP, Inclusion & Engagement	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 M v H	↔	CONNECT Implementation of CONNECT severely undermines operational performance	AC Frontline Policing	SRO CONNECT Programme	L v M
4 L v H	↔	BREXIT 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

Appendix A - Corporate risk register October 2020

SHORT & LONG-TERM

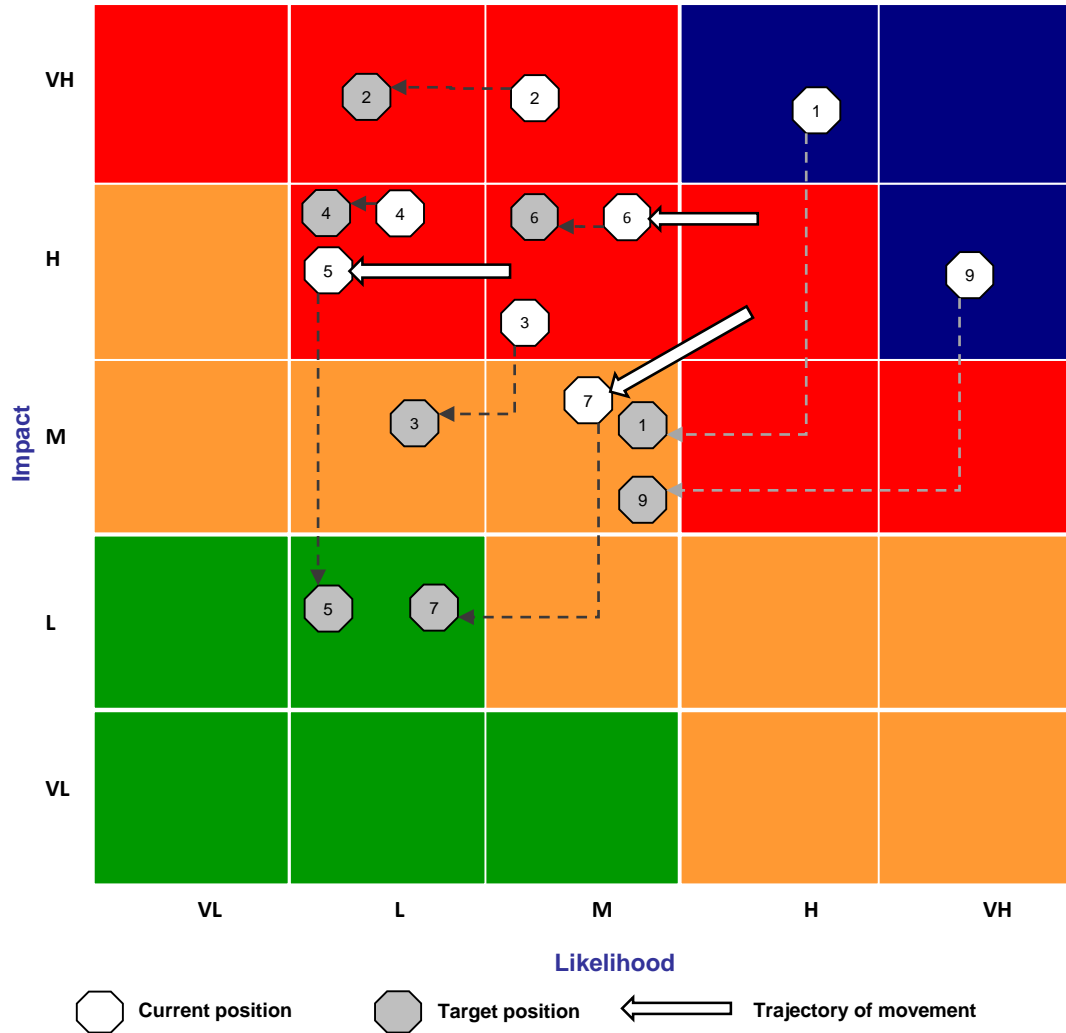
Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)	Target position
7 M v M	↓	MONEY (SHORT) High risk of overspend as a result of currently unfunded Covid-19 costs, risks of lost income; and other in-year pressures, with inadequate mitigations to cover all risks, could require disruptive action to control spending in the latter half of the year which impacts adversely on performance	Chief of Corporate Services	Head of Finance	L v L
8 H v H	↔	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	M v M
9 VH v H	↔	PUBLIC & LOCAL ENGAGEMENT (SHORT) Failure to engage effectively to address appropriate priorities and manage community expectations taking into consideration Covid-19 impacts and policing related issues of concern connected with Black Lives Matter which will have a negative impact on public confidence and policing legitimacy and undermine our ambition to reduce the confidence gap between London's communities	AC Professionalism	HoP – CP, Inclusion & Engagement	M v M
10 M v H	↔	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			M v M

