

Corporate Risk Management Summary

Report of the Chief Fire Officer

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1 Purpose of Report

This report informs Members about the corporate level risk management work that has been undertaken during the previous twelve months, as well as summarising the risk environment, in which the Service is currently operating.

2 Recommendations

The Fire Authority is asked to note the contents of this report.

3 Background

Ongoing monitoring of the Authority's corporate risk management work is a responsibility of the Service's Service Management Team and is also a delegated responsibility for the Strategy and Resources Committee. However, risk management best practice guidance also indicates that the full Fire Authority should receive a summary report on at least an annual basis.

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.

Please note that, as there has been no change to the “exempt risk” since the last annual Fire Authority report on 20 July 2011, it has not been reproduced as a separate exempt paper. For further information please refer to previous papers.

‘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 the risk will occur. The potential impact on the Authority is measured against three criteria:

- a. Financial impact;
- b. Reputational impact; and
- c. Impact on the ability for 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.

The remainder of this report provides summary data on the current contents 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.

July 2011

The annual Corporate Risk Management Summary was presented to the Fire Authority.

Members of the Fire Authority received training and familiarisation in the Service’s Risk Management processes and Member responsibilities regarding Risk Management.

The Service’s Risk Management Group met and discussed all matters relating to the Service’s risk environment and outcomes from audits undertaken by Internal Audit. The meeting was attended by Internal Audit.

The Chief Officer’s Group met to discuss the various risks for which they are responsible.

August 2011

The Service's Risk Management Group met to discuss actions taken to meet the requirements of outstanding recommendations arising from internal audits. Significant progress against outstanding recommendations was noted.

The Service's Risk Management Policy Statement and Risk Management Group Terms of Reference were reviewed.

The Head of Operations and Risk met with the Shrewsbury Programme Manager to discuss programme risks and has identified a new corporate risk.

September 2011

The Service's Health and Safety Committee met.

The Annual Governance Statement (AGS) and Improvement Plan 2011/12 were approved by the Fire Authority.

Progress against the AGS Improvement Plan reported to Audit and Performance Management Committee.

November 2011

Strategy and Resources Committee received quarterly Risk Management summary report.

Progress against the AGS Improvement Plan reported to Audit and Performance Management Committee.

January 2012

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

Strategy and Resources Committee received quarterly Risk Management summary report.

March 2012

Progress against the AGS Improvement Plan reported to Audit and Performance Management Committee.

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.

Review of current risk management processes continuing.

June 2012

Progress against the AGS Improvement Plan reported to Audit and Performance Management Committee.

Departmental assurance statements signed off by departmental heads.

AGS Improvement Plan 2012/13 forwarded to the Treasurer and Internal Audit.

Current Work

The Risk Manager, through the Risk Management Group, is undertaking a comprehensive review of the Risk Management process, including policies, recording and reporting processes and the terms of reference. Outcomes of this review will be reported to the Strategy and Resources Committee in September.

7 New Risks

Since the last annual summary report two new risks have been added to the Corporate Risk Register.

As part of the review of the current Risk Management processes being undertaken by the new Risk Manager a number of specific information technology and data management risks are currently being assessed. Once the full assessment has been completed the results will be reported to the Strategy and Resources Committee in September.

8 Closed Risks

A total of three risks have been closed since the last report. These are detailed in Table 1 on the following page.

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 which is capable of providing the base for appropriate modern technology. ¹

Table 1: Risks deleted during the period January 2012 – May 2012

¹¹ See section 7

9 Overall Summary

There are currently 14 risks on the risk register. If these risks actually materialised, they are likely to impact on reputation slightly more than on finance or objectives. However, the control measures currently in place are slightly more effective at managing down the risk to reputation and objectives, than they are for the financial impacts.

10 Financial Implications

The financial implications are detailed in the main body of the report.

11 Legal Comment

There is no legislative duty for the Fire Authority to assess the risks to which its business objectives are exposed. 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.

12 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.

13 Appendix

Detailed Information on all current entries in the Corporate Risk Register

14 Background Papers

There are no background papers associated with this report.

Detailed information on all current entries in the Corporate Risk Register

Threat or Opportunity	Risk ID	Date raised	New Risk ✓/✗	Description	Risk Owner	Control Owner	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	
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	
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	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	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	
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	12
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	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	35, 11

Threat or Opportunity	Risk ID	Date raised	New Risk ✓/✗	Description	Risk Owner	Control Owner	Links to other risks
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	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	
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	
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	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	
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	35