

Corporate Risk Management Summary

Report of the Chief Fire Officer

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1 Purpose of Report

This report updates Members on the status of risks on the Corporate Risk Register.

2 Recommendations

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

3 Background

Following risk management training in March 2016 Members requested that the Corporate Risk Register should be reported to the Fire Authority twice a year. With the Audit and Performance Management Committee (APMC) receiving a quarterly report.

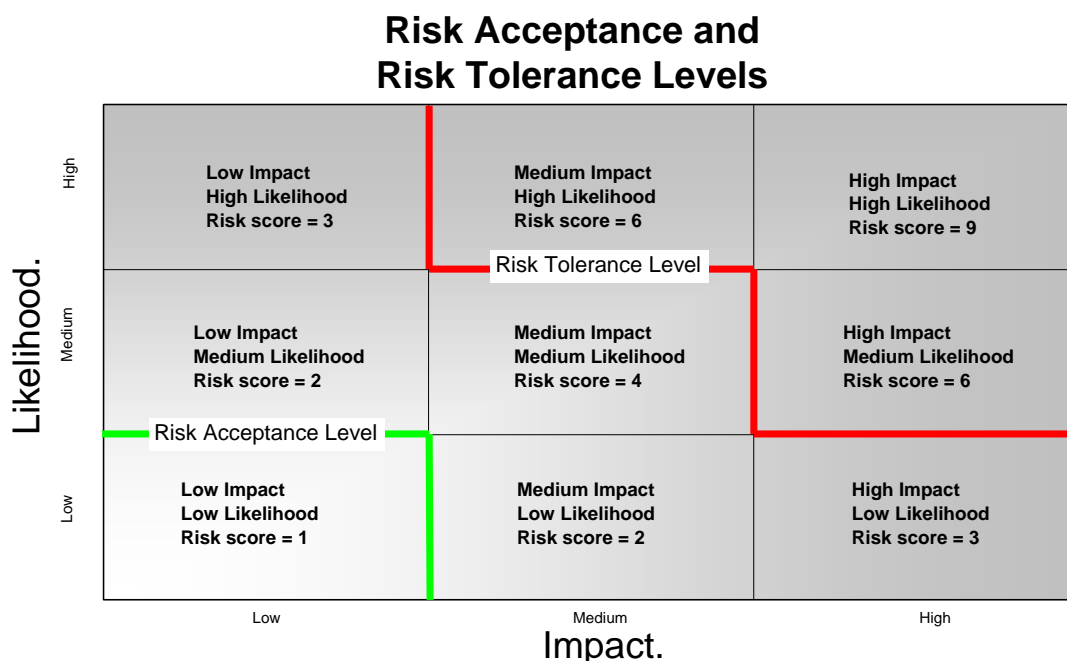
Following discussions with the Risk Member Champion and the Vice Chair of APMC, the format of this report has been varied from previous reports. Appendix A is a summary of the Corporate Risk Register and Appendix B covers all details that are captured about each risk on the register.

4 Risk Acceptance and Tolerance Levels

The purpose of risk management is not to eliminate all risk, but to reduce the risk to a level that the Authority is prepared to tolerate. This will vary depending on the Authority's current level of 'Risk Appetite' and is defined by the Authority setting its 'Risk Tolerance Level'. This level essentially acts as a target, with any risks higher than this level attracting appropriate effort and resources in an effort to reduce it to below this level. This target therefore acts as a management indicator, with greater levels of monitoring being required for those risks above the level, than for those below it.

In addition to the upper level, it is also appropriate to set a lower level target, called the 'Risk Acceptance Level'. Any risks assessed as being lower than this level should attract minimal effort and resources. This helps to ensure that resources are not wasted trying to reduce risks unnecessarily.

The Risk Management Brigade Order reflects the current risk Tolerance and Acceptance level and are shown in the table below.



5 Risk Management Process

The table in Appendix A shows a summary of the current risks on the corporate risk register. Appendix B shows more detailed information on each of the individual risk including: the risk title, the risk owner, a description of that risk, the counter measures that are either being applied or Officers are working to apply, the level of risk without controls, with controls and an assessment of the current level of risk. There is also a narrative column to enable risk owners to comment on the information provided where relevant.

6 Current Position

An emerging risk is from a European working time directive legislation. This may have implications for Shropshire Fire and Rescue Service (SFRS) on Retained Duty System and Flexi Officer contracts. Currently a National Fire Service response and legal challenge is being coordinated by the National Fire Chiefs Council. Greater clarity on the position will be expected in the coming weeks.

