



Metropolitan Police Authority

Internal Audit Directorate

Review of Corporate Risk Assessment and Management

Final Report



**METROPOLITAN
POLICE**

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MAIN FINDINGS AND RECOMMENDATIONS

1 INTRODUCTION

- 1.1. This audit was carried out as part of the 2006/07 internal audit plan and is the first systems review of the corporate risk assessment and management process.
- 1.2 Management Board is responsible for the management of risk in the MPS. There is a Business Risk Management Team (BRMT) headed by the Director of Risk Management who reports to the management board member, Director of Strategy, Modernisation and Performance. The BRMT has operated since 2003 and is the professional lead on business risk management and insurance management.
- 1.3 The CIPFA/SOLACE Local Authorities Code requires effective risk management in terms of taking informed and transparent decisions, which are subject to effective scrutiny. The MPA Treasurer has overall responsibility for advising on risk management and insurance and for ensuring that the MPA risk register is kept up to date. The MPA Corporate Governance Committee monitors the MPA and MPS risk management strategy.
- 1.4 Risk Management is seen as an important aspect of managing complex organisations in both the private and public sectors. The concept of ensuring risks to achieving objectives are effectively managed in a way that ensures there is a reasonable chance of achieving them is straightforward, but it can be difficult to install these ideals within an organisation. Effective risk management is a fundamental component of a successful organisation and the MPS may experience adverse consequences whenever one of the following factors applies:
- A significant risk has not been identified.
 - The consequences of a significant risk have not been fully appreciated.
 - Poor controls have led to the realisation of a significant risk.
 - Sound controls that guard against a significant risk have been by-passed.

2. OBJECTIVES

- 2.1 The objectives of the audit were to evaluate the adequacy and effectiveness of the control framework established by management to ensure the effective assessment and management of risk. In particular, we set out to provide assurance that controls exist and are operating effectively to ensure that:
- a) There is a clearly defined risk management policy and implementation strategy that is properly approved, appropriately issued and regularly reviewed to meet new challenges from legislation and recognised best practice.
 - b) Effective structures and procedures are in place in MPA/MPS to support the delivery of the strategy and to ensure that the policy is understood and complied with.
 - c) Risk management is being integrated within strategic business planning and performance management.

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- d) Risks are properly identified, evaluated and appropriately managed in a way that facilitates good decision making by a defined risk owner.

3. AUDIT OPINION

- 3.1 Our overall opinion is that although a framework is in place for the assessment and management of risk, it is not effective in supporting the integration and embedding of risk management across the MPS. We identified a number of areas where the existing arrangements and approach could be improved.
- 3.2 An up to date risk management policy is not in place and the current focus on business risk does not encourage a more integrated approach to managing risk across the organisation. The strategy governing risk management is not clearly defined and has not been fully effective. In terms of promoting a risk astute culture across all parts of the organisation, there is a need for a shift in strategy to secure the buy-in from senior managers and to ensure risk management is part of day-to-day management of the Service.
- 3.3 The structures and procedures in place supporting the risk management process in the MPS are not fully effective and need to be reviewed to ensure that risk management is fully understood, valued and supported. In particular, a more effective process needs to be put in place for escalating risk through the organisation.
- 3.4 Controls are not in place to ensure that risk assessment is adequately and effectively integrated into the business planning and performance management process.
- 3.5 At the time of our review adequate controls were not in place to ensure that risks were properly identified, evaluated and appropriately managed to facilitate good decision making by defined risk owners. Although there was evidence of effective risk registers being compiled for key projects, Management Board did not have an up to date Corporate Risk Register and local risk registers were not being properly compiled and managed.
- 3.6 Since our review, steps have been taken to address a number of the above issues. The Corporate Risk Review Group (CRRG) attended by senior representatives of the MPA and MPS was established, revised Standard Operating Procedures (SOPs) were introduced, a corporate risk register compiled highlighting the top ten risks (supplemented by a list of thirty further risks considered to be in the second tier) and linear risk registers at a local level have been replaced by an approach based on focusing on the consequences and causes of risk (bow-tie).
- 3.7 The creation of the CRRG is a welcome development, however, there is a need to ensure that Management Board are evidencing their ownership of the risk management process and the identified risks. The methodology for arriving at the top ten risks is unclear and there is a need to ensure that the

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corporate risk register remains dynamic and reflects current risks as they arise. The use of the bow-tie technique is in its infancy within the MPS. The BRMT report that the new technique is being well received, however, it does need to be developed further to ensure the impact and prioritisation of risks are properly identified and that the escalation of risks through the organisation is effective.

4. SCOPE

- 4.1 We reviewed the role of Management Board and the measures put in place by the Business Risk Management Team, and assessed the impact on Directorates, Business Groups and B/OCUs. This involved interviewing police officers and police staff at strategic, programme, project and operational levels. BOCU risk registers were analysed and several Borough Commands were visited during the course of the audit. We also considered the measures used to evaluate progress in embedding risk management into the culture of the Service. As well as carrying out interviews with various MPS officers and staff, we assessed the application of BRM at operational unit level by:
- a) Analysing the collective knowledge gleaned by internal audit from audit visits to various B/OCUs during 2006.
 - b) Analysing copies of all thirty-two BOCU risk registers provided to TPHQ and the BRMT.
 - c) Visiting four BOCUs and one OCU.
 - d) Reviewing the results of a sample of quality assurance visits made by the BRMT.

5. KEY RECOMMENDATIONS

- 5.1 The Director of Risk Management has recently re-focused the approach to business risk assessment and management. The Corporate Risk Review Group helps engineer greater involvement from the Management Board and to move the MPS through a staged risk maturity programme. All members of the Business Risk Management Team are fully engaged in this important change programme.
- 5.2 We have made recommendations throughout the report aimed at introducing effective controls or improving those already in place. To mitigate those risks that, in our opinion need to be improved before system objectives for corporate risk assessment and management can be achieved, we make the following key recommendations:
- 5.3 Management Board review the approach to business risk management to incorporate a Police Service Risk Management Process (based on the enterprise wide risk management approach)¹ as a way of integrating all risk

¹Enterprise wide risk management defines risk management as a process that is applied to every level of an organisation, which includes taking an enterprise wide view of managing the entire risk portfolio.

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activities across the organisation (**recommendations 6.14.1 - 6.14.3 refer**).

- 5.4 Management Board approve a clearly defined strategy for the implementation of risk management along the lines of a Risk Management Framework that is integrated within planning, performance and day-to-day police business (**recommendation 6.14.4 refers**).
- 5.5 The BRMT focus on providing a consultancy and Q&A role available to Business Groups and B/OCUs to help support them in embedding Police Service Risk Management and facilitating the preparation of meaningful risk registers. Risk management champions are appointed at a local level (**recommendations 7.7.1-7.7.3 refer**).
- 5.6 Risk management training incorporates an advocacy dimension, with a move away from the concept of risk authors, to promote local risk assessments as the adopted way forward (**recommendations 7.11.1 – 7.11.4 refer**).
- 5.7 Risk registers are re-designed to constitute a varying degree of sophistication, from Rapid Risk Reports, to basic registers through to more detailed SMT versions – and these registers should be aligned to the ongoing process for reviewing internal controls (**recommendation 8.8.4 refers**).
- 5.8 MPA Committee papers incorporate a section on risk assessment to inform the relevant decision makers (**recommendation 8.1 refers**).
- 5.9 The Risk Management Policy and supporting guidance are revised to reflect any agreed changes in risk management strategy and approach (**recommendation 8.9 refers**).
- 5.10 A user friendly version of Control Risk Self Assessment (CRSA) is implemented throughout the MPS (**recommendations 8.8.1 – 8.8.3 refers**)

6. STRATEGY, POLICY AND INTEGRATION

- 6.1 The MPA Corporate Governance Committee has a clear oversight role in considering risk management programmes and monitoring the extent to which risk management is being implemented within the MPS. To this end, the Corporate Governance Committee receive regular progress reports from the Director of Risk Management. MPS Financial Instructions (which should be read in conjunction with Financial Regulations) also state that the Deputy Commissioner will maintain a Risk Management team to co-ordinate, implement and promote best practice. The view that risk management is important to the MPS is supported by reference to risk management in the defined responsibilities of the MPS Management Board as follows:
 - Develop and deliver corporate strategy
 - Agree and ensure quality of control strategies
 - Review progress against major programmes
 - Review and manage major risk
 - Review impact of and compliance with critical policy

