9

Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
17 May 2012

Corporate Risk Management Summary

Report of the Chief Fire Officer

For further information about this report please contact Paul Raymond, Chief Fire Officer, on 01743 260201 or Ged Edwards, Planning and Performance Manager, on 01743 260208.

1 Purpose of Report

This is the latest of the regular risk summary reports to the Strategy and Resources Committee. As previously, these reports are intended to enable Members to meet the requirements of the Committee's Terms of Reference as they relate to the Fire Authority's management of corporate risk. The progress reported relates to that achieved since the last summary report, received by this Committee at its meeting on 19 January 2012.

2 Recommendations

The Committee is asked to note the contents of this report.

3 Background

Members will be aware that this Committee's Terms of Reference include that it will 'ensure that the financial management of the Fire Authority is adequate and effective and includes a sound system of internal control and arrangements for the management of risk'.

In order for the Committee to meet these responsibilities it is necessary for it to receive regular risk summary reports. This report provides Members with information relating to the progress made with the Fire Authority's corporate risk management processes during the period from January until May 2012.

4 Local Government Act 1972, Schedule 12A Reporting Exemptions

The public of Shropshire have a right to know that their Fire and Rescue Authority is taking appropriate measures to deal with risks that could potentially impact on its ability to deliver an effective emergency service.

However, the public disclosure of certain risks, to which the Authority is exposed, could in itself present a risk to the Authority. For this reason, although an 'open session' version of this report will always be made available, where an assessment against the requirements of the Local Government Act 1972, Schedule 12A indicates it would be appropriate, any exempted information would be excluded. Exempt information would then be incorporated in a separate 'closed session' report. 'Open reports' will include all information about sensitive risks that is not likely to compromise the Authority (e.g. risk identification number, risk assessment results, risk owner etc), with only the sensitive information being exempt, e.g. the risk description and any control measures included.

This approach helps to ensure that the public has as much information as possible about the risk environment the Authority is operating in, whilst at the same time limiting any damage that could be caused through its inappropriate use.

5 Setting the Authority's Risk Acceptance and Risk Tolerance Levels

The assessment of risk is based on the analysis of the potential for the risk to do harm (the detrimental impact on the Authority) and the likelihood that it will occur. The potential impact on the Authority is measured against three criteria:

a. Financial impact;
b. Impact on reputation; and
c. Impact on the ability of the Authority to deliver its corporate aims and objectives.

Using widely accepted principles of risk assessment each risk is "scored" allowing the Authority to target appropriate resources at those risks likely to have greatest impact. Further information is available in the previous Corporate Risk Management Summary report, dated 19 January 2012.

The remainder of this report provides summary data on the current content of the Authority's Corporate Risk Register.

6 Risk Management Progress

This section includes information about all events that have led to the current status with the Authority's Corporate Risk Management system.

Since the last meeting of the Committee a new lead officer has been appointed whose portfolio of activities includes the remit of Corporate Risk Management. The previous post holder Martin Timmis, Head of Operations and Risk, has moved into Community Safety and Ged Edwards, Planning and Performance Manager, has taken on Risk Management responsibilities. A handover of activities has taken place throughout April and May and will continue until the new post holder has a full and detailed understanding of the role.

January 2012 – March 2012

Shrewsbury HQ Programme Risk Closed
Firelink / Fire Control Risk Closed
Ageing IT System Risk Closed

April 2012

New Risk Manager appointed.

Risk Management Audit 2011 / 2012 undertaken by Internal Audit.

Draft Internal Audit Report received.

First Risk Management Group (RMG) meeting to be chaired by new Risk Manager took place. RMG reviewed the Group's Terms of Reference and agreed minor changes. The Risk Manager was tasked with reviewing the Risk Management Protocol prior to next RMG meeting (19 July 2012) and the findings from the Internal Audit report were discussed.

Response to Internal Audit report sent.

May 2012

Amendments made to Corporate Risk Register to reflect the findings of Internal Audit.

7 New Risks

No new risks have been added to the Corporate Risk Register since the last reporting period.

8 Closed Risks

The risks set out on the following page have been closed:

Closed Risks

Threat or Opportunity	Risk ID	Description	Owner	When Closed	Reason
Threat	66	If the FireLink / FireControl projects are not effectively managed they may have a significant impact on current and future service delivery. Risks relate to effective management of costs, resources and functionality, prior to, during and post-implementation. Amalgamation of risks ID. 26, 32 and 47	Paul Raymond	26/2/2012	Following the decommissioning of the FireControl project and the related FireLink project, local arrangements for communication have been established.
Threat	72	If the Shrewsbury project is not effectively managed it may have a significant impact on current and future service delivery. Risks relate to effective management of cost, resources and functionality, prior to, during and post implementation.	Paul Raymond	01/02/2012	The Shrewsbury Building project has been successfully completed and the building is in use.
Threat	78	If the aging IT network is unable to sustain the introduction of new and replacement systems and software, the service may lose its ability to communicate effectively, including loss of the command and control system.	Steve Worrall	26/2/2012	The service has invested heavily in new ICT infrastructure, capable of providing the base for appropriate modern technology. [1]

