

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT COMMITTEE

5 SEPTEMBER 2016

1. CORPORATE RISK UPDATE

Report of the Chief Fire Officer.

RECOMMENDED

THAT Audit Committee approve the Corporate Risk Assurance Map Summary (Appendix 1 and 2) and notes the Position Statement (Appendix 3 and 4) for each risk. This covers Quarter 4 (2015/16) and Quarter 1 (2016/17).

2. PURPOSE OF REPORT

This quarterly update is provided to ensure Members remain informed about all aspects relating to the management of the Authority's corporate risks.

3. BACKGROUND

- 3.1 This report includes the Corporate Risk Assurance Map Summary and the Position Statement for two quarters and is the first of the reports now presented on a six monthly basis.
- 3.2 In accordance with the Service's 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 functions or deliver its strategic objectives as set out in The Plan. Currently, the Service maintains 11 corporate risks.

- 3.4 Each corporate risk has assigned to it 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 on the basis of 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 4 2015/16 (Appendix 1), Corporate Risk Assurance Map Summary for Quarter 1 2016/17 (Appendix 2), Position Statement Quarter 4 2015/16 (Appendix 3) and Position Statement Quarter 1 2016/17 (Appendix 4) 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 strategic objectives and performance indicators relevant to the risk.
 - The current risk score.

- 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 being 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 in Overall Corporate Risk Score

3.10 In quarter 4 2015/16, the risk score for Corporate 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'*, has increased from 8 to 12 on the previous quarter.

This decision was made due to trade dispute registered by the Fire Brigades Union involving Fire Control staff. However, in quarter 1 2016/17 this risk decreased from 12 to 9, this was due to a local collective agreement on the staffing and supervision arrangements for the shared Fire Control.

The increase followed by the decrease is shown on the Corporate Risk Assurance Map Summaries. (Appendix 1 & 2).

Decrease in Overall Corporate Risk Score

- 3.11 In quarter 4 2015/16, the risk score for Corporate Risk 5, *'The Fire Authority would be unable to deliver the core objectives or preventing, protecting and responding effectively as a result of extensive disruption to normal working methods'*, decreased from 12 to 9.

This decision was made due to positive engagement and negotiations between senior management and the Representative Bodies regarding the staffing trials.

- 3.12 In quarter 1 2016/17, the risk score for Corporate 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'* decreased from 12 to 9.

This decision was made due to certain aspects of the Shared Fire Control review still being ongoing, there is a collective agreement for staffing and supervision arrangements

- 3.13 In quarter 1 2016/17, the risk score for Corporate Risk 6, *'The Fire Authority would be unable to ensure that operational incidents are dealt with safely and effectively using appropriate levels of resources and personnel'* decreased from 8 to 5.

This decision was made due to the trade dispute being lifted and the negotiated position in relation to staffing having been agreed.

- 3.14 The Position Statements attached as Appendices 3 and 4 provides the detail of the risk management activity undertaken or ongoing in respect of the Authority's eleven Corporate Risks for quarter 4 of 2015/16 and quarter 1 of 2016/17. The Level of Risk Owner confidence in the effectiveness of the Service's risk management and control environment remains high with the following confidence opinions being awarded for both quarters:-

- Corporate Risks 1, 7, 8, 9, 10, 11 and 13 have been awarded a green confidence (substantial) opinion, which is the highest level that can be awarded.

- Corporate Risks 2, 4, 5, 6 and have been awarded an amber (satisfactory) confidence opinion. In all cases, work is in progress to enable for a green rating to be attained.
- No red (limited) confidence opinions were awarded.

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 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

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CHIEF FIRE OFFICER