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- 6.2 However, the Management Board minutes from 12 January 2006 through to 17 October 2006 do not refer to Business Risk Management or any discussion of a Management Board risk register. The only mention of Business Risk Management (BRM) is a comment from the 9 September 2006 Management Board meeting where a paper suggesting the top ten risks for Management Board concern was not agreed since; ‘. . . *the BRMT had been given an impossible task as the requirements of the risk management system were undefined.*’ (Management Board Minutes 9 Sept 2006). The Management Board asked that the Director of Risk Management carry out further work and look at what other similar organisations were doing in terms of their risk management process. At the time of our review, the Corporate Risk Register, which is meant to reflect the highest strategic risks to the MPS, was out of date and had not been updated for some time. This apparent lack of engagement at Management Board led to the creation of a Corporate Risk Review Group to consider strategic risk management on behalf of the Management Board. Management Board has since identified a top and second tier of risks. However, the methodology applied to arrive at these risks is unclear and greater emphasis needs to be placed on ensuring current and live risks are effectively fed into the process and managed.
- 6.3 There has been a Business Risk Management Policy in place since November 2004. The Risk Management policy seeks to establish corporate standards and clear procedures in the management of business risk through:
- Integration of risk management into the culture of the Service.
 - Raising awareness of the need for risk management by all those connected with the delivery of the Service to anticipate and respond to changing social, environmental and legislative conditions.
 - Introducing a robust framework and procedures for identification, evaluation, prioritisation, control and monitoring of risk, and the reporting and recording of events based on good practice.
 - Minimisation of the cost of insurable risk.
- 6.4 The Policy contains useful guidance on risk management, its benefits and the way it should be used in an organisation. However, it has not been revised for three years, is out-of-date and does not reflect the current position, demonstrated as follows:
- The Policy states that the ownership of Risk Management resides with the MPS Corporate Governance Strategic Committee although this committee has now been disbanded.
 - The policy does not reinforce MPS Management Board’s, or the Commissioner’s overall responsibilities for risk management in the Service.
 - The policy also fails to mention the risk management oversight role of the MPA Corporate Governance Committee.
 - The Policy does not set direction for integrating the many and varied aspects of risk assessed activities ranging from Health & Safety and business continuity through to project risk.

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- The Policy states that the Accounts and Audit Regulations 2003 require Business Risk Management, although the Regulations themselves simply require measures to ensure that risk is appropriately managed, within the context of accounting records and control systems.
- 6.5 It is important that the many strands of risk management activity that are ongoing in the MPS are properly coordinated and that business risk management is fully immersed into the existing systems and processes. Such integration means the risk management process will take on board other aspects of risk based activities, including:
- Business continuity
 - Safety and Health
 - Professional Standards
 - Investment Board business case assessments
 - Insurance arrangements
 - Project management
 - Tactical activities
 - The numerous operational risk assessed notices that relate to police work.
- 6.6 We found several examples of the use of risk assessments to drive plans, performance and decision-making. For example, the Investment Board Approval Process for projects and investments incorporates an Assessment Panel that has a key role in the approval process. One of the factors considered by the Assessment Panel is whether a lack of funding would expose the MPS to an unacceptable level of corporate risk. The guidance supporting this process states; '*. . . the individual business cases themselves conduct a risk analysis with respect to identifying those factors that may jeopardise the success of individual programmes or delivery of benefits from individual investments.*' The MPS has a mature track record of dealing with tactical risk and Health and Safety risk which is supported by the numerous notices that are sited on Aware to address the many dozens of operational concerns that regularly arise in the execution of a serving police officer's duties. Corporate Safety and Health risk assessments can now be completed on-line over the intranet.
- 6.7 The improved Business Risk Management Team's (BRMT) Aware Site has been cross-referenced to other risk assessed activities. However, there is no clear aim to develop an organisation-wide risk management strategy, which integrates risk activities and seeks a consistency in the approach to managing the entire risk portfolio. There is also no evidence of an overall vision for integrating risk in the MPS that builds on the advanced risk-based activities that have always been applied to policing operations. The principal business planning process and performance management frameworks must have a clear link with the risk management process so that outputs in terms of agreed actions fit with Policing plans and targets. Good integration ensures that risk registers have a real impact on organisational behaviour and lead to better local decision-making and more chance of achieving set objectives.
- 6.8 There are moves to 'join-up' the MPS risk activities and DOI have been

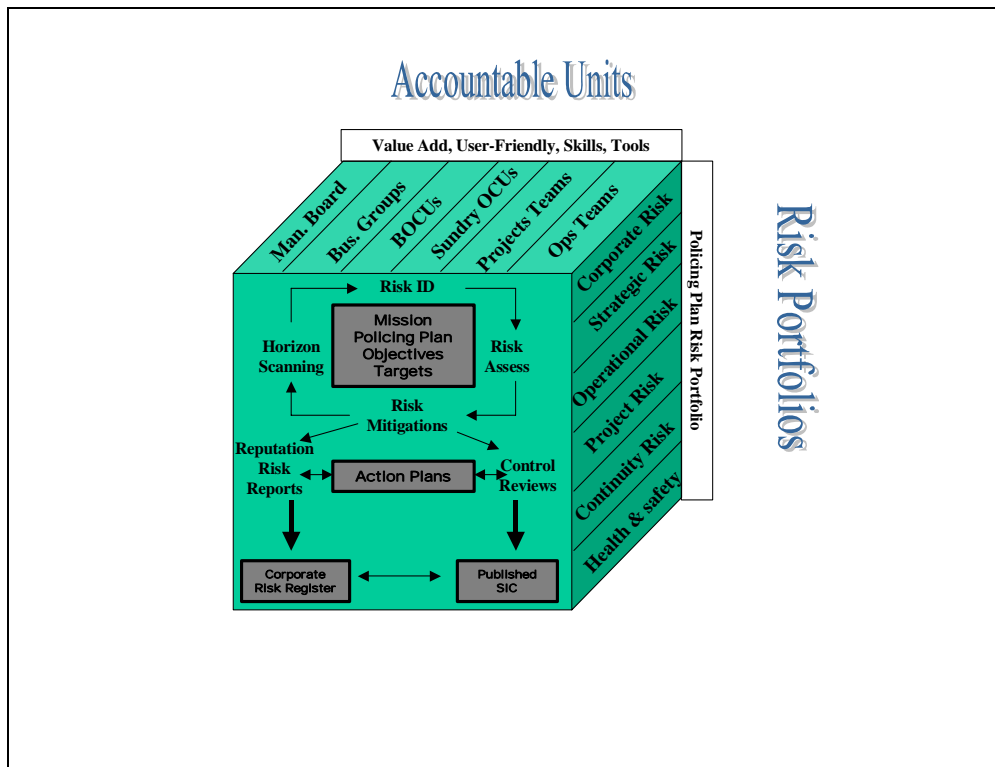
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working closely with the BRMT on further cross-referencing their respective risk processes and they are generally supportive of the BRM process. DOI acknowledged the problems with lack of Management Board buy-in and the consequential effect of reducing the perception of BRM at the Information Board forum. There is a clear need to express the added value from BRM and sell these messages in a joined-up manner. DPS has been included in the range of BRMT contacts and are currently working alongside them to develop a cross-referenced approach to risk management with web site summaries and links to specific risk elements. There is an appreciation of the need to get Commanders to own their risk registers and it is felt by DPS that the BRMT should be seen as a centre of excellence. DPS are particularly interested in the impact of MPS reputational risk where professional standards are breached. The BRMT has adopted a key role in promoting the BRM process and explaining how it may be used in a more dynamic way to facilitate the spread of good risk management practices. The 'bow-tie approach' is used to help facilitate action in various rapid response forums such as the Gold Group when urgent issues are being addressed by senior police officers. This approach is now being rolled out across the MPS.

- 6.9 However, there is some way to go and the BRMT Quality Assurance schedules from several BOCUs that we analysed identified, among other findings, that 66% of BOCUs had moderate or no integration of plans with risk registers. The Policing Strategy 2006-2009 and Policing Plan 2006-2007 only makes one mention of risk management and this is in a limited context.
- 6.10 The concept of a fully integrated risk management process has not yet reached all parts of the Service and one Business Support OCU with around 100 staff had not had any contact from the BRMT. This meant they had not prepared risk registers in line with the BRM Policy although the manager expressed an interest in meeting with BRMT and having a robust risk management process in place. An analysis of quality assurance visits by the BRMT suggests that in 58% of BOCUs officers and staff, other than the risk author, rarely refer to the risk register.
- 6.11 The MPS approach is to focus on B/OCU risk registers at B/OCU SMT level dealing with the top ten strategic risks, through the use of a designated 'risk author'. There is no direct link between the key corporate risks identified at Management Board level and risks being managed at a local level. Integrated risk management is a much more dynamic approach and seeks to draw an all-encompassing framework for the entire organisation. Some BOCUs felt that the term business risk management related to finance and resources or business continuity and it was not seen as an overarching concept. Others felt there was a wide array of risk-based activities and review measures that were not joined-up. The MPA Corporate Governance Committee recognises the difficulties facing the BRMT and the need to improve the oversight arrangements currently in place. One expressed view is that Policing issues should drive risk management and there should be a means to bring together the various risk management components and engage people around real issues.

