

# **WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

## **AUDIT & RISK COMMITTEE**

**27 JULY 2020**

### **1. CORPORATE RISK UPDATE**

Report of the Chief Fire Officer.

RECOMMENDED

THAT Audit and Risk Committee approve the Corporate Risk Assurance Map Summary (Quarter 3, 2019/20, Appendix 1) and note the Position Statement (Quarter 3, 2019/20, 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, 2019/20 and Quarter 3, 2019/20.

### **3. BACKGROUND**

- 3.1 This report includes the Corporate Risk Assurance Map Summary and the Position Statement for Quarter 3 2019/20. 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 Service's risk management strategy, the Corporate Risk Assurance Map Summary is submitted for approval by the Audit and Risk Committee, following its submission and discussion at the Corporate Quarterly 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 8 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, 2019/20 (Appendix 1) and the Position Statement for Quarter 3, 2019/20 (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 Quarter 3, 2019/20 there was an increase in the risk score for Corporate Risk 6.1, Business Continuity & Preparedness. The Fire Authority is unable to provide business continuity arrangements, to maintain delivery of core functions, as a result of extensive disruption to normal working arrangements, including national and international deployments, significant and major events, resulting in increased community risk; reduced confidence; increased reputational damage; and external scrutiny. This risk score increased from 9 (Likelihood 3 x Impact 3) to 12 (Likelihood 3 to Impact 4). This was reported to the Audit and Risk Committee at the meeting held on the 13 January 2020. The Risk Owner who has the overall responsibility for monitoring

and reviewing the progress being made in managing the risk, considers that the control measures remain inadequate and has subsequently increased the risk level to 'High'. This risk will be managed by through the ongoing use of volunteers drawn from existing staff numbers.

- 3.11 In Quarter 3 2019/20 the Audit and Risk Committee agreed to the removal of Corporate Risk 1.1 External (Political and Legislative) Environment – Public Service Reform enables new duties and/or major changes to the governance, structure, role or activities of the fire and rescue service requiring major re-organisation, resulting in an inability to deliver against organisational strategy and planned community outcomes. This risk is no longer relevant at a strategic level. There is currently no risk of public service reform impacting on the delivery of strategy, statutory and core service delivery.
- 3.12 The Corporate Risk Assurance Map Summary attached as Appendix 1 provides the confidence levels of the risk management activity in respect of the Authority's 8 Corporate Risks at Quarter 3, 2019/20.
- Corporate Risks 1.2, 2.3, 4.1, 5.1, 5.2, 8.1 and 8.2 have been awarded a green confidence (substantial) opinion, which is the highest level that can be awarded.
  - Corporate Risks 2.1, 2.2, 3.1, 3.2, 7.1, and 7.2 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 Risk 6.1 has been awarded a red (limited) confidence opinion, due to the inadequacy of key internal controls being in place.
- 3.13 The Position Statement attached as Appendix 2 provides the detail of the risk management activity undertaken or ongoing in respect of the Authority's 8 Corporate Risks for the six months (Quarter 2 2019/20 and Quarter 3 2019/20).

## Position Statement Summary

- 3.14 **Corporate Risk 1 – External (Political and Legislative Environment).** The risk owner is confident that control measures are sufficiently strong that where possible the Service can position itself effectively in public sector reform. The development of the Strategy for 2020/23, priorities for 2020/21 and the IRMP consultation process (due to commence mid 2020) will support the delivery of collaborative and/or transformational approaches to achieving the agreed priorities and outcomes.
- 3.15 **Corporate Risk 2 – People.** The risk owner is confident that positive progress continues to be made in relation to the delivery of the collective agreement. The Cultural Review which was published in September is being progressed through a Joint Cultural Implementation Plan Steering Group.
- Current recruitment and selection processes continue to provide required staffing levels are maintained to ensure the delivery of the Service Delivery Model. In addition, the revised attraction and selection process is enabling a high level of successful candidates from underrepresented groups.
- 3.16 **Corporate Risk 3 – Prevention.** During Quarter 3 the Partnerships Team hosted 14 Continuous Professional Development sessions aimed at frontline staff and managers from partner agencies. The purpose of these events was to improve knowledge about risk and vulnerability to fire and increase referrals for Safe and Well.
- 3.17 **Corporate Risk 4 – Protection.** Capacity has been increased in the Fire Safety Teams and competencies are being aligned to the revised standards and Competency Framework for Fire Safety Regulators. Response to statutory building consultations are now being managed within the required timeframes.
- 3.18 **Corporate Risk 5 – Response.** With the release of Phase 1 of the Grenfell Tower report the organisation has and continues to undertake a closer examination of High Rise/Tall Buildings processes. The impending launch of the 'Tall Buildings' operational procedure will be used as the foundation stone for a period of focus within this area to build upon our current position.

3.19 **Corporate Risk 7 – Information, Communications and Technology.** The replacement of desktops with Virtual Desktop Infrastructure at stations has simplified the organisational infrastructure and enhanced ability to maintain currency of security updates to protect organisational information systems.

3.20 **Corporate Risk 8 – Finance and Assets.** The work and associated reports of the external auditor provide assurance against several controls in place to manage against the realisation of risk on the assurance map.

#### 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

Delivery of The Plan 2018-21  
Executive Committee Report, 6 June 2018

Strategy Options  
Fire Authority, 17 September 2018

Strategy Options  
Fire Authority, 19 November 2018

Investment Report  
Fire Authority, 18 February 2019

Strategy Options 2019 – 2020  
Fire Authority, 18 February 2019

Corporate Risk Update  
Audit & Risk Committee, 11 November 2019

Corporate Risk Update  
Audit & Risk Committee, 13 January 2020

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