

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT COMMITTEE

26 MARCH 2018

1. **CORPORATE RISK UPDATE**

Report of the Chief Fire Officer.

RECOMMENDED

THAT Audit Committee approve the Corporate Risk Assurance Map Summary (Quarter 3, 2017/18, Appendix 1) and note the Position Statement (Quarter 3, 2017/18, Appendix 2) for each risk.

2. **PURPOSE OF REPORT**

This six-monthly update is provided to ensure Members remain informed about all aspects relating to the management of the Authority's corporate risks. It covers Quarter 2 and Quarter 3 2017/18.

3. **BACKGROUND**

- 3.1 This report includes the Corporate Risk Assurance Map Summary and the Position Statement for Quarter 3. This is the combined six-monthly report as agreed by Members at the Audit Committee Meeting held on the 25 July 2016.
- 3.2 In accordance with the Services risk management strategy, the Corporate Risk Assurance Map Summary is submitted for approval by the Audit Committee, following its submission and discussion at the Corporate Performance Review Meeting.
- 3.3 Corporate risks are those risks which if they occurred would seriously affect the Authority's ability to carry out its core function or deliver its strategic objectives as set out in The Plan. Currently, the Service maintains 9 corporate risks,

some of which have more than one element.

- 3.4 Each corporate risk is assigned to a Risk Owner, who is a member of the Strategic Enabling Team. The Risk Owner has the overall responsibility for monitoring and reviewing the progress being made in managing the risk.
- 3.5 To enable for 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 based on 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).

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

- 3.6 In order to ensure that Members are kept informed of corporate risk matters a Corporate Risk Assurance Map Summary for Quarter 3 2017/18 (Appendix 1) and the Position Statement for Quarter 3 2017/18 (Appendix 2) are attached.

- 3.7 In undertaking a review of corporate risks, the Risk Owner has reviewed the Corporate Risk Assurance Map. The Assurance Map provides details of:-
- The strategic objectives and performance indicators relevant to the risk.
 - The current risk scores.
 - A description of events that could lead the corporate risk to be realised.
 - The control measures in place designed to reduce the likelihood of risk realisation or its impact should the risk be realised.
 - Additional control measures currently implemented to further reduce the likelihood or impact.
 - Control owners who are responsible for the implementation, maintenance and review of individual control measures.
- 3.8 As part of the review the Risk Owner has considered the risk score and rating and updated the Assurance Map. 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.
- 3.9 Where ongoing additional controls are being implemented, Risk Owners have confirmed the progress in implementing such controls.

Increase/decrease in Overall Corporate Risk Score

- 3.10 During the six months (Quarter 2 2017/18 and Quarter 3 2017/18) there has been no increase or decrease in any of the risk scores.
- 3.11 The Position Statement attached as Appendix 2 provide the detail of the risk management activity undertaken or ongoing in respect of the Authority's 9 Corporate Risks for the six months (Quarter 2 2017/18 and Quarter 3 2017/18).

- Corporate Risks 1.1, 1.2, 2.3, 5.2, 8.1 and 8.2 have been awarded a green confidence (substantial) opinion, which is the highest level that can be awarded.
- For Corporate Risk 4.1, whilst the overall risk score remains at 6 and has been awarded a green confidence (substantial) opinion, which is the highest level that can be awarded, the likelihood score has changed from 3 to 2 and the impact score changed from 2 to 3. This change reflects the positive progress with the development of the new Risk Based Inspection Programme and enhanced identification of fire safety risk provided through integrated risk management data analysis.
- Corporate Risks 2.2, 3.1, 3.2, 5.1, 7.1, 7.2, and 9.2 have been awarded an amber (satisfactory) confidence opinion. In all cases, work is in progress to enable for a green rating to be attained.
- Corporate Risks 2.1, 6.1 and 9.1 have been awarded a red (high risk) confidence opinion. Work is in progress for these to be reduced.

Position Statement Summary

- 3.14 Corporate Risk 1.1 – External (Political and Legislative) Environment. The Authority's route of governance by the Mayoral, West Midlands Combined Authority has received full support of the Local Authority leaders and is now in the initial stages of public consultation which runs from the 11 January to the 8 March 2018. A negative response to the consultation has the potential to halt process locally.
- 3.15 Corporate Risk 2 – People. The business continuity arrangements remain in place to ensure the delivery of the services associated with Falls response and the wider health agenda. This is a temporary arrangement whilst the organisation considers alternative solutions to the delivery of this service. Work is continuing with the representative bodies to see solutions to ensure the sustainable delivery of the strategy through a local agreement.

- 3.16 Corporate Risk 3 – Prevention. Sandwell Metropolitan Borough Council Auditors will be auditing partnerships shortly. The feedback will shape the toolkits and feed into the Safe & Well Development project.
- 3.17 Corporate Risk 4 – Protection. The definition of fire safety risk continues to be considered within work streams of the National Fire Chiefs Council. Consideration is being given as to how fire safety risk can better influence and inform our Integrated Risk Management Plan.
- 3.18 Corporate Risk 5 – Response. The revised staffing arrangements have been in place for 12 months and have now been reviewed to ensure that the minimum numbers on duty at all times is maintained. Over the last 12 months Optimum Crewing levels were maintained for 90% of the time and a commitment has been made to understand whether this can be improved further still.
- 3.19 Corporate Risk 6 – Business Continuity & Preparedness. Changes to the current staffing arrangements may lead to alternative business continuity arrangements being put in place. This may include, changes to staffing arrangements such as Voluntary Additional Shifts, which may lead to a reduced uptake of volunteers; the use of new entrant contracts in the delivery of Falls response arrangements to move the delivery of Fall response back to operational staff.
- 3.20 Corporate Risk 7 – Information, Communications and Technology. Work is ongoing with external companies to follow national guidance about the recent increase in cyber security threats. In addition, in-house additional resource has been allocated to this work.
- 3.21 Corporate Risk 9 – Business Development. The Service is unlikely to meet the internal target of £1m of income generation by 2017/18, however, work is continuing towards the strategic target of meeting £2m by 2020. Alongside health opportunities, the Service has focused on obtaining work from commercial opportunities alongside exploring social value and sponsorship.

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 do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

There are no direct legal implications associated with the implementation of the recommendations set out in this report.

6. **FINANCIAL IMPLICATIONS**

There are no financial implications associated with the implementation of the recommendations set out in this report.

7. **ENVIRONMENTAL IMPLICATIONS**

None

BACKGROUND PAPERS

Frequency of Risk Reporting to Audit Committee, Audit Committee Report, 11 April 2016

Corporate Risk Update to Audit Committee, Audit Committee Report, 25 July 2016

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