# WEST MIDLANDS FIRE AND RESCUE AUTHORITY

## AUDIT COMMITTEE

## 10 SEPTEMBER 2012

1. **CORPORATE RISK REGISTER**

   Report of the Chief Fire Officer.

   RECOMMENDED

1.1 THAT the Committee notes the revised approach to providing Corporate Risk Register updates.

1.2 THAT the Committee approve the changes to the Corporate Risk Register and notes the position statements prepared for each risk on the register.

2. **PURPOSE OF REPORT**

   This report is submitted for Members to inform them of the revised approach to reporting Corporate Risk Register updates. Members are asked to approve changes to the Corporate Risk Register risk ratings and note the existing and new range of measures in place to effectively manage corporate risks.

3. **BACKGROUND**

3.1 Following the formation of the Scrutiny Committee it has been necessary to change the way in which Corporate Risk Register updates are reported to Members. Corporate Risk Register updates were previously reported to Audit and Performance Management Committee as part of the quarterly corporate performance analysis against the agenda item relating to 'The Plan'.

3.2 Quarterly corporate performance will now be reported to the Scrutiny Committee. However, all matters appertaining to corporate risk management will continue to be reported to Audit Committee in accordance with the Committee's terms of reference.

Ref.  AU/AC/80708123

3.3 The format, content and approach of providing a quarterly Corporate Risk Register update to Audit Committee by way of a separate agenda item is consistent with the approach recommended following a recent internal audit of the Authority's risk management arrangements.

3.4 In accordance with the Corporate Risk Management Strategy, all risks maintained within the Corporate Risk Register have been reviewed by Senior Risk Owners in order to update the relevant triggers, impacts and control measures and determine a relevant risk score based on assessment of likelihood and impact. At the quarterly Corporate Performance Review meeting of 30 May 2012 the following significant amendments to the Corporate Risk Register were noted.

3.5 The risk rating of both Corporate Risks 1 and 5 has been reduced following review with the Directors' of Human Resources and Technical and Operational Support. This decision has been taken because intelligence indicates that there is currently no specific risk of imminent industrial action. The likelihood of staff becoming disengaged or the Service experiencing significant disruption to normal working methods has, therefore, reduced. Also, in respect of risk 5, the threat of industrial action by fuel tanker drivers has been reduced. Therefore the likelihood rating associated with both risks has been lowered to 3 from 4. This means that the overall risk rating score has been lowered to 9 from 12 and the risk rating reduced from 'High' to 'Medium'. As a consequence of this the Business Continuity Management Team (BCMT) has been stood down. However the Service remains vigilant and has the necessary arrangements in place to re-establish the BCMT framework should it be required.

3.6 The position statement attached as Appendix 1 to this report provides full details of amendments, changes and additions to each of the 11 Corporate Risks logs that the Service currently maintains.

3.7 Appendix 2 of the attachment provides a summary of the Corporate Risk Register. This summary details the current risk ratings and details the direction of travel of all 11 Corporate Risks following the recent review.

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**

Internal Audit Report, Risk Management. Agenda Item 7, Audit and Performance Management Committee, 26 March 2012.

Corporate Performance Review Papers, 30 May 2012

Governance of the Authority 2012/13 Agenda Item 9, West Midlands Fire and Authority Report, 25 June 2012.

VIJ RANDENIYA
CHIEF FIRE OFFICER

Ref.  AU/AC/80708123

## Corporate Risk Register Amendments May 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.**

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| Emerging Issues | The likelihood of risk realisation has been reduced to 3. Director HR has confirmed that there is no specific intelligence at this moment in time to suggest that an FBU ballot for potential industrial action is imminent.  As a consequence of this the regular Business Continuity Management (BCMT) meeting has been stood down.  However the Service remains vigilant and has the necessary arrangements in place to re-establish the BCMT framework should circumstances change.<br><br>This overall risk score therefore, is now rated as 'Medium', generating an overall risk score of 9. |
| Changes to control measures | An additional control has been added to reflect the ongoing work to manage through the outcomes of the Employee Opinion Survey.  Also, Principal Officer visits have been extended to cover all areas and sections of the Service.  Both these controls will strengthen our engagement arrangements.<br><br>In line with risk management good practice a key milestone or delivery dates have been added to a number of additional controls. |
| Assurance updates | Assurances have not been updated in this quarter. |

**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.**

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| Emerging Issues | None.  The overall risk score is unchanged at 9.  The risk level remains at Medium. |
| Changes to control measures | The risk log has been updated to reflect that the operational smart phone rolling replacement programme has now been completed as has the work to enhance the level of security for the ICT systems infrastructure<br><br>To further enhance arrangements in this area the server single sign on (intranet/internet) upgrade is ongoing. |
| Assurance updates | Penetration testing has taken place providing for a level 3 (external) assurance. |

