

Appendix 2

Corporate Risk Amendments July 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	The Risk Owner 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. A period of industrial action took place during the weekend of 2-4 May 2014.
Changes to control measures	<p>Following completion of the Employee Opinion Survey (EOS) the results have been made available to all employees. Engagement with staff regarding EOS findings will continue through a number of sessions (40+) headed by the CFO and DCFO from May through to October. An additional control has been added on the assurance map to reflect this. These sessions will enable for a greater understanding of some of the issues arising from EOS, therefore informing the change agenda. Similarly, evidence gathered during such meetings will inform whether the current EOS approach represents the best way to gather staff views or whether alternative approaches should be considered.</p> <p>A number of supporting controls are currently being updated reviewed in accordance with the 3 year cyclical review of Standing Orders and it is intended that this review will be completed in the next quarter.</p>
Assurance Updates	<p>The level of assurance provided by control owners against this particular risk is high, with the vast majority of assurances being green and provided within the last 12 months. 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>

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>
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Changes to control measures	Due to other work pressures implementation of the following Control Measures have been delayed, specifically , Data Centre split, ICT Security strategy and Business Continuity Plan work
Assurance updates	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 .

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 2 (Likelihood) x 2 (Impact) = 4 as a consequence of reducing the likelihood score in quarter 3 2013/14. 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 providing confidence that the Service is engaged in the right partnerships and has in place appropriate structural and procedural arrangements to enable their effective governance.</p> <p>An Internal Audit of the Service's partnerships arrangements has been scheduled for the 2013/14 financial year. The results have not yet been communicated to WMFS but once known will provide for an independent assurance across a number of controls areas and potentially a number of areas for improvement.</p>
Changes to control measures	The task and finish group in place for partnerships has produced a draft partnerships standing order which is currently being consulted upon with stakeholders. This document will help to provide clarity to all involved in partnerships as to their personal accountabilities in supporting effective governance arrangements
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	<p>A further period of industrial action took place during the weekend of 2-4 May 2014.</p> <p>As part of the Service's 2013/14 Internal Audit Programme, an audit of the Service's business continuity arrangements and in particular our corporate risk arrangements has been undertaken. This audit has awarded a 'substantial assurance' for the service's arrangements in managing this particular risk, which is the highest independent assurance that can be given. There were no recommendations arising from the audit and the Service's approach to providing assurance of the control environment was recognised as good practice.</p> <p>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 professional judgement has been made on the basis that there is yet to be a resolution in the Trades dispute between the Fire Brigades' Union and the Government.</p>
Changes to control measures	<p>A number of periods of industrial action have taken place and the contingency arrangements that have been put in place. Whilst the resources available during industrial action would cause the Service to become stretched in delivering its agreed response service to the community should a significant incident occur, to date the Service has been able to meet its emergency response requirements during the industrial action.</p>
Assurance Updates	<p>Level 1 assurance has been provided for some of the controls within the risk environment. Given the current level of uncertainty surrounding possible continued industrial action, allied to the continued uncertainty as to how the Service would provide effective response cover should a significant incident occur and the level of external resources available to support the Service should this 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. An independent Level 3 internal audit has provided substantial assurance of the Service's risk management arrangements in this area.</p>

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	<p>The overall risk Score remains at 2 (likelihood) x 4 (impact) = 8 and the risk remains at Medium.</p>
Changes to control measures.	<p>Work is continuing to implement and embed the Service's improved Site Risk Survey (SRS) arrangements (site specific risk information SSRI). SSRI 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</p>

	<p>in August 2014.</p> <p>As a consequence of joint working with Staffs FRS, new mobilising protocols mean that WMFS is providing a response further into Staffordshire than previously. In order to provide crews with appropriate information an interim SSRI folder is to be rolled out to affected stations. An IT fix is currently being sought.</p> <p>A control has been added to reflect work ongoing in respect of CFOA national collaboration project in respect of standardising operational procedures. This work designed to provide clarity and consistency regarding procedures may impact upon the Service in terms of the requirement to change the way it deals with some aspects of operations activity as well as the potential to buy new equipment. As a consequence of this there may be a requirement to change learning, development and training to enable the acquisition of appropriate skills and knowledge.</p> <p>The Service is moving towards a distributed, localised training model – whereby local, fit for purpose training facilities will be developed at local fire stations. The sites and the types of chosen have been informed by our strategic risk analysis. This more localised approach will enable the service to maintain its resources to its risk and more effectively support our vision of Making West Midlands safer. In establishing this approach the transition from the Academy centred training approach to a local approach will be monitored to ensure a timely handover.</p>
Assurance Updates	<p>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 August 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.</p>

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 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 has petitioned on this matter and the risks (and controls) present are reflected on the risk log.</p> <p>The Service has submitted two bids for transformational funding available from central government, in respect of building work which will enable for greater blue light collaboration; and/or greater community prevention/protection outcomes. This work is in-line with the Service's Asset Management Plan.</p>
Changes to control	<p>Some relatively minor updates have been made to the assurance map. However, this is a well managed risk with a strong control environment. As yet there is still</p>

measures	uncertainty as to the potential outcomes of ongoing representations with regard to HS2 and the potential impact upon the Services building assets.
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 18 December. Grant reductions of £5.6M for 2014/15 and £5.8M for 2015/16 are broadly in line with Service expectations. The reduction in central funding will continue beyond this period.</p> <p>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. In terms of funding reductions for 2016/17 and 2017/18 the Service will continue to explore a number of avenues in order to balance its budget. As part of this, a referendum may be considered and this has been reflected on the assurance map.</p>
Changes to control measures	The control environment remains strong and is supported by independent assurance provided by both external and internal auditors. An update has been provided to reflect the approval of the 2014/15 budget by the Fire Authority in February.
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. 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 ongoing recruitment and selection processes to enable for the operational establishment to be maintained.</p> <p>The Service is rolling out its progression model for both green and grey book employees. A number of controls are currently being updated in line with the 3 year review cycle for Standing Orders this will strengthen the control environment in the next quarter.</p>
Assurance updates	<p>The Risk Owner has ensured that control owners have provided assurance for the controls for this particular risk. This proactive approach has strengthened the control environment and level 1 assurance has 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>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>As part of the interim structural arrangements the Service has aligned its delivery functions within the Operations directorate. Work is ongoing to understand how better integration and new ways of working will enable for a more efficient and effective service delivery function across protection, prevention and response that supports the achievement of the vision in The Plan of making West Midlands safer.</p> <p>The current score is still valid.</p>
Changes to control measures	None
Assurance updates	Level 1 assurance has been updated and 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 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>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 20 January 2014. The Service continues to monitor this matter closely and has submitted a petition. The risks (and controls) present are reflected on the risk log.</p>
Changes to control measures	<p>The assurance map has been amended to reflect that HS2 does potentially have the impact to adversely affect the delivery of Fire Control's core activity of control. Allied to this the decision to sell the Academy building has resulted in the Service currently considering a number of options in terms of secondary control arrangements and as part of this primary control functionality within the secondary control environment will be implemented.</p> <p>The requirement to meet the Emergency Services Communication Programme standard has been reflected on the log. This is a national project to standardise emergency services communication.</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. 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 2014/15. 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>