

MOPACMAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MPS-MOPAC JOINT AUDIT PANEL

5 July 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 Audit Panel with a synopsis of the annual corporate risk register refresh process, outlines the new register for 2021/22 and the process to ensure progress is made to manage the risks.

Risk and Assurance Board discussed and approved the outcome of the annual refresh at its meeting on 1 June.

The year-end position for the 2020/21 risk register shows six risks have met their target position. Five of the seven remaining long-term risks are considered to be on track for delivery. The technology risk (risk 14) improved its progress position from 'slipped' to 'limited'.

Key Considerations for the Panel

Risk and Assurance Board agreed some of the themes from the 2020/21 register remain relevant but the easing of pandemic restrictions has shifted the focus for some risk and one in particular. Violent crime is still the highest priority but the focus has shifted from mobilising partner activity (which still remains important) to ensuring operational effort yields reductions in incidents.

One significant new thematic area was identified – standards (in a general sense relating to our professionalism) - and following discussion and agreement at Risk and Assurance Board, added to the corporate risk register. Environmental and sustainability matters was another new area highlighted but rather than a new risk, it has been subsumed into the money risk given that a key constraint is the financial envelope in which we are working as an organisation.

The existing risk related to CONNECT was closed but replaced with a broader risk related to the delivery of multiple new large scale Met and national technology programmes.

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 refresh approach

- 1.1. The corporate risk refresh process took place in April and May 2021. As per previous years, this involved interviewing all the members of Management Board we were able to meet and a number of Level 2 leaders. Due to the ongoing Covid-19 pandemic our approach was 'light-touch' but as last year, this has not impacted the quality of the information obtained. Broadly, the thematic areas are still relevant with one new significant area identified and others have a slight change of focus.
- 1.2. We continue to adopt the principle of both short and long-term risks, as we want to continue to develop a tighter approach to our management of short-term risk to ensure we are implementing effective controls to reduce the risk. For some of our long-term risks, the identification of short-term actions will be key to reducing the risk.
- 1.3. Target positions are reflective of a realistic position for each risk to reach within the determined timeframe. The ambition is to ensure that our activity drives the risk down sufficiently that the target positions are achieved. It will then be determined if the risk can be reduced further or if the tolerance level for the risk has been achieved.
- 1.4. The definition of a long-term risk remains the same - *those that are of most concern to the delivery of the Met Direction up to 2025* – recognising we may not be able to put in place all necessary controls within the next 12 months. The preventative controls for these risks may require more innovation or investment, and movement towards the target position may be slower.
- 1.5. Risk owners specify their progress against the controls on a quarterly basis. Those that report slipped, limited or no progress over the quarter, are required to provide a response to Risk and Assurance Board as to why.
- 1.6. Risk and Assurance Board discussed and approved the annual refresh at its meeting on 1 June. Following the refresh, one new risk was opened in relation to standards (of professionalism); the CONNECT risk was closed but replaced by a broader risk related to the delivery of multiple large scale Met and national technology programmes. One risk was remitted to Health, Safety and Wellbeing Board and one short-term risk (Public and Local engagement) was closed but subsumed into the long-term risk. The focus of the engagement risk relates to our diversity and inclusion initiatives, communication and engagement activities not having a positive impact in raising confidence amongst Black communities and other groups where a confidence gap exists. There are now 11 risks (3 short-term and 8 long-term). 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**.

