

# **WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

## **AUDIT & RISK COMMITTEE**

**25 MARCH 2019**

### **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, 2018/19, Appendix 1) and note the Position Statement (Quarter 3, 2018/19, 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 2018/19 and Quarter 3 2018/19.

### **3. BACKGROUND**

- 3.1 This report includes the Corporate Risk Assurance Map Summary and the Position Statement for Quarter 3 2018/19. 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 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 2018/19 (Appendix 1) and the Position Statement for Quarter 3 2018/19 (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 4 2017/18 and Quarter 1 2018/19) there has been an increase in the risk scores for Corporate Risk 9, Business Development, 9.1 and 9.2. These two risks have materialised and so Officers are unable to provide assurance for these risks.

3.11 The Position Statement attached as Appendix 2 provides 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 2018/19 and Quarter 3 2018/19).

- Corporate Risks 1.1, 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, 6.1, 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.

## **Position Statement Summary**

- 3.14 **Corporate Risk 1 – External (Political and Legislative) Environment** The timeline of governance change has changed due to the delay in the parliamentary process in the laying of the Order. The joint project team between West Midlands Combined Authority (WMCA) and West Midlands Fire Service (WMFS) maintains monthly meetings to enable progress of financial, human resource and communication work streams.
- 3.15 **Corporate Risk 2 – People** The risk owner is confident that positive progress is being made in relation to the delivery of several elements of the collection agreements to include, the review of the Health and Safety Framework and the Employee Relations Framework.
- 3.16 **Corporate Risk 3 – Prevention** In relation to the “health” related questions within the Safe and Well visit, a compromised position has been reached with the FBU whereby information will be gathered for all questions. In cases where Firefighters are uncomfortable asking specific questions, the householder will be asked to complete an online form to provide the relevant information.
- 3.17 **Corporate Risk 4 – Protection** Positive progress continues with the development of the Risk Identification and Data Gathering Engine and enhancements to enriching the data sets that inform premise risk scores within the risk scheduler. Fire Safety Officers continue to identify and adopt high risk premises for pre-planned audits from the Risk Identification Data Gathering Engine minimal viable product.
- 3.18 **Corporate Risk 5 – Response** The risk score was increased in this area at the end of Quarter 2 as a result of the requirement to reduce resource availability as a financial

control measure to meet the £750k deficit within the Financial Efficiency Plan following the withdrawal from the Falls Response activity.

- 3.19 **Corporate Risk 6 – Business Continuity and Preparedness** Guidance and technical notes on how to prepare for Brexit if there is no deal have been published by the Department for Exiting the European Union. The West Midlands Local Resilience Forum Risk Assessment Working Group have been tasked with assessing the potential impact of the Brexit and carry out regular multi-agency meetings to share information and make appropriate arrangements going forward.
- 3.20 **Corporate Risk 7 – Information, Communications and Technology** Work is taking place with external companies and peers in following national guidance with regard to the recent increase in cyber security threats. In addition, there has been an increase in the level of in-house expertise in relation to systems and information security.
- 3.21 **Corporate Risk 8 – Finance and Assets** With the removal of the New Entrant contracts it was recognised that this would have a significant impact of the Services ability to generate Alternative Funding and achieve the full level of staff savings reflected within the Financial Efficiency Plan. At the Authority meeting held on 17 September 2018, Members supported a reduced level of Voluntary Additional Shifts to make savings of £750k in 2018/19.
- 3.22 **Corporate Risk 9 – Business Development** At the February Authority meeting a revised strategy will be presented, if this is agreed there will no longer be a requirement to achieve flexible funding targets through business development and this risk will be removed.

#### 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

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