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**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 | The overall risk score remains at 6.  The risk level remains at medium.<br><br>Following on from a recent Internal Audit Review, which highlighted some potential lapses within the control environment (inconsistency in use of SLA/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. |
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| Changes to control measures | The Review of Operations Partnerships has been reflected as an additional control on the risk log.  This review and any associated improvement plan(s) will help to provide assurance that the management, conduct and control arrangements within partnerships are compliant with Service expectations as set out in Standing Order 22/2. |
| Assurance updates | Following on from The Plan refreshment and subsequent approval by Members our partnership strategic objectives and outcomes have been clearly set out.  This has been reflected on the log.  Assurances have been updated in respect of the reporting frameworks in place to supporting the reporting of partnership performance. |

**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 | The likelihood of risk realisation has been reduced to 3. Director HR and Director TOpS have confirmed that there is no specific intelligence at this moment to suggest that an FBU ballot for potential industrial action is imminent.  As a consequence of this the regular Business Continuity Management Meeting has been stood down.  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.  Allied to this, the threat of a fuel strike has been lifted. Therefore there is no immediate threat of extensive disruption to working methods at this current time.  This overall risk score is rated as 'Medium', generating an overall risk score of 9.<br><br>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. |
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| Changes to control measures | No additions have been made to controls during this review period. However, Business Continuity plans and associated arrangements have been reviewed and refreshed as part of the recent industrial action preparatory work. |
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| Assurance Updates | The recent industrial action preparatory work 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. |
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| Changes to control measures. | A robust and auditable method of tracking that risk critical information has been received, read and understood 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 absence of up to date procedural information.

The Incident command training programme has been improved to build in scenarios in respect of responding to 'new threats'.  This additional level of control has been reflected on the log

A number of controls relating to PPE and periodic testing of operational equipment now fall under the remit of Director Finance and Procurement. This has been reflected on the action log.

The fire behaviour training programme has been completed by all appropriate personnel. |
| Assurance Updates | Assurances have been updated throughout 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 | The overall risk score remains unchanged at 6.  The risk level remains at Medium. |
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| Changes to control measures | Work is ongoing between the Fleet Manager, Director TOpS and Director Resources to identify the appropriate level of investment in the Vehicle Replacement Programme (VRP). |

Ref.  AU/AC/80708123

| Assurance Updates | None updated. |
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**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 | The risk score remains at 9.  The overall risk level is Medium. |
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| Changes to control measures | A number of references have been updated throughout the log.<br>An additional control has been introduced to reflect the introduction of the Stop, Make, Buy, Ally tool. |
| Assurance | The Audit Commission's Annual Audit Letter provides a level 3 assurances across a range of controls. |

**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 unchanged (9) and the risk level remains at Medium.  As part of the ongoing Investors In People (IIP) accreditation currently (May 2012) ongoing at the Academy, it is expected that level 3 external assurance will be provided against a number of controls currently in place to enable for effective employees.  It is also likely that through the IIP improvement plan a number of additional controls will be introduced to further strengthen the control environment. |
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| Changes to control measures | A number of additional preventative controls have been put in place to strengthen our arrangements.<br><br>Specifically, the Service has developed a redundancy selection criteria which will enable, as far as is practically possible, the Service to retain the right level of resources with the appropriate skill sets and behaviours should a redundancy programme be implemented.<br><br>A process is currently being put in place to track establishment changes.  This will be presented to Programme Board in May 2012.  A report to Authority setting out Equality and Diversity objectives is to be submitted in June 2012.<br><br>To assist with employee development, IPDR training has been rolled out to Managers throughout the Organisation and guidance has been made available to all.  The Watch Commander progression model has been approved. |

Ref.  AU/AC/80708123

| | An additional control has been added to reflect the ongoing work to manage through the outcomes of the Employee Opinion Survey.<br><br>In line with risk management good practice key milestones or delivery dates have been added to a number of additional controls. |
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| Assurance updates | Assurances updated throughout plan. |

**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.**

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| 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 risk relating to the Authority's statutory duties to provide fire safety advice and enforce legislative fire safety within the non domestic sector continues to be managed. In line with Programme Board directives the staffing levels within Protection are being maintained through an internal recruitment and selection process and a number of operational officers are receiving fire safety training to help support local risk reduction activities. Three fire safety posts have been filled by way of redeployment and work is ongoing with HR to agree selection criteria for further vacancies. |
| 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.**

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| Emerging Issues | A recent power failure in the Nechells area and a separate network issue, have caused some concern with regard to the risk control measures documented within Corporate Risk 11.<br><br>Therefore the business impact assessments for Fire Control, Estates and ICT in respect of support systems for the control room environment are now being reviewed. |
| Changes and to control measures | No changes at this time pending the review detailed above. |
| Assurance updates | No assurances updated in this quarter. |

Ref.  AU/AC/80708123

**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. |
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| Changes to control measures | A number of additional preventative controls have been implemented to strengthen control arrangements in relation to:<br><br>▪ The control of contractors – the Ecademy training package has been made available and targeted training delivered<br>▪ The environment – following an internal audit into this area an action plan has been developed for implementation by December 2012<br>▪ Hazardous substances – following trial an Ecademy package to support Service wide learning has been made available. |
| Assurances updates | Following an internal audit of our environmental arrangements, assurances in this area have been updated. |

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