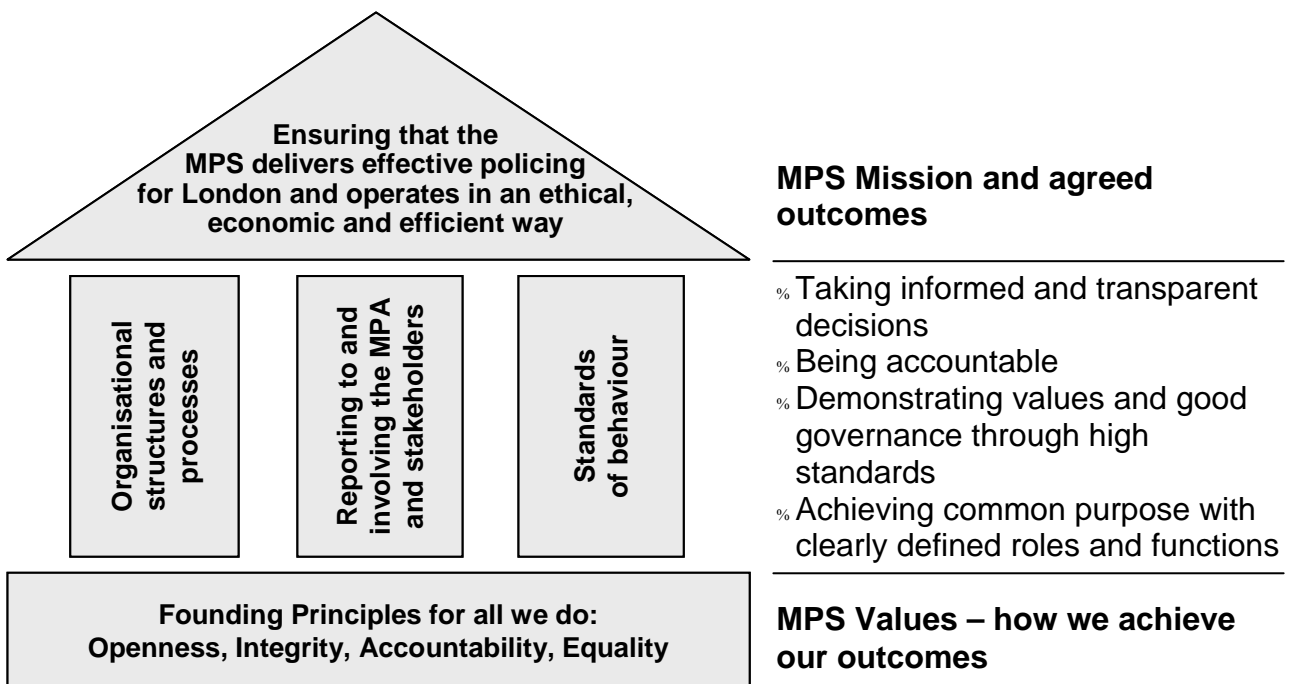


THE MPS CORPORATE GOVERNANCE MODEL



MPS CORPORATE RISK STRATEGY IMPLEMENTATION - PROGRESS REPORT

The Strategy

The MPS is committed to working towards a safer London, by ensuring the appropriate assessment and management of threats and opportunities using effective risk management throughout the organisation from strategic to operational levels.

Objectives

The objectives of the risk management strategy are to:

1. Improve the delivery of MPS strategic objectives;
2. Encourage innovation;
3. Improve standards of corporate governance and strategic management;
4. Improve service quality and delivery;
5. Improve efficiency in resource usage and protect MPS/MPA assets;
6. Protect the safety of MPS staff/officers and our customers/stakeholders;
7. Protect the reputation of the MPS.

These objectives will be achieved by ensuring:

Effective risk management processes are in place through:

- Developing and implementing a strategic risk management framework and toolkit, which introduces good practice techniques throughout the MPS
- Implementing clear risk management accountabilities and reporting structures for individuals and relevant Boards.
- Measuring performance in risk management

Risk Management is embedded in service delivery by:

- The integration of risk management into strategic decision making, business planning and performance management.
- Developing links between inspection/audit processes and the risk management process.
- Working with programme and project managers to ensure that risks are effectively managed within change programmes.
- Working with OCUs that provide specialist and operational risk management advice to ensure appropriate use of risk assessment and management techniques, improving clarity and reducing bureaucracy.

Risk management is supported and understood internally by all staff and externally by our stakeholders through:

- Engaging the support of management board members, business groups and (B)OCUs by raising risk awareness through engagement and training using a network of risk co-ordinators.
- Making relevant risk management information accessible to all staff.
- Working with partners, suppliers, contractors and other stakeholders to ensure good risk management practice.
- Working with the MPA to ensure alignment of risk management processes and key risk areas.

This strategy supports the joint MPA/MPS Risk Management Statement and is in turn supported by the MPA/MPS risk management accountabilities and reporting framework, the MPS risk management implementation plan, policy, and toolkit.

It is currently being implemented in line with the plan produced as part of the strategy. Progress on the actions in the plan is attached.