[1] See section 9 Statement on page 5

9 Statement

Following the closure of the Aging IT Network Risk (Number 78) a new entry will now be put onto the Corporate Risk Register. This entry will ensure that monitoring of all new investment and activities undertaken to date is subject to continual assessment, thus ensuring that the likelihood of a complete IT Network failure occurring in the future is considerably reduced.

10 Overall Summary

There are now 2 risks assessed as being above “tolerance level”.

11 Exempt Risk

As there has been no change to the “exempt risk” since the last report on 19 January 2012, it has not been reproduced as a separate exempt paper on this occasion. For further information please refer to previous papers.

Figure 1 – Risk 17

Risk ID:	**17**
Risk Description:	**If the Part-time Workers Regulations Employment Tribunal goes against Fire Authority's, then there is potential for the Authority to have to pay significant sums of money out in court costs, and backdated pension contributions.**
Risk Owner:	Paul Raymond (Chief Fire Officer)
Control Owner:	Joanne Coadey (Head of Finance)

Risk Score based upon:

a. NO Controls in place: 9
b. ALL Controls in place: 9
c. CURRENT Controls in place: 9

Actions taken to date:

Employer Circular 03/08 reported that the Retained Firefighters had been discriminated against under the P/T Workers Regulations. This was reported to CFA on 30th April 2008. Liability appears to be limited to the introduction of the P/T Workers legislation, which was in 2000.

Government has assured Fire Authorities that Pension Account Administrators will be involved in the negotiation that needs to take place to progress this issue. CLG-officers say matters are being handled by the Local Government Employers. However due to the sensitivities involved in the negotiating process, the Service has not been able to get any further information on how this is progressing at this time.

The service has increased its pension reserve to £1.05m, however, there is still no confirmation of costs.

The Service has to pay out compensation for terms and conditions to firefighters by mid July 2012.

No change noted since November 2011 in this report dated May 2012.

Figure 2 – Risk 79

Risk ID:	**79**
Risk Description:	**If Mobile Data Terminals are not receiving updates, or are unable to display current information there is an increased risk to firefighter safety. Provision of up to date information is a corporate responsibility.**
Risk Owner:	Steve Worrall (Assistant Chief Fire Officer)
Control Owner:	Sally Edwards (ICT Manager)

Risk Score based upon:

a. NO Controls in place: 9
b. ALL Controls in place: 2
c. CURRENT Controls in place: 9

Actions taken to date:

A physical update of information on all MDT's has been carried out to guarantee that all information is up to date. A further manual update is scheduled for December 2011.

The service is currently working with the C&C provider to reinstate automatic back up facilities.

A small project team has developed a "new build MDT" and a test script has been provided for use in quality assurance. This has identified that there are some Windows errors. In order to resolve this, Telent are creating a new Windows 7 platform for MDT.

The new Windows 7 build was created and tested in July 2011, and this highlighted that the problems were multi-faceted and required detailed investigation.

There are a number of factors affecting the reliability of the updates and to address the reliability of the wireless network, the newly installed network in the Shrewsbury HQ building was used. The test compared performance between a Windows XP and Windows 7 version and proved that updates were consistent with both. This proved that the industry standard CISCO range of wireless points installed in Headquarters met the standard for providing consistent updates, and that the version of Windows was not affecting the reliability of updates.

The following on action from these findings was to replace equipment at all Fire Stations with CISCO wireless access points to ensure a consistent standard of infrastructure.

This was completed in April 2012. While the new equipment was being installed a new Windows XP build was created using the latest release of software. This was tested rigorously and when it finally met the quality standard approved by the Operations team, an image was created as the base image to be copied on to all MDTs. The copying of this image began in April and is due to be completed by mid May. This will ensure that there is a standard image across the Service as the base for receiving updates. The infrastructure is now in place to deliver updates but they will not be implemented until the contractor, telent, provides a system to track and audit updates to ensure they are managed and prevent inconsistent information between terminals.

12 Financial Implications

The financial implications are detailed in the main body of the report and in the Corporate Risk Register.

13 Legal Comment

There is no legislative duty for the Fire Authority to assess the risks, to which its business objectives are subjected. Corporate Risk Management does, however, form a fundamental element of good corporate management practices.

The Fire Authority has the power to act as proposed in this report. Care will need to be taken to ensure that the provisions of Schedule 12A of Local Government Act 1972 are correctly applied.