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- 6.12 There is no effective risk management implementation strategy. In practice, a series of steps have been taken to implement the Business Risk Management Policy. This involves the use of risk register training, management awareness seminars, a Standard Operating Procedure, the production of the Framework User Guide and the mandatory use of the risk registers across the MPS. The success of the implementation strategy is measured by the ALARM/CIPFA framework, which is presented to the MPA Corporate Governance Committee and used in conjunction with a Met risk maturity model employed by the Director of Risk Management. However, we identified the following control weaknesses in this process:
- a) The mandatory use of risk registers, although useful, stops at SMT (top ten risks) and does not promote the use of BRM through all levels of management within the B/OCU.
 - b) The ALARM/CIPFA risk maturity model that is reported to MPA Corporate Governance Committee is an inefficient way of measuring the success of BRM. In practice, the model is misleading in that it fails to identify areas of poor quality that should be improved.
- 6.13 The MPS sets no clear direction on managing risk across the MPS that addresses the many disparate risk based activities that currently exist. The MPS risk management process is an amalgamation of risk assessments, which vary in their nature and impact. Many of these activities such as Health and Safety and operational preparedness are well established within the Service and over the years have been understood and applied to good effect. The development of a business risk management process over the last few years has not helped to add clarity to risk management in a Policing environment. An integrated approach to risk should start with policing priorities and then go on to address the underpinning business support functions. The ability to associate risk management with service delivery gives a sound platform for better buy-in from senior police officers.
- 6.14 To address the above issues **we recommend that the MPS Management Board:**
- 6.14.1 Review the approach to business risk management to incorporate a Police Service Risk Management Process (based on the enterprise wide risk management approach) as a way of integrating all risk activities across the organisation.**
 - 6.14.2 Approve a clearly defined strategy for the implementation of risk management along the lines of an Integrated Risk Management Framework as illustrated in Figure 1.**

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- Applying risk management throughout the organisation for the MB, Business Groups, B/OCUs, programme and project teams.
- Re-packaging the MPS Risk Management Process to promote value add in helping teams deliver their goals in a user friendly format that does not entail excessive degrees of paperwork or extensive training.
- Delivering the necessary skills and tools to all staff that fall within the risk management framework and not just the current 'risk authors'.

Integrating Risk Management;

- It is essential that risk assessments are related to the Policing Plan and priorities.
- Embedding risk assessment into the business planning and performance management framework.
- Applying the application of risk management throughout the MPS to cover all categories of risk assessments including – corporate, strategic, operational, project, continuity and Health & Safety risk.
- Giving responsibility to a senior MB officer for coordinating all risk activities and ensuring that they are integrated in a consistent and meaningful manner, driven by Police Service priorities.

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- Creating a one-stop Aware website facility to enable users to log onto the risk category that they are addressing and view consistent material that they can become familiar with. On-line training tutorials may be used to support the new risk competencies along with training notes and multi-choice tests. A refereed interactive discussion forum may also be used to help share experiences.
- Performing on-line risk assessment with user-friendly tools and aids that help the user develop a series of simple and more complex risk registers to suit the local context.
- Using the Control Risk Self Assessment (CRSA) technique to compile risk registers (recommendation 8.9 refers).

Application of a generic risk management cycle;

- Defining and agreeing a straightforward and generic risk cycle for use in all types of risk assessments and risk management exercises.
- Basing the MPS Risk Management cycle around the mission, Policing Plan, objectives and targets.
- Linking risk registers to the process of preparing formal statements on internal control across the MPS. Denoting how existing controls that mitigate against key risks are reviewed and how planned controls are tracked through to their full implementation.
- Denoting any 'Red Risks' on local SMT registers to be used to populate a MPS Reputational Risk Register that is accelerated through the management command until it arrives as a top level report for the MB on their Corporate Risk Register.
- Applying horizon scanning across the MPS to ensure there are effective mechanisms to capture important new and potential risks.

6.14.4 To support the approach described above, give consideration to introducing a model of Police Service Risk Management using the framework and the suggested reporting relationships, that are illustrated in Figure 2 and 3.

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FIGURE 2 - RISK FRAMEWORK

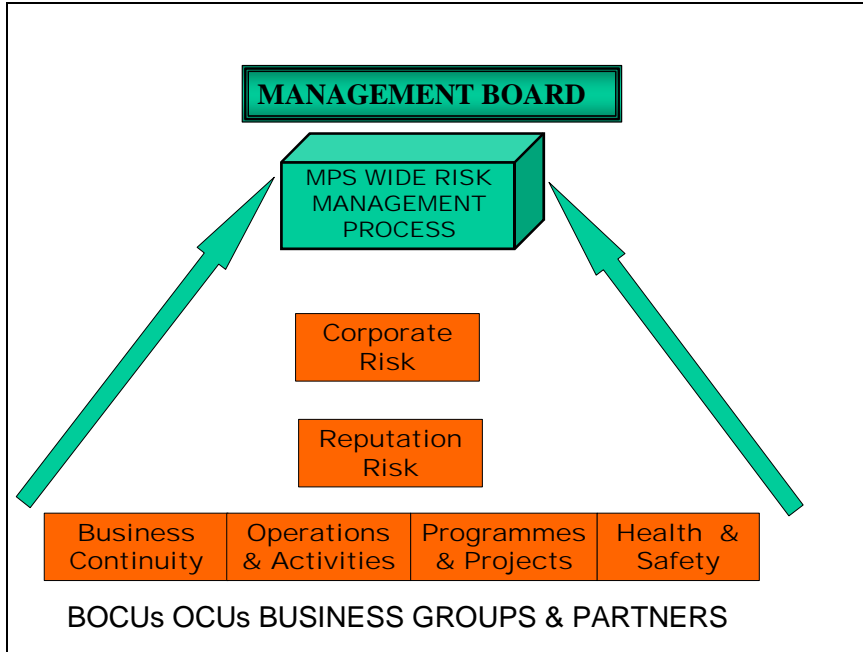
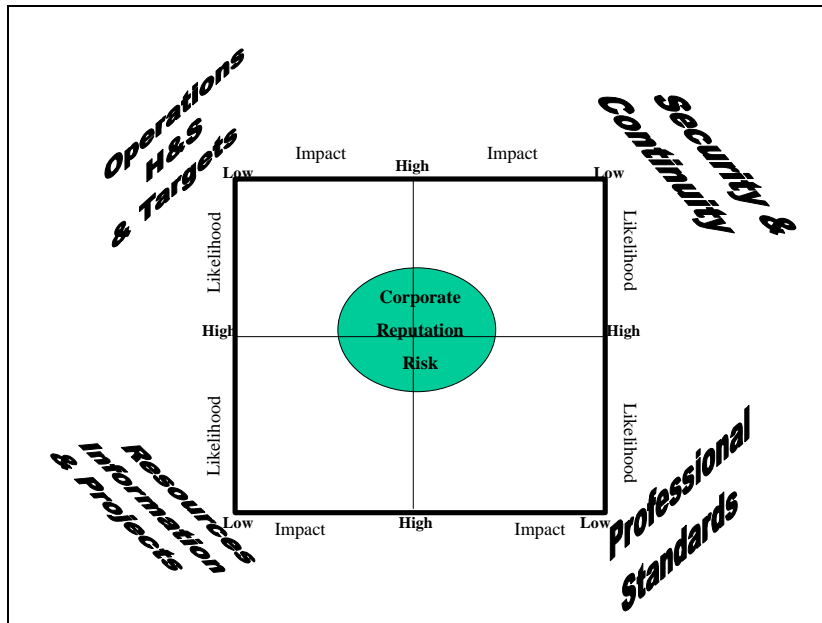