In response to the Shropshire Council ERP risk, both Finance and HR ResourceLink systems are now being sourced through Telford and Wrekin Council. Work has commenced to transfer data and develop the platform to enable transition on 1 September 2018.

The risk relating to uncertainty surrounding the Police and Crime Commissioner (PCC) has now been closed following the Home Secretary's decision for the PCC to take on governance of the fire and rescue service.

Following the recent announcement from the Home Office of Governance of the Fire Authority by the PCC by 1 June 2018, a new risk has been identified which recognises the additional work required to enable a smooth transition. This work is being coordinated through the Office of the PCC, who are maintaining a programme risk register, but which has identified a range of tasks and actions for both SFRS and Hereford & Worcester Fire and Rescue Service (HWFRS). These will place additional capacity and resource burdens on the Service to deliver respective actions in the timeframes expected.

7 Financial Implications

There are no financial implications arising from this report.

8 Legal Comment

There are no legal implications arising from this report.

9 Initial Impact Assessment

This report contains merely statements of fact / historical data. An Initial Impact Assessment is not, therefore, required.

10 Equality Impact Assessment

There are no equality or diversity implications arising from this report. An Equality Impact Assessment is not, therefore, required.

11 Appendices

Appendix A

Summary of Corporate Risk Register Entries

Appendix B

Details of all Open Corporate Risk Register Entries

Appendix C

Details of all Open Corporate Risk Register Entries (Exempt)

To be considered in closed session at Report 14 as it contains exempt information.

12 Background Papers

There are no background papers associated with this report.

Summary of Corporate Risk Register Entries

Categories of Risk	Raised by	Date Raised	Description	Current Probability	Current Impact	Current Risk Rating	Direction of Travel	Owner
Policy	Ged Edwards	13/3/2013	Maintaining Business Continuity will ensure that the Service continues to deliver its core functions should it experience a business interruption from internal or external influences.	2	2	4	→	Ged Edwards
Information	Ged Edwards	01/4/2012	The provision of accurate management information is dependent upon the adoption of high quality data management principles.	2	2	4	→	Ged Edwards
Service Delivery	Internal Audit	21/12/2011	The Service has various contracts with suppliers which if were to fail or be impacted by poor performance could have a detrimental impact on the delivery of key service streams/functions.	3	3	9	→	Andrew Kelcey
Information	Sally Edwards	01/1/2012	To ensure the maximum availability of the Command & Control system as a mission critical function of the Service.	2	3	6	→	Sally Edwards
Information	Sally Edwards	01/8/2012	Provide robust and resilient hardware and communications platforms to ensure availability of electronic systems to support service delivery.	2	3	6	→	Sally Edwards

Categories of Risk	Raised by	Date Raised	Description	Current Probability	Current Impact	Current Risk Rating	Direction of Travel	Owner
People	Risk Management Group	17/3/2009	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.	2	1	2	→	Germaine Worker
Information	Rod Hammerton	30/9/2015	There is a risk that the Emergency Services Mobile Communications Project (ESMCP) will not deliver in time for when the Airwave contract expires in 2020. There will be no further extensions in the contract. There is also a risk that the level of coverage across Shropshire will not be available as it is based upon 4G which is currently not available in Shropshire.	2	2	4	↓	Sally Edwards
Finance	Joanne Coadey	23/9/2015	Reduction in government funding - insufficient income to cover Service revenue budget'	3	2	6	→	Joanne Coadey
Information	Ged Edwards	24/8/2017	Options are currently being investigated which may allow the Service to maintain using Resourcelink once SC migrate over to the ERP.	3	3	9	→	Ged Edwards
Information	Chris Mellings	19/7/2017	ICT is crucial for public service delivery and this imposes a risk of disruption or damage to the reputation of SFRS in the event of a failure of its information technology systems as a result of a cyber-attack.	2	3	6	→	Sally Edwards

Categories of Risk	Raised by	Date Raised	Description	Current Probability	Current Impact	Current Risk Rating	Direction of Travel	Owner
Service Delivery	Ged Edwards	17/11/2017	With little notice period the system supplier has informed the Service that the current Integrated Communications Control System (ICCS) will no longer be maintained beyond April, next year, as it becomes obsolete. In the event of a system failure after this date, the Service may be unable to restore the ICCS system.	3	3	9	→	Sally Edwards

Key to Direction of Travel:

- shows that the general direction of the risk is unchanged.
- ↓ shows that the general direction of the risk is reducing.
- ↑ shows that the general direction of the risk is increasing.

