

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT COMMITTEE

15 OCTOBER 2012

1. **CORPORATE RISK REGISTER**

Report of the Chief Fire Officer.

RECOMMENDED

THAT the Committee approves the Corporate Risk Register and notes the Position Statement prepared for each risk on the register.

2. **PURPOSE OF REPORT**

Members are asked to approve the Corporate Risk Register risk ratings and note the Position Statement which details the work undertaken in support of the management of each of the Service's Corporate Risks.

3. **BACKGROUND**

- 3.1 In accordance with the Service's risk management strategy, the Corporate Risk Register is submitted for approval by the Audit Committee on a quarterly basis, following its submission and discussion at Corporate Performance Review.
- 3.2 Corporate Risks are those risks which if they occurred would seriously affect the Authority's ability to carry out its core functions or deliver its strategic objectives as set out in The Plan. Currently the Service maintains 11 Corporate Risks. The Corporate Risk Register summary provides a description of each risk and an overview of its risk rating (scores and level). This is attached as Appendix 1.

- 3.3 Each Corporate Risk has assigned to it a Risk Owner. The Risk Owner is the person with overall responsibility for monitoring and reviewing the progress being made in managing the risk. In relation to Corporate Risk the Risk Owner is a member of Corporate Board.
- 3.4 In support of effective risk management the Risk Owner will periodically undertake an assessment of each Corporate Risk. The frequency of this review will be based upon the estimated risk rating undertaken on the basis of Likelihood x Impact. The likelihood is a measure of probability of a given risk occurring using a scale of 1(low) to 4 (high). The impact is a measure of the severity or loss should the risk occur again, using a scale of 1 (low) to 4 (high). This review will be undertaken in accordance with the following schedule

LIKELIHOOD	4				
	3				
	2				
	1				
		1	2	3	4
		IMPACT			

	HIGH RISK - periodic review every 6 weeks
	MEDIUM RISK - periodic review every 3 months
	LOW RISK - periodic review every 6 months
	VERY LOW RISK - periodic review every 12 months

- 3.5 In undertaking a review of Corporate Risks, the Risk Owner has reviewed the Risk Management Action Plan. An Action Plan has been produced for each of the Service's 11 Corporate Risks. The Action Plan provides details of:
- The strategic objectives and performance indicators relevant to the risk
 - The current risk score
 - The target risk score
 - A description of events that could lead the Corporate Risk to be realised
 - The control measures in place that are designed to reduce the likelihood of risk realisation or its impact should the risk be realised

- Additional control measures currently being implemented to further reduce the likelihood or impact of risk
- Control owners who are responsible for the implementation, maintenance and review of control measures

3.6 As part of the review the Risk Owner has considered the risk rating and updated the Action Plan to ensure the currency and accuracy of information. The Risk Owner has provided assurance that the control measures identified are still effective in the management of risk and identified whether any new risk events or controls have been implemented or are required. Where ongoing additional controls are being implemented, Risk Owners have confirmed the progress in implementing such controls.

3.7 The review process has concluded and a Position Statement has been produced. The Position Statement provides an overview for Members of the outcome of the review and details amendments, changes and additions to the Risk Management Action Plans. The Position Statement is attached as Appendix 2 and confirms that Risk Owners have determined that the risk rating awarded to all eleven Corporate Risks remains unchanged from last quarter.

3.8 A summary of the Authority's Corporate Risk Register is attached as Appendix 1 to this report.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. The matters contained in this report will not lead to a policy change.

5. **LEGAL IMPLICATIONS**

The course of action recommended in this report does not raise issues which should be drawn to the attention of the Authority's Monitoring Officer.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

BACKGROUND PAPERS

Corporate Performance Review Papers, 30 May 2012

VIJ RANDENIYA
CHIEF FIRE OFFICER

APPENDIX 1**Corporate Risk Register**

Colour version available electronically at the following link:

www.wmfs.net
<http://94.236.33.181/cmis5/>

Also a hard copy will be available at the Audit Meeting

APPENDIX 2

Corporate Risk Register Position Statement July 2012**Risk 1- The Fire Authority would be unable to maintain the positive engagement of its employees, resulting in an inability to deliver its key priorities and objectives.**