FIGURE 3 - ESCALATING RISK



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7. STRUCTURE AND PROCEDURES SUPPORTING RISK MANAGEMENT

- 7.1 The structure of the business risk management arrangements revolves around the employment of a Business Risk Management Team (BRMT). The BRMT is headed up by the Director of Risk Management who reports to the Director of Strategy, Modernisation and Performance. The BRMT has operated since 2003 with a remit to oversee the development of the Risk Management Framework and User Guide and their rollout Service wide, and to quality assure risk registers. The BRMT consists of staff that have a background in consulting and risk management. Each of the five team members has a clearly defined role and covers a wide range of services including the risk framework, standards, training, quality, partnering, and helping the MPS use powerful BRM tools - such as the bow-tie technique for analysing the causes and consequences of risk to solve problems. The BRMT have made good progress in designing materials, running training courses and aligning themselves with other MPS business groups with common goals. TPHQ receive copies of the BOCU risk registers, which they use to develop and report on 'risk themes' emerging from the underlying information.
- 7.2 A number of gaps in the dated Risk Policy are compensated for, by the Standard Operating Procedure (SOP) on Business Risk Management (BRM), which was revised and reissued in December 2006. The SOP contains guidance on the importance of BRM, the way risk maturity is measured, and the way risk registers should be compiled to best effect as a way of underpinning the BRM process. However, the focus on risk registers means other important aspects of risk management are not sufficiently addressed. This has led to the following weaknesses:
- a) The requirements for risk registers to be submitted each year to TPHQ/BRMT and reviewed six monthly, promotes the view that they represent an annual cycle with fixed review points. In turn, this means risk registers may be seen less as a 'living document' and more as a bureaucratic process.
 - b) There is insufficient integration between BRM and the review of internal controls. This integration should be a fundamental aspect of SMT activity in line with good governance and the need for sound internal controls in all large organisations.
 - c) The SOP does not sufficiently address risk tolerance or the technique of accelerating high-level risks that impact the MPS reputation, through the chain of command for closer monitoring and review.
 - d) The SOP promotes the concept of 'risk authors' as a pivotal component of the BRM process, in contrast to the view that BRM should be led by senior management at SMT level. The reliance on risk authors in preparing risk registers does not support the ownership of BRM by senior management and the need to engage SMTs in preparing their registers rather than this document being prepared by a nominated officer.
 - e) The section on roles and responsibilities does not reflect best practice in locating the BRM at the top of the organisation so that the right messages may be relayed down through the business groups and units in a proactive

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manner.

- 7.3 Quality Assurance visits are carried out by the BRMT who have visited half of the BOCUs with plans to visit the remaining units over a defined period. The results demonstrate that there are a number of issues regarding the poor quality of risk registers and the lack of engagement from SMTs. Due to a lack of resources, the BRMT will find it difficult to visit the remaining BOCUs and cover the many OCU and business groups in the MPS. The BRMT have also re-set their quality strategy by focusing on a coaching/consulting role in terms of helping the BOCU risk authors in their efforts to make BRM a success in their various Commands. In the past TPHQ have carried out a quality assurance role but this has now been scaled down in light of the involvement of the BRMT.
- 7.4 We analysed 13 BOCU Quality Assurance visits and found that some of the supporting schedules prepared by the BRMT did not contain all the relevant information. The BRMT visits did show that:
- a) Less than half of BOCU held meetings to discuss the risk register when it was first prepared.
 - b) 42% of SMTs had a low level of interest in the final BOCU Risk Register
 - c) 58% of risk registers were rarely or never referred to by anyone other than the risk author.
 - d) 75% of Risk Registers were not regular SMT agenda items.
 - e) 55% of BOCUs did not have a mechanism for capturing risks.
- 7.5 The BRMT take the view that the MPS is on a long journey to embed BRM properly, which may take some time. Many of the recommendations reported back to BOCUs focus on reviewing one risk at a time at SMT (using the bow-tie technique), developing ways of identifying emerging risks, archiving old risks, refreshing risks, and using the register as a living document. In addition, some registers are of poor quality and there is a major problem with the failure of some SMTs to engage fully with BRM. The procedure-author may carry out an 'internal review and support role', but not an objective review of quality systems that underpin the use of risk registers at BOCUs.
- 7.6 There is no independent process in place for monitoring the risk registers provided by BOCUs and ensuring that significant risks are accelerated upwards within the organisation. The lack of consistency in preparing BOCU registers means that high scoring risks cannot be read across different Commands to form a complete picture of where the MPS stands in mitigating risk to acceptable levels. The lack of quality standards also means it is hard to place reliance on risk registers as stand-alone documents. The absence of action plans makes it difficult to track risks and determine how far new controls have succeeded in reducing the defined impacts. This problem is compounded by the fact that risk impacts are not documented in BOCU registers. The poor quality of some risk registers and the lack of an integrated approach to BRM, means risk is seen differently in different parts of the organisation and not as a holistic concept related to achievement of the MPS overall mission.

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7.7 To address the above control issues **we recommend that:**

7.7.1 The BRMT focus on providing a consultancy and Q&A role available to Business Groups and B/OCUs to help support them in embedding risk management and facilitating the preparation of meaningful risk registers.

7.7.2 The appropriate TPHQ team are assigned the task of quality assuring BOCU risk registers in conjunction with their overall monitoring and oversight role.

7.7.3 The Business Groups and B/OCUs apply a form of quality Self-Assessment using a simple checklist made available on AWARE (with suitable guidance) that covers key questions to be addressed, for example:

- Is the Risk Register prepared by the SMT in a way that reflects the key risks impacting on objectives?
- Does the SMT assign ownership to all risks and ensure these are managed within the risk tolerance set by the B/OCU Commander or Business Head?
- Are the risks prioritised so that high impact, high likelihood matters receive the most attention and are suitably mitigated through decision based action plans?
- Is the risk register a key feature on the SMT agenda so that it is refreshed on a regular basis to reflect the current priorities facing the Borough/Unit?
- Are old risks archived so that they do not obscure current risks?
- Does the SMT review the risk register to ensure the scores reflect the current position with existing and planned controls?
- Does the risk register focus on strategic issues so that there is a focus on the top ten risks impacting the main objectives?
- Does the risk register reflect best practice as documented in the SOP?
- Are portfolio heads encouraged to develop their own risk registers based around their key objectives, while ensuring that key issues are discussed when developing the more strategic SMT register?
- Does the B/OCU Commander or Business Head assume responsibility for ensuring Service Risk Management is embedded in the operational unit and is being applied to best effect?
- Does the B/OCU Commander or Business Head use the Service Risk Management process to ensure that internal controls focus on high risk areas in a way that means there is no exposure to unacceptable levels of risk across the Service so that a certificate of internal control may be prepared and signed?

7.8 The BRMT training product is adequate, but is constrained by the lack of clear role definition and strategy to embed risk management within the MPS and not just train less senior staff to prepare risk registers for their senior management. Training must be aimed at senior officers and B/OCU

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Commanders or there will be a lack of ownership. We support the BRMT strategy to train a cadre of senior risk advocates that is currently being rolled out. Training is designed to instil relevant competence amongst all levels of police officers and support staff and it is therefore a crucial aspect of efforts to embed BRM into the MPS. The following training programmes are currently delivered by the BRMT:

- a) Risk Register training – a one-day course aimed at those with little knowledge of risk management and risk authors.
- b) Risk register refresher training – a half-day course aimed at those who have some knowledge of risk management as a reminder of the process and an update of current developments.
- c) Project/programme risk management training aimed at those involved in projects and programmes.

7.9 The courses are assessed through a form that is completed by course members at the end of the event. It is clear that there is a sound level of expertise demonstrated by the BRMT trainer and training is supported by the risk management SOP and copies of slides. The project management training contains two useful aspects that are not covered in the basic risk register training, these are escalating high-risk issues and looking at risk management responsibilities.

7.10 The training programme may be made more efficient if the course feedback was directly related to the set course objectives. A post course report would also assist the way BRMT training is managed. There is also a need to ensure that people who are trained by the BRMT understand the wider strategic view to help spread the vision of a dynamic and accountability based risk management process across the MPS. Training on the escalation of high-risk issues would mean more input on the important topic of risk tolerance. Delegates attending the basic risk register training are not necessarily in a position to install good risk management within their B/OCU or Business group. They are only able to ‘author’ a risk register that may be adopted by SMT to a greater or lesser extent depending on the culture within the operational unit. The attendees do not have a clear advocacy role or a clear understanding of roles and responsibilities to ensure that risk management is owned by senior management. In conclusion, there are several weaknesses in the current training strategy that may be summarised as follows:

- Training is not always addressed at the most senior levels of police officers and staff.
- Training focuses on preparing risk registers and does not fully address the advocacy role of rolling out BRM in its wider sense into all parts of the MPS.
- The current procedure does not encourage adequate feedback or post course reporting.

7.11 As a result, the impact of training may not be as effective as possible in helping integrate risk management in the culture of the MPS. The new risk management training cadre may help to some extent, but the message, vision

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and implementation strategy for risk management needs to be communicated more effectively. **We therefore recommend that:**

7.11.1 Risk management training is directed towards senior police officers and staff with clearly defined risk management responsibilities.

7.11.2 The BRMT training is supplemented with a documented comprehensive training package.

7.11.3 The Risk Register basic and refresher training courses include the following additional aims:

- **Explore processes for escalating high risk issues.**
- **Look at risk management responsibilities.**
- **Selling the Service Risk Management concept as risk management advocates.**

7.11.4 The course objectives are documented on the assessment form and feedback on the achievement of course and personal objectives sought and evaluated.