14 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have determined that the information contained within this report is purely historical summary data. As such it contains no proposals for changes to current policies and procedures which could involve discriminatory practices or differential impacts upon specific groups. An Initial Equality Impact Assessment has, therefore, not been completed.

15 Appendix

Detailed information on all current entries in the Corporate Risk Register

16 Background Papers

There are no background papers associated with this report.

Detailed information on all current entries in the Corporate Risk Register (in order of 'Current Risk' level)

Threat or Opportunity	Risk ID	Date raised	New Risk ✓/✖	Description	Risk Owner	Control Owner	Risk with NO Controls	Risk with ALL Controls	Current Risk	Links to other risks
Threat	17	9/11/05	✖	If the Retained Firefighters "Working Time" court case goes against Fire Authority's, then there is potential for the Authority to have to pay significant sums of money out in court costs, and backdated pension contributions (Emp Circular 20/2005).	Paul Raymond	Joanne Coadey	9	9	9	
Threat	79	17/12/10	✖	If mobile data terminals are not receiving updates, or are unable to display current information there is a risk to firefighter safety. Provision of up to date information is a corporate responsibility.	Steve Worrall	Sally Edwards	9	2	9	
Threat	81	23/11/11	✖	If the Service fails to have appropriate policies and procedures in place to deal with unusual incidents (for example rescues from collapsed mines) there is a risk that the Service will be subject to legal and community criticism	Steve Worrall	Martin Timmis	6	2	6	68
Threat	82	21/12/11	✖	If appropriate controls are not in place to manage the corporate and strategic risks associated with purchasing and procurement, the service may suffer significant financial losses as a result of contractual failures.	Paul Raymond	Andrew Kelcey	6	3	6	20, 64, 65
Threat	75	17/3/09	✖	If the "opt-out" option the UK currently holds from the European Working Time Directive is removed, then this could have an impact on the availability of RDS staff.	Louise McKenzie	Lisa Vickers	6	4	6	
Threat	35	18/1/06	✖	Information exempt from publication by virtue of the Local Governments Act 1972, Schedule 12A, paragraph 4.	Paul Raymond	John Redmond	6	3	6	12

Threat or Opportunity	Risk ID	Date raised	New Risk ✓/✖	Description	Risk Owner	Control Owner	Risk with NO Controls	Risk with ALL Controls	Current Risk	Links to other risks
Threat	11	23/11/05	✖	If the county suffers a harsh winter, then there is a chance that the Service will not be able to deliver an appropriate level of service to the people of Shropshire.	Steve Worrall	Martin Timmis	9	6	6	20
Threat	20	12/10/05	✖	If the organisation is not able to use its buildings, its people and/or its other resources due to a disaster scenario, then it is unlikely to be able to deliver essential services to the communities of Shropshire (not including strike action).	Paul Raymond	Martin Timmis	6	4	6	35, 11
Threat	64	20/6/07	✖	If the implications of the Government's proposals for the Long Term Capability Management of all 'New Dimensions' assets (as described in FSC 26/2007) are not fully considered, then there is a risk that the Authority's budgets may be detrimentally impacted into the future.	Paul Raymond	John Redmond	6	6	6	33
Threat	68	26/9/07	✖	If the Brigade does not have policies and procedures, relating to water rescue incidents, that effectively balance the risks to staff versus the risk to the public, then the Fire Authority could be subject to prosecution under health and safety law or a significant loss in reputation.	Steve Worrall	Martin Timmis	9	2	6	
Threat	65	4/7/07	✖	If the implications of the various ICT projects, currently ongoing in the Brigade, are not coordinated, then there is a risk that the individual projects will not be implemented effectively.	Steve Worrall	Ged Edwards	6	1	4	

Threat or Opportunity	Risk ID	Date raised	New Risk ✓/✖	Description	Risk Owner	Control Owner	Risk with NO Controls	Risk with ALL Controls	Current Risk	Links to other risks
Opportunity	33	18/1/05	✖	If the Authority is not clear as to the rules that apply to Governments specific Funding, then it could miss the opportunity to seek additional funding for the activities it is required to undertake in order to meet the Government's Modernisation Agenda and local priorities.	Paul Raymond	Joanne Coadey	4	4	4	64
Threat	80	1/11/10	✖	If the Service fails to implement the HMG Security Policy Framework measures and either confidential/ secret data were to be mislaid, or the Service was subject to Cyber attack, then the Service would be liable to prosecution and/or loss of reputation and potential service delivery impacts.	Steve Worrall	Kevin Faulkner	3	3	3	
Threat	12	1/11/05	✖	If neighbouring brigades suffer industrial action, then the support from those brigades during large incidents in our county is likely to be reduced thereby impacting on our ability to deal with incidents effectively.	John Redmond	Martin Timmis	2	2	2	35