Appendix A - Corporate risk register October 2020

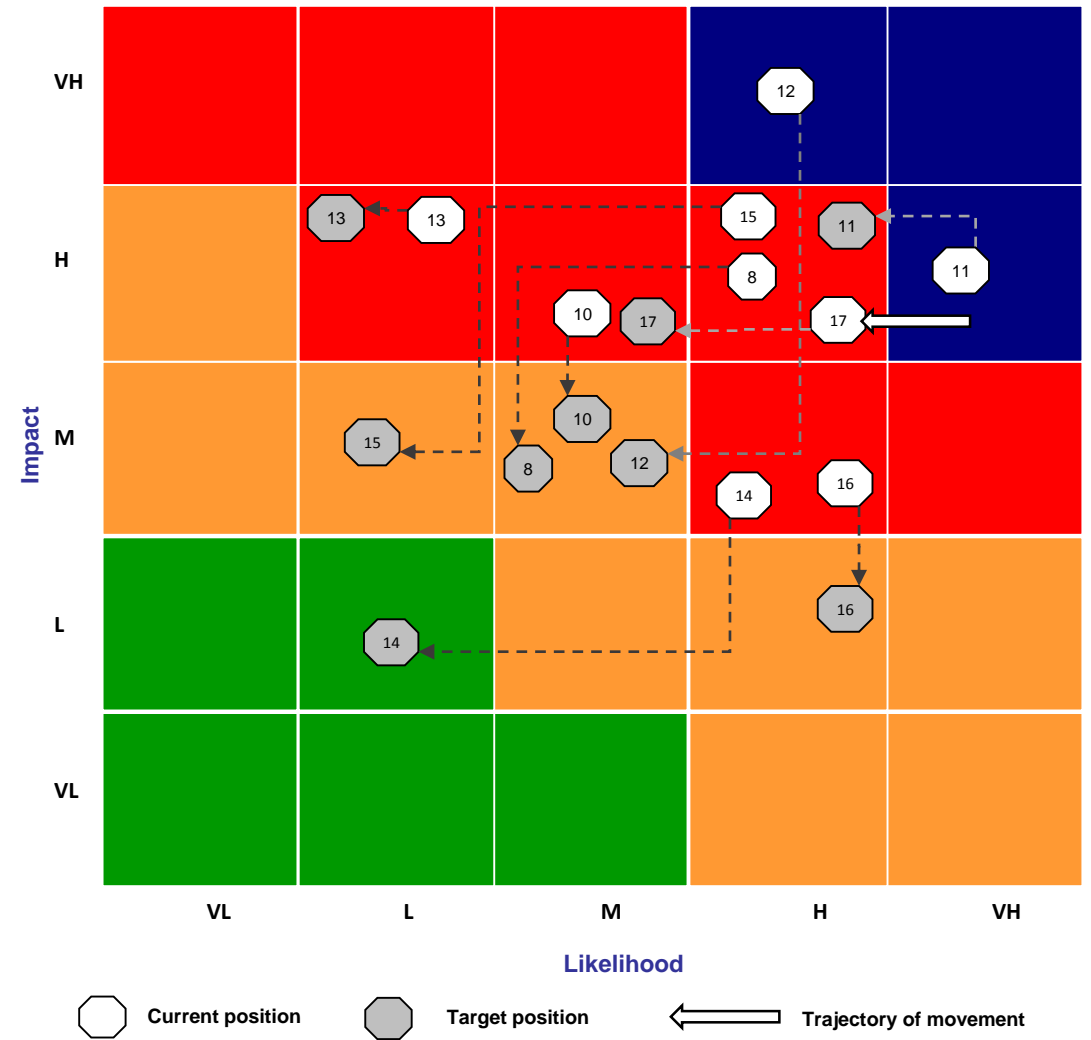
LONG-TERM

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 Met Service delivery fails as a result of sustained disruption caused by Covid-19	AC Mark Simmons Management Board Lead	DAC Operations	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 H v M	↔	LEGITIMACY 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 Cmdr Frontline Policing	H v L
17 H v H	↓	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	Chief of Corporate Services	Director of Property Services	M v H

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			10	1
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			2, 17	
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