The governance arrangements for corporate risk are being undertaken by the Service Improvement Board (SIB). SIB, working closely with the Business Group risk co-ordinators is ensuring that risk management is embedded and that key processes are being implemented.

As part of the MPA oversight role the MPA Treasurer sits on SIB.

Summary of progress to date

Significant work has been done over the last few months in embedding both Corporate and Business group risk. This work has included:

- seeking assurance that risk management is embedded in the business groups
- reviewing and updating risks and risk control measures and ensuring action plans are up-to-date on a new register template.

Embedding risk management

All the business groups have confirmed that risk management is embedded in their management processes. Risk management is

- reviewed at command team meetings
- promoted at OCU quarterly meetings for local risk co-ordinators
- built into business planning processes
- considered as part of the procurement process
- a key component of our approach to managing programmes and projects
- given clear ownership and accountability
- reviewed as part of the monthly management process and

- an integral part of the performance management framework.

Further work is planned to build on the progress being made over the last few months and to share good practice across the business groups.

Risk registers

The outputs from our corporate risk management processes are recorded on both the Corporate and the Business Group risk registers and our approach has been to include significant 'operational' risks on the Business Group risk registers. We have reviewed both Corporate and the Business Group risk registers and have updated risk definitions, control measures and action plans. The review and update of the registers is managed by the Service Improvement Board in conjunction with the Business Risk Co-ordinators

The Corporate risk register includes two RAG ratings – the first is an assessment of risk based on impact and likelihood before any control measures are applied; the second RAG rating is on the residual risk taking account of the effectiveness of the control measures currently in place.

Work-in-progress

In addition to the work outlined above we have been further developing our approach to improving the management of risk. Future work will include:

- embedding risk management in OCUs and refining the processes that link operational and business risk management
- training ; developing four strands of training – an introductory course, risk management analytical tools and techniques, risk management for leaders, and tailored training for specific groups and teams
- refinement of the Corporate and Business group risk registers
- reinforcing the role of the Business Risk Co-ordinators
- developing the risk management model to ensure the relevant learning is identified and feedback to the organisation from risk assessments from across the Service, to check and validate the residual risk RAG ratings
- the establishment of Risk Managers Together where other groups with interests in best practice risk management (e.g. Health and Safety practitioners) come together with business risk specialists to identify and develop improvement ideas
- the development of monitoring reports to identify the occurrence and emergency of risks to ensure the process is practically linked to business delivery.

Ref	Action	Target Date	Comment
1	<p>Corporate Risk Management Co-ordination</p> <ul style="list-style-type: none"> • Gain agreement from Management Board to corporate risk areas and ownership/management of these • Provide risk owners/managers with an appropriate level of engagement and training • Develop and implement a process and timetable for the analysis of corporate risk areas in conjunction with risk owners/managers • Identify key actions required to manage corporate risk areas and ensure feedback in to the business planning and budgeting process • 	<p>Complete</p> <p>TBA</p> <p>Completed</p> <p>Completed</p>	<p>Risk owners and managers are being engaged; training approach proposed</p>
2	<p>Business Group Risk Management Co-ordination</p> <ul style="list-style-type: none"> • Support Service Improvement Board (SIB) in its role of supporting Management Board in overseeing the management of corporate risk • Maintain a network of trained business group level risk co-ordinators • Engage Business Group level SMTs through targeted engagement and training 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	<p>MPA Treasurer attended the May 09 meeting</p> <p>In place and working effectively – being briefed regularly by the Director of Business Performance</p> <p>We have directly engaged with some BGs but intend to use SIB as the main vehicle of engagement with senior officers in the business groups</p>
3	<p>Links to Inspection/Audit</p> <ul style="list-style-type: none"> • Engage with inspection and audit teams 	<p>Ongoing</p>	<p>We have discussed progress on the implementation of the</p>

	<ul style="list-style-type: none"> Develop links between inspection and audit processes and risk management 		strategy with MPA audit officers and with the audit commission. The implementation activities have been informed by the last internal audit report on risk
4	Stakeholder Risk Management <ul style="list-style-type: none"> Engage with the team responsible for implementing the partnership strategy and provide risk management guidance Engage with teams responsible for supplier and contract support to ensure that risk management is embedded within processes Make available advice and guidance as necessary 	Completed Completed Ongoing	
5	Specialist & Operational Risk Management <ul style="list-style-type: none"> Develop and maintain a network of risk management specialists Review specialist and operational risk assessment and management processes and link to the risk management toolkit 	Ongoing Ongoing 2009	This will be part of our next phase of work over the coming months
6	Change Risk Management <ul style="list-style-type: none"> Engage and train specialists responsible for providing risk management advice in respect of programmes and projects Update advice and guidance relating project and programme risk management 	Ongoing In progress	
7	MPA Oversight and Engagement <ul style="list-style-type: none"> Arrange MPA attendance at SIB 	Completed	

	<ul style="list-style-type: none">• Implement MPA oversight process<ul style="list-style-type: none">- SIB and Management Board- MPA officers feedback- MPA members briefing	In progress	
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