8. EMBEDDING RISK MANAGEMENT

8.1 Many significant decisions are made through the MPA Committee approval process. At Authority level committee papers do not include a requirement to consider the risks associated with taking key decisions. As a result, an opportunity may be missed to identify potential issues and put in place appropriate mitigation. Inappropriate decisions may be made where possible risks have not been specifically highlighted. **We therefore recommend that MPA committee papers include a mandatory Risk Management section much like the current Race and Equality Impact and the Financial Implications sections that are currently required. The section should contain details of any high-risk aspects of proposals put forward and how they are to be managed.**

8.2 One measure of success for the risk management process is that risks across the Service are being identified, evaluated and managed to facilitate better decision-making. Good risk management promotes the concept of risk owners where those responsible for delivering set objectives are responsible for dealing with any risks that impact their ability to deliver. The BRMT have established a clear procedure for the full range of risk management activities, which has been documented. The procedure forms the basis of awareness seminars that are delivered to SMTs, and training for risk authors and others. However, the challenge is to deliver effective risk management to over 150 different operational units and for each one achieve a suitable degree of commitment and enthusiasm. Effective risk management deems all employees to be risk managers and it is essential that it reaches all those that are part of the decision making process.

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- 8.3. The quality and content of risk registers can be a valuable indicator in assessing the understanding and application of risk assessment and management. Our analysis of all thirty two BOCU risk registers that we reviewed during our fieldwork is set out in Annex A along with a summary of our findings.
- 8.4 The weaknesses we found in many BOCU risk registers are the result of poor quality, a poor understanding of the way risk registers should be populated, no systematic approach and the impact of a narrow interpretation of BRM as an annual exercise. Due to time constraints, it was not possible to examine business group risk registers but lessons can be learnt from the experience of the BOCUs. There are some BOCUs that have developed impressive registers with clear objectives, carefully scored risks and the use of rigorous debate at SMT to develop the document rather than have it written for them (it would be beneficial for these BOCUs to be involved in developing the way forward). However, the overall impression is that BRM is not always seen as a management process to improve performance and underpin accountabilities, but more as a mechanistic exercise by a risk author to prepare a mandatory risk register. Although there is a new strategy in place, based around the Corporate Risk Review Group and the use of the bow-tie approach to promote BRM as an accepted complement to the reactive operational risk assessments that have always been applied in the MPS, there is need for further progress. The challenge is to encourage good risk management across the Service as an important management tool and not just a compliance-based routine. Much depends on developing an effective mechanism for accelerating significant risks to the Management Board.
- 8.5 It is difficult to measure the progress of BRM in operational units, although the evidence shows that the quality of BOCU risk registers is variable. Some risk registers are misleading in that they do not define the risk owner, they contain flaws whereby new controls lead to higher risk scores while existing controls lead to lower risk scores. Some risks are stated in a way that confuses risk with impact and some risks are not scored at all. There are good examples of risk registers while others contain anomalies that indicate gaps in the level of understanding of BRM and a lack of quality control over the way they are prepared. The BRMT conducts quality assurance visits aiming to rectify some of these problems. However, the failure to view BRM as a process that runs throughout all units at every level means many BOCU personnel are excluded from the processes of discussing significant risks and populating sub-SMT risk registers.
- 8.6 The concept of 'Business Risk' is not clearly defined. Risk concepts should fit the organisation but at operational level the link to policing activity is not clear. As a result, some of the risk registers prepared by BOCUs were not frequently updated, only one contained a documented action plan and many were prepared without the full engagement of the SMT. Most registers contained no clear links with internal control reviews at operational unit level.

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- 8.7 The current focus on encouraging risk authors to prepare local unit risk registers does not necessarily drive risk management to be part of the culture of the MPS. Risk authors are trained in BRM and most SMT members have had a presentation from the BRMT and had some involvement in preparing their risk register. Other police officers and staff will tend to have little or no contact with the risk agenda. Control Risk Self Assessment (CRSA) is a well-known technique for engaging teams at all levels in robust discussions about their objectives, risks and controls. CRSA argues that the risk owners should prepare their own risk registers, while 'risk authors' should simply encourage and co-ordinate their efforts. There is a strong need to avoid developing unlimited paper-chases where employees are asked to fill in numerous forms (i.e. risk registers) whenever they need to make a decision. However, CRSA is more a tool to help people stand back and think about the context and implications of the matter at hand before they make important decisions.
- 8.8 To address the current weaknesses in the identification and evaluation of risk, **we recommend that:**
- 8.8.1 A user friendly version of CRSA is implemented throughout the MPS, as a way of encouraging management and teams to actively review their risk on an ongoing basis. BRMT become facilitators/ambassadors for effective risk management as well as delivering a refocused 'Training-for-Trainers' strategy to get as many MPS officers and staff on board as possible.**
- 8.8.2 A suitable guide to CRSA is prepared for the SOP and Aware. Much depends on a 'Police Service Risk Management' being driven from the top. Suitable short, sharp training seminars on how to engage in the risk debate with their colleagues should be directed towards the Management Board, the MPA Corporate Governance Committee, Commanders and senior staff within the MPS. The first step is to build into senior officers and staff job descriptions; 'The post-holder should understand and implement the MPS risk management process in their area of responsibility.'**
- 8.8.3 A suitable reporting structure is designed to take on board the Police Service Risk Management Process that acknowledges the need to simplify reports and escalate significant risk through the command chain, in quick time.** Figure 4 illustrates one possible approach whereby high profile tactical teams, working parties, special interest groups and officers given non-standard tasks complete a simple Rapid Risk Report. Any unusual or high-level risks that they are not able to control are reported upwards to a senior risk register. Permanent teams complete a slightly more detailed register (called 'Team RR' in Figure 4) that also accelerates 'Red Risks' upwards. In line with current practice, risk assessments are carried out as normal for activities such as Health and Safety, dynamic risk assessments, business continuity, tactical operations, projects and so on (called 'Risk Type RR' in Figure 4) with Red Risks progressing to SMT registers. This integrated approach to risk management means SMT Red Risks

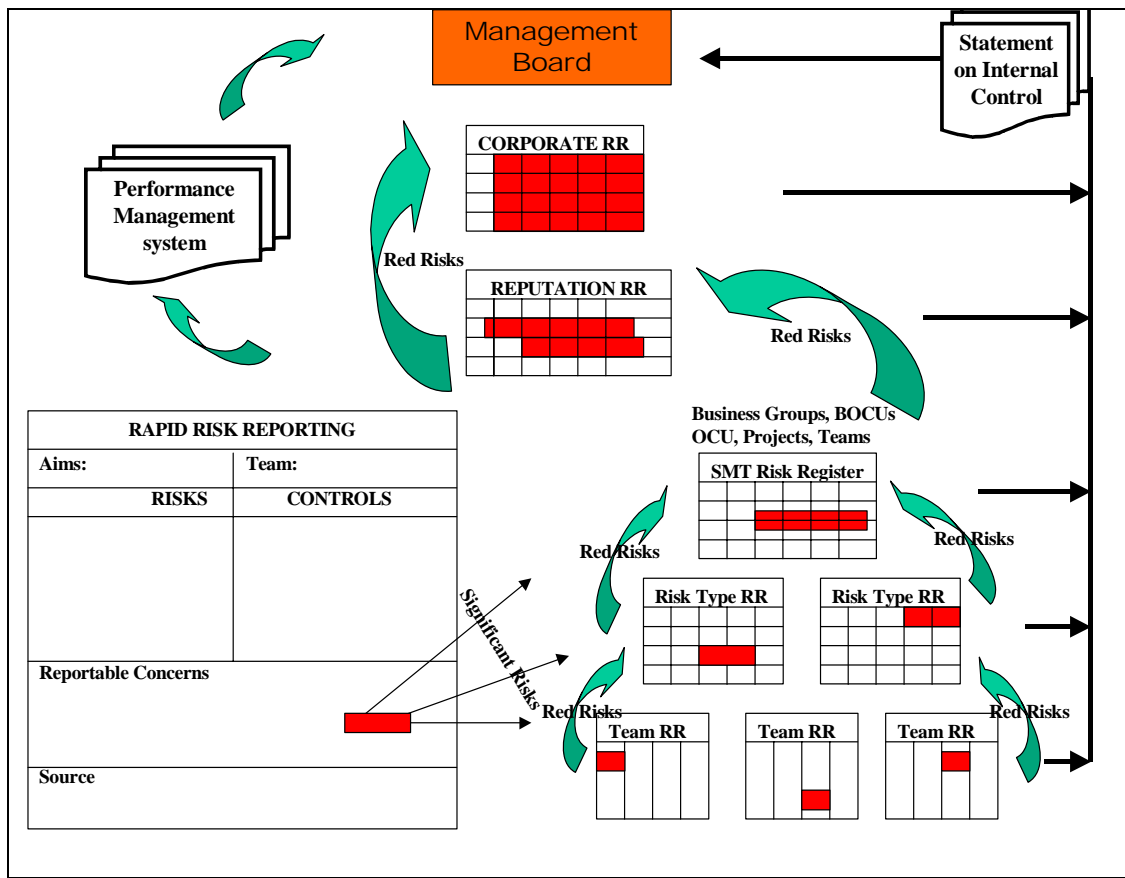
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that pose a particular concern can be used to populate the MPS Reputation Risk Register. This Reputation Register then informs the Management Board's Corporate Risk Register. It is essential that the performance management system incorporates outcomes from various risk assessments to ensure action points are sufficiently aligned to personal and team performance targets. The various types of risk registers could be completed on-line with links between the hierarchy to capture high scoring, or designated 'Red Risks', for input to the next level of register.

