

CORPORATE RISK POSITION STATEMENT

Corporate Risk Amendments January 2014

Position Statement

Risk 1 The Fire Authority would be unable to maintain the positive engagement of employees resulting in an inability to deliver its key priorities and objectives.

Emerging Issues	Director Human Resources as the designated Risk Owner for this risk has determined that with the continued uncertainty over industrial action that the likelihood score (potential for risk realisation) should be maintained at a level of 4 as the risk of further action is still high, until agreement between the Government and FBU is reached. Therefore, the risk rating remains high generating an overall Risk Score of likelihood 4 x impact 3 = 12.
Changes to control measures	<p>The Employee Opinion Survey has been launched. In order to encourage a high volume response, all personnel have been emailed informing them of the opportunity to provide their views. The survey was discussed at a management briefing.</p> <p>In recognition of the Service's approach to Member engagement a control has been added on the assurance map to reflect the approach to engaging and briefing new Members.</p> <p>The revised recruitment and selection policy, progression model and supporting Standing Order is due to be rolled out throughout the organisation in 2014 and will be supported by way of briefing sessions with managers (during next quarter).</p>
Assurance Updates	<p>Level 1 assurance has been provided by Control Owners across the majority of controls in place to support the management of risk. The majority of controls assured have been awarded a green (substantial) rating. Independent assurance has been provided for a number of the controls maintained on the assurance map. A number of supporting controls are currently being reviewed in accordance with the 3 year cyclical review of Standing Orders and it is intended that these reviews will be completed in the next quarter. To date no red ratings (limited assurances) have been awarded and as such no matters have arisen that require immediate intervention action.</p> <p>Taking this into account the Risk Owner is assured that the collective control environment is strong and effective. This is reflected in the 'substantial (green) 'confidence opinion' which is shown on the Corporate Risk Assurance Map Summary.</p> <p>Investors in People (IIP) interim review has been issued. This review may provide for an independent assurance as to the effectiveness of a number of control measures across the risk environment.</p>

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	<p>The overall risk score is unchanged at 9. The risk level remains at medium.</p> <p>The Risk Owner believes that whilst there is the potential to consider a risk reduction score on the basis of a likelihood reduction, this would be inappropriate at the current time given that a number of additional controls are presently being implemented and are not yet embedded.</p>
Changes to control measures	<p>Due to other work pressures implementation of the following Control Measures have been delayed: Data Centre split (March 2014), ICT Security strategy (March 2014) and Business Continuity Plan work (March 2014).</p>
Assurance updates	<p>Level 1 assurance has been provided by Control Owners throughout the risk environment. No red (limited assurance) ratings have been awarded and as such no matters have arisen that require immediate intervention action. As stated above work is ongoing across the control environment to enable a substantial (green) assurance to be provided throughout the control environment. Given this ongoing work the Risk Owner has provided satisfactory (amber) confidence opinion as to the collective strength of the risk management arrangements in place. Work on the Control items is progressing well and the completion of this ongoing work will enable for the consideration of a substantial confidence opinion by the Risk Owner by the end of the financial year.</p>

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 has been lowered (Likelihood) x 2 (Impact) = 4 as a consequence of reducing the likelihood score. The overall risk rating is low.</p> <p>This reduction has been possible as a consequence of recent additional controls designed to strengthen the governance and control of partnerships becoming embedded. These are set out below.</p>
Changes to control measures	<p>The task and finish group in place for partnerships has produced a draft partnerships standing order which is currently being consulted upon with stakeholders. It is anticipated that this document will be published in April 2014.</p> <p>Following the review and consequential restructure of prevention based resources appointments have been made to the role of Prevention Support Officer, x4 Partnerships Officers and the position of Community Risk Reduction Officers (CRROs). This structure is now functional and embedded. This structure has enabled for improved governance and control of partnership arrangements and has been key to:-</p> <ul style="list-style-type: none"> • Reviewing all partnerships to ensure they are aligned to the Plan • Embedding a systematic approach to producing Service Level Agreements and terms of reference for every partnership • Within this approach establishing arrangements for the management and reporting of partnership risk. <p>In support of this structure, tailored risk management and evaluation training have been provided by POST to the employees detailed above.</p>

	With respect to the development of the partnerships database by ICT, further investigation needs to take place regarding the resource requirements and timescales before a delivery date can be finalised.
Assurance updates	Level 1 assurance has been provided for the majority of controls within the risk environment with the majority providing substantial assurance. As set out above, the embedding of the new partnerships structure and acquisition of skills has enabled the Risk owner to provide for a substantial (green) confidence opinion as to the strength of the overall risk control environment.