Emerging Issues	<p>There continues to be no specific intelligence at this moment in time to suggest that a Fire Brigades' Union (FBU) ballot for potential industrial action is imminent. However the Service remains vigilant and has the necessary arrangements in place to re-establish the Business Continuity Management Team (BCMT) framework should circumstances change.</p> <p>The outcomes of the stop, make, buy and ally work is to be communicated to employees (Week beginning 21 July 2012). Controls are in place to ensure that as far as is practically possible, that positive engagement is maintained, through the use of the appropriate employee/representative body consultation mechanisms (Joint Consultative Committee/ Joint Consultative Panel). Controls are in place to effectively manage performance.</p> <p>Therefore, the overall risk rating associated with this risk is 'Medium', generating an overall risk score of 9</p>
Changes to control measures	A number of enhancements to existing controls have been introduced. Individual Performance Development Review (IPDR) guidance has been rolled out to managers in the Service, further strengthening the control environment in respect of effective employee development
Assurance updates	As part of Operational Assessment process our formal engagement arrangements with representative bodies were tested. OPA complimented the Service on the quality of its formal engagement arrangements- providing for an independent, external assurance (level 3) in this area.

Risk 2 – The Fire Authority would be unable to maintain an effective ICT provision (excluding mobilising and communications), resulting in significant disruption to the organisation's ICT functionality

Emerging Issues	None. The overall risk score is unchanged at 9. The risk level remains at Medium.
Changes to control measures	<p>Following on from the recent Corporate Board restructure, the role and responsibilities of Senior Information Risk Officer (SIRO) set out in the HMG Security Policy Framework have been realigned to Director Resources.</p> <p>The Security Policy Framework (SPF) describes the standards, best practice guidelines and approaches that are required to protect UK Government assets (people, information and infrastructure) and sets out 20 mandatory requirements to enable for compliance with the framework.</p>
Assurance updates	None this quarter.

Risk 4 – The Fire Authority would be unable to ensure that proper controls are established whilst working in partnership with other agencies/groups, resulting in a significant impact upon the organisation's financial standing, reputation and ability to deliver key objectives.

Emerging Issues	<p>The overall risk score remains at 6. The risk level remains at medium.</p> <p>Following on from a recent Internal Audit Review, which highlighted some potential lapses within the control environment (Inconsistency in use of Service Level Agreements / Terms of Reference, partnerships database and compliance with Partnership Standing Order and accompanying toolkit) the Head of Community Safety is to undertake a review of all Operations partnerships. This review will be complete by October 2012.</p> <p>SPIRiT has been commissioned to support this review work. An initiation document has been drafted detailing the scope, objectives and methodology and is currently being considered.</p>
Changes to control measures	No changes to control
Assurance updates	No updates this quarter.

Risk 5 – The Fire Authority would be unable to deliver the core objectives of preventing, protecting and responding effectively as a result of extensive disruption to normal working methods.

Emerging Issues	<p>There continues to be no specific intelligence at this moment in time to suggest that an FBU ballot for potential industrial action is imminent. However the Service remains vigilant and has the necessary arrangements in place to re-establish the BCMT framework should circumstances change.</p> <p>As part of the Internal Audit Plan 2012/13 a review of our business continuity arrangements has been commissioned. This review will test the effectiveness of our arrangements and will provide an external assurance of our arrangements.</p>
Changes to control measures	No additions have been made to controls during this review period.
Assurance Updates	The continuing preparations for the Olympics has enabled for assurance across a range of controls to be given.

Risk 6 – The Fire Authority would be unable to ensure that operational incidents are dealt with safely and effectively, using appropriate levels of resource and personnel.

Emerging Issues	None. The overall risk Score remains unchanged at 8 and the risk remains at Medium.
Changes to control measures.	<p>A robust and auditable method of tracking that risk critical information has been 'received and accessed' by operational employees has been implemented. This has strengthened the control environment and has enhanced arrangements in respect of providing up to date risk critical information thereby reducing the risk of adopting unsafe working practices as a result of the</p>

	<p>absence of up to date procedural information or being unable to access risk critical information. Phase 2 of this programme is due for roll out in August 2012.</p> <p>An additional control has been added to reflect the introduction of 'no notice' testing and exercises in accordance with the Service's exercise policy.</p> <p>A review of COMAH plans is currently ongoing.</p>
Assurance Updates	No assurances have been updated in the log.

Risk 7 – The Fire Authority would be unable to deliver the core objectives of preventing, protecting and responding effectively as a result of insufficient or ineffective key assets, such as buildings and vehicles.

Emerging Issues	<p>The overall risk score remains unchanged at 6. The risk level remains at Medium.</p> <p>A number of references have been amended to reflect the recent Corporate Board review</p>
Changes to control measures	None
Assurance Updates	None updated this quarter.

Risk 8 – The Fire Authority would be unable to deliver the core objectives of preventing, protecting and responding effectively due to a lack of funding or the misuse of funds e.g. fraudulent activity.