- The first important principle is that less senior personnel complete very simple rapid risk registers and it is only at SMT and beyond that the registers need contain more detailed information.
- The second principle is that any significant concerns from front line officers and staff should be quickly relayed upwards and addressed before the risk materialises and causes adverse publicity for the MPS.
- This arrangement will allow the MPS to compile a Statement on Internal Control based on the risk-based reviews of controls that occur when carrying out risk assessments across all parts of the organisation. These management control reviews, as well as Stewardship Reports, may be used to compliment the independent reviews by internal audit and other internal and external review teams.

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Figure 4 – INTEGRATED RISK REPORTING FRAMEWORK



8.8.4 The current Risk Register process includes:

- An 'Impact' assessment addressing each high scoring risk before existing controls are applied and what steps have been taken by the risk owner to check whether the key controls in question are being applied as intended.
- Action plans made mandatory for all SMT registers.
- An audit trail with information that indicates who prepared the register, how it was prepared (e.g. through CRSA discussion group), when risks were last reviewed and by whom, and how improvement action plans are translated into key personal targets.
- A colour coding system displaying high risks as red.
- Simplified versions of the risk register for important sub-SMT risk assessments.

8.9 The Standard Operating Procedure (SOP) has recently been revised to reflect the way BRM has been developing over the years. The SOP nonetheless fails to address important aspects of managing risk resulting in the following control weaknesses:

- There is insufficient focus on ensuring the risk register is perceived as a living document.
- Relating risk to business continuity may lead to an unnecessarily narrow interpretation of risk management.

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- The links between risk management and internal control are not sufficiently clear.
- More guidance is required on the concept of risk appetite.
- The material on respective roles and responsibilities does not define clear accountabilities in a way that is needed to underpin the establishment of effective risk management in the MPS.

We recommend that guidance produced to support the implementation of the risk management strategy addresses the above issues.

ANALYSIS OF RISK REGISTERS

BOCU	NO. OF RISKS	BRMT RR TEMPLATE	CONTROL ACTIONS	RISKS STATED	DATES	OTHER COMMENTS
1.	16	No detailed action plan or archives boxes used	No names ranks only	Risk stated as failure to meet targets/threats	Author or date updated not stated	Objectives are numbered references with no narrative
2.	SMT 6 risks 1 risk relates to all objectives	No detailed action plan or archives boxes used	Names stated Action plan detailed boxes empty	Risk stated as failure to meet targets/threats	Author and dates stated 6 March 06	Risk covers more than one objective
3.	16 risks 'risk leading to resulting in' format used	No detailed action plan or archives boxes used	No names ranks only	Risk stated as failure to meet targets/threats	Created 20 Feb 06	Objectives listed as single words
BRMT QA Visit	The RR was of a high standard but had not been updated and author was unsure of progress in this matter – there was no mechanism in place for updating the RR.					
4.	13 risks	BRMT spreadsheet not used	No names ranks only	Most risks stated as failure to meet targets/threats	No author details	Objectives as references with no narrative
5.	50 risks SMT has 7 risks all scored	Many risks not scored some high risks have no actions	Names not stated e.g. 'DCI' attempt at using detailed action plan	Most risks stated as failure to meet targets/threats	8 March 06	
6.	6 risks only 28 objectives	No detailed action plan or archives boxes used	Two initials only used	Most risks stated as failure to meet targets/threats	27 Feb 06	28 different objectives
7.	23 risks many high risks have no mitigations	No detailed action plan or archives boxes used	No names or dates	Most risks stated as failure to meet targets/threats	No author or dates	Many risks have no mitigations
BRMT QA Visit	Low level of interest from SMT and no meetings held to discuss RR. RR prepared and circulated to SMT for feedback with a few minor comments coming back. Updated from policing plan. Not referred to by anyone other than the author and not on the SMT agenda. There is no mechanism to ensure the RR is a living document. Would be improved if there were more support from SMT. Recommendations - bow tie, strategic risks and person taking over authorship attends SMT and get training					
8.	21 risks 5 SMT risks	No detailed action plan or archives boxes used	Names provided	Risk stated as failure to meet targets/threats	No author or dates	
9.	8 risks	Completed	Names provided	Mainly related to failures.	Author and date 27 Feb 06	One of the better RRs

BOCU	NO. OF RISKS	BRMT RR TEMPLATE	CONTROL ACTIONS	RISKS STATED	DATES	OTHER COMMENTS
BRMT QA Visit	SMT interest at start of RR development was low. RR brainstormed by risk author and QA officer and then sent to SMT. RR helps prioritise but not joined up as seen as a separate item. Name BR got confused with business continuity issues. Recommendations - that major initiatives should be mapped against risks					
Audit Visit	Appear to have bought into the BRM process and have been recently visited by the BRMT on the QA reviews. However, the RR is prepared by a data analyst (who sits on SMT as a Union Rep) and then sent to SMT for agreement. Portfolio approach to BRM with leads on H&S, F&R, crime, forensics and so on. However, the RR suggests a good understanding of risk management.					
10.	20 risks	No detailed action plan or archives boxes used	No names ranks only	Failures and threats	No names or dates	All risk related to ALL objectives
BRMT QA Visits	QA checklist but no report obtained. RR not an agenda item for SMT and is only looked at by author. No information on how RR produced. Each risk is associated with All objectives.					
11.	11 risks 4 for SMT	No detailed action plan or archives boxes used	No names ranks only	Failures and threats	Name 9 march 06	Some planned controls are vague.
12.	21 risks 6 SMT risks	No detailed action plan or archives boxes used	No risk owners at all	Failures and shortages	21 Feb 06	Most actions are long term projects
BRMT QA Visit	RR prepared by risk author and discussed one-to-one with others. RR not a standing SMT agenda item and no mechanism for updating it. Risks have not been assigned owners. Recommendations - need a process for considering risks at SMT and bow tie-ing one at a time.					
13.	82 risks first 10 scored	10 actions with no assigned persons	Names for first 10 risks provided	First ten risks are 'lack of'	16 March 06	72 risks put down with no further detail - see audit visit
BRMT QA Visit	Started with low SMT interest and RR appeared once on SMT agenda but not again. Never referred to by anyone other than the author. No timely feedback.					
Audit Visit	Started off using BRM but much has fallen behind because of a lack of timely feedback and real engagement from senior officers at BOCU and MPS. Top ten risks scored then 94 risks added on with no scores or action plans provided. People seemed to have added them in to protect themselves from criticism if not achieved. Many of the risks may be causes rather than risks. Year-end cycle for risk management is unhelpful as RR should be live document. In terms of risk appetite – people work in silos and no meetings held to discuss. The author compiled the RR and e-mailed it out for ideas for the RR and asked for responses – but not assessed at a working group and no input from officers and staff. There are gaps in the RR where items have not been scored or reviewed. This year is a learning curve and it will need to be firmed up as it has now lost momentum.					
14.	15 risks	No detailed action plan or archives boxes used	No names ranks only	Failures and threats	1 st April 06 BRMT do not have a copy of RR	Some risks are action mitigated but end up with the same scores as before mitigations
15.	20 risks 4 SMT risks	No detailed action plan or archives boxes used	No names ranks only	4 SMT risks mitigated	17 March 06	No mitigations of non-SMT risk are noted – 'Existing