Risk position update – 4th quarter

- 1.7. **Appendix B** provides information examples on five 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.
- 1.8. Over the last quarter, four risks have improved their risk score:
- wellbeing (risk 2);
 - people (risk 11);
 - capability (risk 12) and
 - technology (risk 14).
- 1.9. This means the year-end position shows six risks have met their target position:
- wellbeing (risk 2);
 - Brexit (risk 4);
 - organisational agility (risk 6);
 - money (risk 7);
 - people (risk 11) and
 - Covid-19 (risk 13)
- 1.10. Although the people risk (risk 11), has met its target score, this is a long-term risk; the risk refresh process has identified this as a continuing long-term risk and therefore it is recommended the target score be re-assessed in line with our ambition and a new long-term target date ascertained. Five of the remaining seven long-term risks are considered to be on track for delivery. The technology risk (risk 14) improved its progress position from ‘slipped’ to ‘limited’
- 1.11. Four of the eight short-term risks met their target score (50%) which is a small improvement on last year’s 46% (6 of 13), however we will want to continue to develop a tighter approach to our management of short-term risk to ensure we are implementing effective controls to reduce the risk. The table below illustrates the final position of the eight short-term risks for this year and two long-term risks who met the target.

	Risk description	Target date	Opening position: likelihood / impact	Q4 position: likelihood / impact	Target position was
1	Our efforts with partners and communities fail to sustainably reduce violent crime	April 2021	VH / VH	M / H	M / M
2	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	June 2021	M / VH	L / VH	L / VH

3	Implementation of CONNECT severely undermines operational performance	June 2021	M / H	H / H	L / M
4	New post-BREXIT arrangements for cross-border cooperation are inadequate to manage the risk posed by dangerous offenders in London	Jan 2021	L / H	L / H	L / H
5	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	June 2021	M / H	L / H	L / L
6	Failure to be organisationally agile	June 2021	H / H	M / H	M / H
7	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	June 2021	H / H	L / L	L / L
9	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.	April 2021	VH / H	VH / H	M / M
11	Failure to attract, recruit and retain a diverse and representative workforce and support their progression within the organisation	Sept 2022	VH / H	H / H	H / H
13	Met Service delivery fails as a result of sustained disruption caused by Covid-19	Sept 2021	L / H	L / H	L / H

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 – July 2021

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

SHORT-TERM

Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)	Target position
1		<p>VIOLENT CRIME</p> <p>Our operational efforts and the work to mobilise partners do not translate into decreases in violent crime leading to more victims and impacting on confidence in the Met to keep London safe</p>	AC Frontline Policing	<p>Head of Profession – CP, Inclusion & Engagement</p> <p>Cmdr Frontline Policing</p>	
2		<p>NEW SYSTEMS</p> <p>Failure to successfully deliver large scale Met and national technology programmes (i.e. CONNECT, Command & Control, LMS, LRM, ESM & ANPR) significantly undermining operational delivery</p>	Deputy Commissioner	Chief Digital and Technology Officer	
3		<p>STANDARDS</p> <p>Failure to communicate and uphold clear standards for our workforce undermines public confidence in the Met</p>	Deputy Commissioner	AC Professionalism	

Appendix A - Corporate risk register July 2021

LONG-TERM

Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)	Target position
4		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	
5		CAPABILITY Failure to ensure our workforce is appropriately skilled to deliver effectively in a changing environment	AC Professionalism	Director Learning	
6		MONEY Failure to demonstrate and articulate the Met's efficiency, VfM and financial agility leading to low confidence from our funding partners and potential loss of funding	Chief of Corporate Services	Director of Finance Director of Strategy and Governance	
7		TECHNOLOGY Conservative approach to implementing technology and use and access to data impedes delivery – reduces ability to capture benefits, in particular qualitative benefits, of maximising value from data & technology	Chief Digital and Technology Officer	Digital Policing Directors Director Strategy & Governance Transformation Director Director of Commercial Services Heads of Profession	
8		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	
9		PUBLIC & LOCAL ENGAGEMENT Our diversity and inclusion initiatives, communication and engagement activities do not have the positive impact sought in raising confidence amongst Black communities and other groups where a confidence gap exists	AC Professionalism	Head of Profession – CP, Inclusion & Engagement	
10		LEGITIMACY Legitimacy in the Met is weakened	Deputy Commissioner	TBC	
11		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 impedes our operational delivery	SRO Estates Programme	Director of Property Services	