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	DCFO as the designated Risk Owner for this risk has determined that the likelihood score (potential for risk realisation) should remain at 4. Therefore, the risk score remains at likelihood 4 x impact 3= 12. This is as a consequence of ongoing periodic industrial action. As part of the Service's Annual Internal Audit Programme, an audit of the Service's business continuity arrangements is ongoing. It is expected that the findings of the review will be made known in the first quarter of 2014. This audit will provide an independent assurance of the control environment.
Changes to control measures	A number of periods of industrial action have taken place and the contingency arrangements that have been put in place. The Service has been able to meet its emergency response requirements during the industrial action, however, to date there have been no significant incidents during the limited periods of industrial action that have caused the resources available to become stretched.
Assurance updates	Level 1 assurance has been provided for some of the controls within the risk environment. No red ratings (limited assurances) have been awarded and as such no matters have arisen that require immediate intervention action. Given the current level of uncertainty surrounding possible continued industrial action, what form this action may take, by whom and how many, allied to the continued uncertainty as to the level of external resources available to support the delivery of core activity should strike action occur, the Risk Owner has awarded a satisfactory (amber) confidence opinion as to the strength of the control arrangements currently in place to manage risk realisation. The internal audit of the Service's business continuity arrangements will provide the opportunity for an independent validation of assurance arrangements in this area.

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	The overall risk Score remains at 2 (likelihood) x 4 (impact) = 8 and the risk remains at Medium.
Changes to control measures.	Work is continuing to implement and embed the Service's improved Site Risk Survey (SRS) arrangements. SRS is intended to ensure that risk assessed informed decisions can be made pre- incident and at the incident ground, through the provision of relevant, timely and accurate information, ensuring safe and effective firefighters and operations Until this work is complete the assurance remains limited. It is anticipated that this project will be completed in June 2014.

Assurance updates	Level 1 assurance has been provided across the risk environment. However, the Risk Owner has awarded an overall Satisfactory (amber) confidence opinion as to the collective strength of the controls in preventing or reducing risk realisation. This judgement has been informed by the independent limited (red) assurance awarded in respect of SRS. A project to improve SRS arrangements is due to be completed by June 2014. Subject to the new arrangements becoming embedded and the Risk Owner being assured as to their effectiveness, the Risk Owner will consider the effectiveness opinion of SRS as a preventative control measure. This will provide the opportunity for the Risk Owner to consider his confidence opinion of the overall control environment.
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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	The overall risk score remains unchanged at 2(likelihood) x 3 (impact) = 6. The risk level remains at Medium. The Risk Owner has determined that this score is appropriate. The Service is currently in ongoing discussion with representatives from HS2 regarding the proposed route and its potential impact upon FSHQ and the immediate surrounding area. A paper on this matter was submitted to Members at Executive Committee on 20 January 2014. The Service continues to monitor this matter closely.
Changes to control measures	There have been no significant changes to control measures during the review period. However, the Service is currently preparing its property asset management plan which will be presented to Members at February's budget setting Authority meeting. Similarly the vehicle replacement programme update will be provided to Members at the February meeting.
Assurance updates	Level 1 assurance has been provided across the range of control measures. The level 1 control environment provides for substantial assurance (green rating) across the majority of controls. No controls were identified as providing limited assurance (red rating) and therefore no immediate interventions were identified as being required. This has enabled for the Risk Owner to provide a Substantial (green) confidence opinion and this is reflected on the Corporate Risk Assurance Map summary.

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 3 (Likelihood) x 3 (Impact) = 9. The overall risk level is Medium.</p> <p>The funding position for the next two financial years has become more certain as a consequence of the provisional finance settlement announced on the 18th December. Grant reductions of £5.6M for 2014/15 and £5.8M for 2015/2016 are broadly in line with Service expectations. The reduction in central funding will continue beyond this period. Given that the level of central funding given is fundamental in enabling the effective delivery of Service's core objectives the Risk Owner has determined that the likelihood risk score of 3 defined as 'High 25%-50% or likely to occur within two years' is still appropriate.</p>
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	The threshold levels at which the Authority would be required to undertake a referendum should it propose to raise council tax precept has yet to be confirmed by Govt. It is thought this will be confirmed at the end of January.
Changes to control measures	There are no significant changes to control measures in this quarter. Members will be aware that the external auditors Grant Thornton have reported their findings on the Authority's financial statements (report submitted to Authority in September 2013). An unqualified opinion was provided on the Authority's financial statements and the arrangements to secure economy, efficiency and effectiveness in the use of its resources – known as the value for money conclusion. This provides for an independent assurance across a range of control measures.
Assurance updates	<p>Level 1 assurance has been provided across the majority of the control environment with most controls measures being awarded at substantial (green) rating in terms of their effectiveness in managing risk triggers. The work of Grant Thornton provides independent assurance across a number of risk controls.</p> <p>No controls were identified as providing limited assurance (red rating) and, therefore, no immediate interventions were identified as being required.</p> <p>The Risk Owner therefore has provided for a substantial (Green) confidence opinion as to the collective strength of the control environment in managing this particular risk.</p>