BOCU	NO. OF RISKS	BRMT RR TEMPLATE	CONTROL ACTIONS	RISKS STATED	DATES	OTHER COMMENTS
						control measures considered sufficient at this stage due to other higher priority risks.'
BRMT QA Visit	RR compiled by author and copied to SMT not as part of the planning process. RR is a standing item on the SMT agenda but new risks are prompted by the author. Lack of feedback from TPHQ. Recs to archive old risks refresh remaining ones and continue to feature RR at SMT.					
16.	14 risks 4 SMT risks all SMT risk owned by SMT	No detailed action plan or archives boxes used	No names just rank or SMT	External threats mentioned	24 Feb 06	Some risks outstanding
BRMT QA Visit	RR not seen as a valuable exercise and the term business risk seen as relating to Finance and Resources and it has not been updated since it has been produced – no incentive to do otherwise. QA visit suggested that these adverse issues have now been tackled.					
17.	19 risks	No detailed action plan or archives boxes used	No names just rank and Superintendent	Threats with much description	9 Feb 06	Good indication of where controls lie
BRMT QA Visit	Approach looks similar to CRSA with SMT involved facilitated by the RR author. SMT do update the RR but author is in attendance for part only and felt that some new risks may be missed. Scoring risks was difficult and they had had no feedback from TPHQ.					
18.	5 SMT & 30 broken down into CID, learning and dev, street duties, HR, Gun crime, wounding and robbery	No detailed action plan or archives boxes used	Mix of rank, names, SMT and no one as risk owner	Mixture	No author no date	Some control actions vague
Audit Visit	BOCU is in an unusual position with a new Commander and an inspector new to the risk management process. Commander sees it important to drive what is a stagnant risk management process. Many gaps in current arrangements due to frequent staff changes meant the RR was out of date but this is being addressed by the new commander. BRM process does not take on board the many frequent staff changes that occur at BOCUs as a norm. New RR author had no training before taking on the role. Lack of feedback on their RRs and no overall monitoring causes a gap in ensuring that the RRs make sense and are current.					
19.	35 risks 25 SMT	No detailed action plan or archives boxes used	No risk owners	Failure and threats	22 March 06	Mix of vague and specifics one risk increases after controls and one decreases with current controls
20.	28 risks broken	No detailed action plan	No names just ranks	Most are failure to achieve	Feb 06	Most planned actions the

BOCU	NO. OF RISKS	BRMT RR TEMPLATE	CONTROL ACTIONS	RISKS STATED	DATES	OTHER COMMENTS
	down into type of objectives	or archives boxes used		targets		same as existing ones with an unjustifiable reduction in scores
21.	9 risks	No detailed action plan or archives boxes used	Many actions have no risk owners	Most risks are continuity matters	No author or dates	Most actions are wider projects
22.	13 risks 7 SMT	No detailed action plan or archives boxes used	No names just rank	Most are lack of resources or failure to meet target	Feb 05	Inconsistent. Some risk actions are continuation of current activity. Some high risks not mitigated
BRMT QA Visit	Author is divorced from SMT and view that the RR is not dynamic nor strategic nor linked in with planning – so not seen as a living document					
23.	14 some carried forwards from 05/06	No detailed action plan or archives boxes used	Named but mainly one person	Risk placed in main strategic categories	Feb 06	Detailed control actions but mainly for one person
24.	22 risks 11 SMT	No detailed action plan or archives boxes used	No names just rank	Failure to achieve targets	March 06	Very ambitious as most risk scores halved by mitigations
BRMT QA Visit	QA Checklist present but not QA report. RR written by author but there is no real interest from SMT. Author does not attend SMT and notes the RR as complicated, not user-friendly and not useful – improvement would be some involvement from SMT.					
25.	19 risks but not aligned to objectives	No detailed action plan or archives boxes used	Names but most actions related to two DCIs only	Risks and failures outlined in detail	No author no dates	Most gross scores extremely low but still have mitigations
26.	23 risks none on SMT note	No detailed action plan or archives boxes used	No names ranks including Commander	Wide range of strategic risks	No author no dates	Inconsistent e.g. no mitigations but risk scores decline
27.	6 risks 3 SMT risks 2 objectives only stated	No detailed action plan or archives boxes used	Rank but HEO finance and Chief Inspector operations only	Resources and funding issues	25 Jan 06	Mitigations failing to bring down high (20) scores
28.	27 risks 7 SMT risks	Action plan used but unclear whether achieved	Names applied	Some are failure to achieve plans	7 th March 06	Fairly detailed mitigations to bring down risk scores
BRMT QA Visit	Low level of interest in RR from SMT as produced by Chief Inspector and sent to SMT. The RR is not frequently updated. Recommendations - continue reviewing where RR best sits.					
29.	25 risks	Action plans	Wide spread of	Makes use of	25 th Feb	Detailed

BOCU	NO. OF RISKS	BRMT RR TEMPLATE	CONTROL ACTIONS	RISKS STATED	DATES	OTHER COMMENTS
	8 SMT risks	and archives used but unclear whether achieved	names applied	'failure resulting in' wording	06	mitigations with some gaps and lack of scores
BRMT QA Visit	QA checklist present but no report. Appears to be involvement from SMT.					
Audit Visit	BOCU has an enthusiastic approach to BRM and have recently been visited by the BRMT. SMT did their risk assessments from a blank sheet of paper and appear to have bought in to the overall concept. The risk, scores and mitigations are all clearly stated and indicates a good understanding of risk management.					
30.	21 risks	Word file used not BRMT Template	Action plan is blank	Risks broken down into policing areas	23 march 06	Detailed mitigations and Human rights column included along with risk owners
31.	31 risks 15 SMT	No detailed action plan or archives boxes used	Wide spread of ranks no names	Wide range of risks over headings e.g. continuity, diversity, finance H&S, knowledge, leadership NiM crimes, partnerships, projects and resources	1 st Jan 06	Lots of mitigations but some minor inconsistency e.g. continue existing controls which unjustifiably reduces scores
32.	23 risks 7 SMT risks	No detailed action plan or archives boxes used	Wide spread of ranks no names	Most risks are about difficulty in achieving targets	13 Feb 06	No apparent targeting of priority - low and high scores mitigated and some mitigations seem overly ambitious

Summary of Key Issues

1. The risk registers are dated March 06 as each BOCU is required to supply their register by the end of March each year, with no indication of date last updated or level of involvement from the designated SMT.
2. Many risk registers appear to be completed as an annual exercise rather than a representation of SMT issues and links with the annual planning cycle strengthen this concept. There is a danger that BRM could be perceived as a paper exercise and not as a dynamic way of understanding and dealing with risk.
3. A number of registers are inconsistent, as they do not indicate the risk owners; some risk scores have been reduced without the introduction of new controls and there are no names given against some risk mitigation actions.
4. Some registers have no date or named author. A number of BOCUs do not score all the risks and not All BOCUs use the set BRMT Template.
5. As there is no column for 'Impact' it is not always clear what the consequences are for high scoring risks – for example what is the impact on staff, citizens, operations, finances and the overall MPS reputation? Some registers embed impacts within the description of the risks, which then makes the narrative wordy.
6. Some registers use named risk owners while others use rank only. The use of rank only, does not help establish clear risk ownership or accountability, as police officers are frequently rotated. Note that the BRMT view is that name and role should be defined.
7. The 'authorship' concept means ownership is not readily set with the SMT or Borough Commander but is associated more with the person who is tasked to complete and update the register. There is, therefore, no firm responsibility residing with the Borough Commander for the effectiveness of the adopted BRM process.
8. Many of the risk registers are not systematic as they record all risks as needing action while others accept high risks and do not link risks to objectives. Some registers appear to be based around completing the required boxes so that all risks are addressed rather than just those that attract an unacceptably high score. A number spread risk over wide categories, while others just list them against set objectives. A few relate risk to all objectives and as a result these registers assume risks relate to all objectives. Risk registers that use a portfolio approach linked to their Policing plan, seem to provide a better fix on the way risk is related to objectives (covering say crime, forensics, resources, health and safety and so on).
9. Many registers view risks as mainly relating to failure to achieve plans or crime reduction targets.
10. There is little appreciation of upside risk where risk is seen as opportunity to make innovative progress and/or reduce the need for burdensome controls.

Risks are related mainly to threats and failures.

11. Some controls appear very detailed while others are somewhat vague such as 'lobby x' or 'review y' or 'update contingency plans' without linking actions to underlying causes. Moreover, there are no contingent actions defined to address circumstances where planned mitigations fail to guard against the risk in question.
12. No risks have been archived which is unusual since many risks have been present for some time.
13. There is no attempt to link risk registers to the statement on internal control or accountability frameworks.
14. One BOCU (17) has used the CRSA approach facilitated by the risk author. Another BOCU (29) has a well-prepared risk register, which is rigorously populated by a committed SMT, coordinated by a skilled risk author.
15. One BOCU (13) started out with an enthusiastic approach to preparing their register, which fell away as they had no contact from anyone driving this initiative. The result was that dozens of risks were later added to the register with no mitigations, actions plans or risk owners. The view was that these risks were listed as a way of protecting the risk owner from criticism if they later materialised.
16. Most risk registers have no clear audit trail that traces objectives to the dates risks were assessed and reviewed, scores, and named persons assigned to action plans with review dates and information on whether these new controls were actually implemented.
17. The implementation of BRMT can be affected by the culture of the MPS where staff and officers frequently move between positions. There can be gaps where the new person has not been trained in developing risk registers (18).
18. Some BOCUs have a reasonable degree of support from their SMTs. One Borough Commander insisted on meeting with internal audit to reinforce their view of the importance of BRM and the need to involve senior police officers in preparing their risk registers. However, one BOCU (24) has no involvement from SMT and sees the risk registers as not useful and their use has not resulted in any control actions.
19. The action plan module of the BRMT template is rarely used which means that actions cannot be tracked and there is no indication of which actions have been achieved. Note that BRMT guidance suggests that the action plan worksheet on the template is not mandatory.
20. There is little evidence of risk prioritisation as many registers have all risks being treated, regardless of scores and they do not incorporate the concept of risk escalation or colour coded risk reporting. Many organisations ensure that their risk registers use colour codes such as Red, High Amber, Low Amber and Green

to isolate high risk areas that need to be carefully monitored or escalated upwards. TPHQ receive copies of the registers but appear to develop 'risk themes' for presentation to senior management, rather than monitor high scoring risks. TPHQ do not appear to have a TPHQ-wide risk register, although some of their OCUs, such as the performance unit, have developed their own registers.