Emerging Issues	<p>The risk score remains at 9. The overall risk level is Medium.</p> <p>A number of references have been amended to reflect the recent Corporate Board review</p>
Changes to control measures	None
Assurance Updates	None updated this quarter

Risk 9 – The Fire Authority would be unable to deliver the core objectives of preventing, protecting and responding effectively as a result of insufficient or ineffective employees.

Emerging Issues	<p>The overall risk score is unchanged (9) and the risk level remains at Medium.</p> <p>The Service has recently achieved the Investors in People (IIP) Standard. IIP is a national quality standard which sets a level of good practice for improving an organisation's performance through its people. It provides a framework for improving our service's performance through a planned approach to setting and communicating service objectives and developing people to meet these objectives.</p> <p>As a consequence of achieving the standard it is likely that an independent, external assurance (level 3) across a range of preventative controls detailed on the risk log will be achieved. Corporate Board will discuss the IIP improvement plan on 30 July. It is likely that following approval of the plan a number of additional controls will be introduced to further strengthen the control environment.</p>
Changes to control measures	<p>An additional control measure has been added to reflect that Equality and Diversity report and objectives 2012-2015 is to be submitted to the Scrutiny Committee and will recommend to the Authority that it approves the report and objectives. The Scrutiny Committee will as part of its work support, direct and monitor the progress of the Service in the achievement of the objectives set out in the report</p> <p>A number of 'ongoing' pieces of work to strengthen the control environment and enhance existing controls have been completed. This has been reflected on the log. Namely,</p> <ul style="list-style-type: none"> • Redundancy selection criteria has been developed • A process is in place to track establishment changes • The revised pay and grading structure for non- uniformed staff has been introduced • IPDR training and guidance has been given to managers
Assurance updates	No assurances updated this quarter

Risk 10- The Fire Authority would be unable to manage its responsibilities under the Regulatory Reform (Fire Safety) Order and associated legislation, resulting in a decline in non domestic fire safety standards or legal action being taken against the Authority.

Emerging issues	The overall risk score has been maintained at its current level of 6. The risk rating is Medium.
Changes to control measures	The potential to exposure to this risk has stabilised following the appointment of 8 new Inspecting Officers and completion of further work to embed the role of the Operational Fire Safety Officers within the Delivery Areas. Further resilience is being developed within the Fire Engineering function through the provision of additional degree placements commencing in Sept 2012.
Assurance updates	Assurances updated.

Risk 11 – The Fire Authority would be unable to maintain its command and control function, resulting in an inability to receive process and respond to emergency calls effectively.

Emerging Issues	<p>A recent power failure in the Nechells area of Birmingham and a separate network issue, have caused some concern with regard to the adequacy of risk control measures documented within Corporate Risk 11.</p> <p>As a consequence of this Fire Control, in conjunction with ICT, Estates and a number of external partners ran a real time exercise to test the existing preventative controls that are currently in place (transformers, generators, uninterrupted power supply (UPS)) to enable for Fire Control to continue to deliver its command and control responsibilities in the event of a loss of mains power supply.</p> <p>The results and actions required as an outcome of this comprehensive testing are currently being considered. So it is unknown whether enhancements to the current control environment are required. However Fire Control did continue to meet its full command and control responsibilities throughout the testing period.</p> <p>Evacuation of HQ Fire Control – An exercise to test the current process and procedures to enable for the evacuation of fire control to secondary control is to be undertaken. As part of this exercise the arrangements for re-instating HQ Control and returning to normal operating arrangements will be tested.</p>
Changes and to control measures	<p>There are no changes to control measures at this time, however the current range of controls and the need for any additional/enhancements to these are currently being considered following the recent testing exercise.</p> <p>Similarly, as an outcome of the Fire Control evacuation exercise, consideration will be given to the adequacy of the current range of controls and whether any additional/enhancements to the existing control environment are required.</p>
Assurance updates	No assurances updated in this quarter as awaiting outcomes of testing and evacuation exercise as detailed above

Risk 13 – The Fire Authority suffered a significant health, safety or environmental failure, resulting in a legal challenge and/or litigation

Emerging Issues	None. The overall risk score is 8 and is unchanged. Therefore, the risk level remains at Medium.
Changes to control measures	<p>Following a recent trial, the Hazardous asbestos module e-cademy package has been made available across the Service. This mandatory asbestos course is to be undertaken by all operational personnel, workshops fitters and scientific advisors. This module has strengthened our control environment in this area.</p> <p>Similarly, following a recent trial a mandatory control of contractors e-cademy package has been available across the service.</p>
Assurances updates	No assurances updated this quarter.