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	The overall risk score is 2 (likelihood) x 3 (impact) = 6 although the risk level remains at Medium. This means that it is likely to occur within a period of 2-5 years (10-24% chance).
Changes to control measures	<p>The re-introduction of recruitment and selection processes to enable for the operational establishment to be maintained has been reflected as an additional control on the assurance map. Fifty-five individuals were appointed to post. Training will start training in October 2013 and were posted to Stations in December 2013. Phase 2 of the recruitment and selection (for the second tranche) is underway.</p> <p>With respect to the staffing strategy the numbers are now correct, equipment is in place and a schedule of Brigade Response Vehicles to be rolled out has been developed. It is clear that we have done everything we can to deliver on this control.</p> <p>The revised recruitment and selection policy, progression model and supporting Standing Order is due to rolled out throughout the organisation in 2014 and will be supported by way of briefing sessions with managers (during next quarter)</p>
Assurance updates	<p>A number of Level 1 assurances have been provided across the control environment. To date no limited assurances (red ratings) have been identified and as such no immediate interventions are required.</p> <p>A number of satisfactory effectiveness opinions have been provided for the learning and development Standing Orders that are controls detailed on the assurance map. Where this is the case the necessary corrective action to provide for a substantial opinion has been identified. A number of controls are currently being updated in line with the 3 year review cycle for Standing Orders.</p> <p>The Risk Owner has provided a high (green) confidence opinion as to the effectiveness of the control environment in managing this risk.</p>

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	<p>The risk score using the likelihood x impact matrix is 2 (likelihood) x 2 (Impact) generating an overall risk score of 4 which is unchanged from the previous quarter.</p> <p>The current score is still valid. The Policy Team has transferred to TOpS. Monitoring arrangements are in place to ensure for continuity of service.</p>
Changes to control measures	<p>The system of Location Independent Working has been rolled out. The required IT mobile devices have been supplied.</p> <p>The new Intelligence Led Audit Programme has gone live- replacing the Risk Based Inspection Programme. Some minor amendments are to be made to workbooks after which the roll out will be complete.</p>
Assurance updates	<p>Level 1 assurance has been provided across the range of control measures. The level 1 control environment provides for substantial assurance (green rating) across the majority of controls. No controls were identified as providing limited assurance (red rating) and, therefore, no immediate interventions were identified as being required. This has enabled for the Risk Owner to provide a Substantial (green) confidence opinion and this is reflected on the Corporate Risk Assurance Map summary.</p>

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>The overall risk score remains at 2(likelihood) x 4(Impact) = 8.</p> <p>A working group has been formed to consider the options for re-locating secondary control as a consequence of the decision to sell the Academy. Assurance has been given that a secondary control will be maintained and any changes will be made to allow the necessary lead-in time for transferring to an alternative site.</p> <p>The potential for the High Speed rail 'HS2' to impact upon the functionality of Headquarters, Fire Control, is currently being investigated by Corporate Board. The potential impact of this upon the collaborative project has been considered and the decision taken to continue with the transition to a single delivery model running from the existing Fire Control location at Headquarters.</p> <p>The Service is currently in ongoing discussion with representatives from HS2 regarding the proposed route and its potential impact upon FSHQ and the immediate surrounding area. A paper on this matter was submitted to Executive Committee on 20th January 2014. The Service continues to monitor this matter closely.</p>
Changes to control measures	<p>In support of the transition to collaborative arrangements the planned interim solution 'go live' date has been implemented. Staffordshire FRS is now operating on the Vision system that is operated in the West Midlands.</p> <p>Following a test of the power and uninterrupted power supply (UPS) at the Academy issues were identified with the UPS battery system for secondary</p>

	<p>control. Further tests were carried out and essential upgrades were made to ensure it would remain functional.</p> <p>In the event of a Fire Control evacuation calls are currently redirected to Staffordshire FRS. This will not be possible under shared control arrangements. Therefore discussions are ongoing with North West Control and London Control regarding supporting this work. This is part of a wider piece of work looking at closer working with these controls. This work is progressing in line with agreed timescales and an approach will be in place prior to go live (31st March 2014).</p>
Assurance updates	<p>Level 1 assurance has been provided across the majority of the control environment with a substantial (green rating) being provided for much of the controls. Where amber assurances have been provided corrective action has been identified. To date no limited assurances (red ratings) have been identified and as such no immediate interventions are required. As satisfactory opinion in respect of the collaborative project has been provided. The Service has a range of control measures in place (detailed on the assurance map) to ensure the continued delivery of a command and control function should any unforeseen difficulties occur as a result of the switch over to the shared Interim arrangements. Therefore, the Risk Owner has provided a Substantial (green) confidence opinion as to the overall collective strength of the control environment and this is reflected on the Corporate Risk Assurance Map summary.</p>

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

Emerging Issues	<p>None. The overall risk score is 2 (impact) x 3 (likelihood) = 6 and the risk level remains at Medium.</p>
Changes to control measures	<p>No changes to measures in this quarter.</p>
Assurances updates	<p>Level 1 assurance has been provided across the majority of the control environment To date no limited assurances (red ratings) have been identified and as such no immediate interventions are required. Where satisfactory assurances have been provided action to provide for substantial (green) assurance has been identified. Performance against health and Safety PIs 19&20 continues to be strong and this has been reflected in the proposal to reduce targets against PIs for 2014/2015. This has enabled for the Risk Owner to provide a Substantial (green) confidence opinion as to the overall collective strength of the control environment and this is reflected on the Corporate Risk Assurance Map summary.</p>