CATEGORY OF RISK

Our recommendations in the Action Plan attached are categorised as follows:

- High** Recommendations which arise from major weaknesses in controls that expose the business to high risk of loss or exposure in terms of fraud, impropriety, poor value for money or failure to achieve MPS objectives. Remedial action should be taken urgently.
- Medium** Recommendations which, although not fundamental, relate to shortcomings in control which expose the individual systems to a high risk of exposure or loss.
- Low** Recommendations which, although not critical to the system, address areas where management would benefit from improved control.

FOLLOW UP

This audit is categorised as high risk and will be followed up within six months of the issue of the Final Report.

ACTION PLAN

Ref.	Recommendation	Risk	Agreed	Management Response	Responsibility	Target Date
6.14.1	<p>Management Board:</p> <p>Review the approach to business risk management to incorporate a Police Service Risk Management Process (based on the enterprise wide risk management approach) as a way of integrating all risk activities across the organisation.</p>	H	Agreed	Following the creation of the Strategy and Improvement Department, risk management will be integrated into the Service's overall Performance Management Framework. This work will have regard to the enterprise-wide risk management approach. The Service's approach to risk management will be reflected in the work being progressed on the Scheme of Delegation and corporate decision-making.	Director of Business Performance	30 September 2008
6.14.2	Approve a clearly defined strategy for the implementation of risk management along the lines of an Integrated Risk Management Framework		Agreed	A Risk Management Strategy will be developed, having regard to the needs of the Service and existing structures for dealing with risk as well as the Integrated Risk Management Framework.	Director of Business Performance	30 September 2008
6.14.3	<p>Base the approach on the following basic principles:</p> <ul style="list-style-type: none"> • Clear officer and staff accountabilities across the MPS. • Integrating Risk Management. Embedding risk into the business planning and performance management framework. • Application of a generic risk management cycle based around Policing Plan objectives and targets 		Agreed	See comments 6.14.1 and 6.14.2. Various Management Board members have lead responsibility for different aspects of risk management, e.g., Health & Safety, etc. However, following the creation of the Strategy and Improvement Department, the Director of Resources has Management Board lead for the co-ordination and integration of risk management into the Service's Planning and Performance Management Framework. Agreement to the principles does not, however, imply agreement to all the underlying detail included in the audit report.	Director of Business Performance	30 September 2008
6.14.4	To support the approach described above, give consideration to	M	Agreed	See 6.14.3. This will be achieved primarily by co-ordinating and integrating	Director of Business	March 2009

ACTION PLAN

Ref.	Recommendation	Risk	Agreed	Management Response	Responsibility	Target Date
	introducing a model of Police Service Risk Management using the framework and the suggested reporting relationships			work already undertaken by the Service. The need for a separate reputational risk register is not necessarily accepted.	Performance	
7.7.1	The BRMT focus on providing a consultancy and Q&A role available to Business Groups and B/OCUs to help support them in embedding Police Service Risk Management and facilitating the preparation of meaningful risk registers.	M	Agreed	The BRMT has been disestablished and some of the functionality has been transferred to Finance Services to merge with the central Inspectorate and QA teams. The aim is to develop a resource that can provide practical advice and support to Business Groups and to monitor compliance on internal control, including risk management.	Director of Business Development	Immediate
7.7.2	TPHQ are assigned the task of quality assuring BOCU risk registers in conjunction with their overall monitoring and oversight role.	M	Agreed	This approach will be applied to all Business Groups.	Director of Business Development	March 2009
7.7.3	The BOCUs and Business Groups apply a form of quality self-assessment using a simple checklist made available on AWARE (with suitable guidance) that covers key questions to be addressed	M	Agreed	This will support the deployment of the new corporate health indicator on risk management. Some of the checklist elements, however, need to be updated.	Director of Business Performance and Director of Business Development	March 2009
7.11.1	Risk management training is directed towards senior police officers and staff with clearly defined risk management responsibilities.	M	Agreed		Director of Business Planning	March 2009
7.11.2	The BRMT training is supplemented with a documented comprehensive training package.	L	Agreed		Director of Business Development	March 2009
7.11.3	The Risk Register basic and refresher training courses include the following additional aims: <ul style="list-style-type: none"> • Explore processes for escalating high-risk issues. • Look at risk management 	M	Agreed	This is primarily an issue of enhancing existing work. The advocacy role will need to be developed alongside other workstreams, e.g., Scheme of Delegation, etc.	Director of Business Development	Immediate

ACTION PLAN

Ref.	Recommendation	Risk	Agreed	Management Response	Responsibility	Target Date
	responsibilities. <ul style="list-style-type: none"> Selling the Service Risk Management concept as risk management advocates. 					
7.11.4	Course objectives are documented on the assessment form and feedback on the achievement of course and personal objectives sought and evaluated.	L	Agreed		Director of Business Development	Immediate
8.1	MPA Committee papers including a mandatory Risk Management section containing high-risk aspects of proposals put forward and how they are to be managed.	M	Agreed	This recommendation will be considered as part of the review of the Authority's committee reporting structure. The aim will be to ensure that an appropriate process is put in place to notify the Authority of significant risks, and how they are to be managed, when taking key decisions.	MPA Head of Corporate Services	October 2008
8.8.1	A user-friendly version of CRSA is implemented throughout the MPS, as a way of encouraging management and teams to actively review their risk on an ongoing basis. BRMT become facilitators or ambassadors for effective risk management as well as delivering a refocused 'Training-for-Trainers' strategy to get as many MPS officers and staff on board as possible.	M	Agreed	Some forms of CRSA are already deployed (Annual Assurance Statement, letters of assurance on Health & Safety risk, introduction and monitoring of corporate health indicators, etc.). The implementation of a CRSA approach will continue to be incremental. A training for trainers approach will be developed.	Director of Business Development	March 2009
8.8.2	A suitable guide to CRSA is prepared for the SOP and Aware. <ul style="list-style-type: none"> Suitable short, sharp training seminars on how to engage in the risk debate with colleagues are directed towards the Management Board, the MPA Corporate Governance Committee, 	M	Agreed.	The recommendation on job descriptions may require national input and this may not be the best way of proceeding. Consideration will therefore be given to how this issue might be covered in PDRs.	Director of Business Development	March 2009

ACTION PLAN

Ref.	Recommendation	Risk	Agreed	Management Response	Responsibility	Target Date
	<p>Commanders and senior staff within the MPS.</p> <ul style="list-style-type: none"> Senior officers and staff job descriptions include; 'The post-holder should understand and implement the MPS risk management process in their area of responsibility.' 					
8.8.3	<p>A suitable reporting structure is designed to take on board the Police Service Risk Management Process that acknowledges the need to simplify reports and escalate significant risk through the command chain in quick time.</p>	H	Agreed	This will be reflected in the Service's Performance Management Framework and Scheme of Delegation.	Director of Business Performance	March 2009
8.8.4	<p>The current Risk Register process includes:</p> <ul style="list-style-type: none"> An 'Impact' assessment addressing each high scoring risk before existing controls are applied and what steps have been taken by the risk owner to check whether the key controls in question are being applied as intended. Action plans made mandatory for SMT registers. Risk registers containing an audit trail with information that indicates who prepared them, how they were prepared, when risks were last reviewed and by whom, and how improvement action plans are translated into key personal targets. The registers are colour coded 	M	Agreed	The current Risk Register process will be reviewed and changes to reflect recent or new SOPs will be discussed with Internal Audit as appropriate.	Director of Business Performance	March 2009

ACTION PLAN

Ref.	Recommendation	Risk	Agreed	Management Response	Responsibility	Target Date
	displaying high risks as red. <ul style="list-style-type: none"> Simplified versions of the risk register for important sub-SMT risk assessments. 					
8.9	Guidance is produced to support the implementation of the risk management policy and strategy.	M	Agreed		Director of Business Performance	March 2009