Details of all Open Corporate Risk Register Entries (OPEN)

Risk Title	Risk Category	Risk Owner	Date Raised	Controls or Counter Measures	Risk Rating (current assessment)	Action History
Maintaining Business Continuity	Policy	Ged Edwards	13/03/2013	<p>Review and update all Departmental Business Continuity Plans (BCP). (Completed)</p> <p>Ensure Business Continuity Plans are easily accessible and available to all departmental managers. (Completed)</p> <p>Communicate to Officers how to access their respective business continuity plans. (Completed)</p> <p>Review specific incident BCP's and make available as per point 2 above. (Completed)</p> <p>Consider and incorporate any outcomes of the national framework risk assessment workshop. The workshop is part of the IRMP/20-20 process. (Completed)</p> <p>Test Business Continuity Arrangements.(Completed & Ongoing)</p>	4	<p>March 2018 All departmental Business Continuity Plans have been reviewed, updated and published on a new dedicated area of the portal. All plans have been reviewed by Internal Audit as part of their annual risk management review.</p> <p>Plans are being drawn up with Emergency Planning to carry out an exercise.</p>

Risk Title	Risk Category	Risk Owner	Date Raised	Controls or Counter Measures	Risk Rating (current assessment)	Action History
Provision of Information for Management Decision Making	Information	Ged Edwards	01/04/2012	Adopt robust processes for ensuring data is entered into departmental systems correctly and consistently. (In progress see action history) System ownership should be allocated to departmental managers and administration of systems should be appropriately assigned. (In progress see action history) Process mapping of all major departmental systems that generate reporting at a corporate level should be undertaken. (In progress see action history) Process mapping will give an understanding of what data is captured in systems, how it is processed and improvements to be made. (In progress see action history)	4	<p>March 2018</p> <p>The original roll out plan to provide dashboards to all departments is nearing completion.</p> <p>Further work is taking place to complete the HR dashboard. It is unclear at this stage what the impact will be of moving the HR system over to the new provider and is currently being looked into.</p>
Failure of Primary Contractor/Supplier	Service Delivery	Andrew Kelcey	11/03/2013	<p>Review current contracts register (Contracts in excess of £10,000) and risk assess all suppliers against the criteria of Poor Performance and Contract Failure. (Completed)</p> <p>Any supplier classed as high risk in either criteria will be identified as a departmental risk and be subject to a full supplier risk assessment and contingency plan if required. (Started and Ongoing)</p>	9	<p>March 2018</p> <p>This is an ongoing activity. See Shropshire ERP for management of a specific risk within this category.</p>

Risk Title	Risk Category	Risk Owner	Date Raised	Controls or Counter Measures	Risk Rating (current assessment)	Action History
				The full assessment will consider whether any further actions need to be addressed in order to mitigate against potential poor performance/contract failure. (Ongoing).		
Security & Resilience of the C&C System	Information	Sally Edwards	01/01/2012	Backup of C&C (Ongoing)Replication off-site (Work complete. BC Exercise to be undertaken)Implement procedures for anti-virus and patch updatesMDT hardening (Completed see action history)Move C&C LAN to a virtualised environment (Completed see action history)Implement new Station End Equipment (SEE) (Completed)Increase the SLA levels with the WAN (Wide Area Network) prior to roll out of new SEE. (Completed)	6	March 2018. Progress is being made on staffing following the outcome of work commissioned to consultants to review the team structure using the SFIA framework. A review of the out of hours support policy is being undertaken to ensure there are adequate levels of support.
Security & Resilience of IT Network	Information	Sally Edwards	01/08/2012	Implement the recommendations of the 2 internal audit IT reports (in progress) Review and improve internal policies and procedures (In progress) Defining IT team roles, responsibilities and competenciesImplement 24/7 IT cover (complete) Implement management and reporting tools for preventative maintenance (In progress) Continually review and improve technical infrastructure (Ongoing)	6	March 2018 Staffing is being addressed following the review of the team structure by a consultant using the SFIA framework.

Risk Title	Risk Category	Risk Owner	Date Raised	Controls or Counter Measures	Risk Rating (current assessment)	Action History
				A detailed low level audit of the network configuration to be carried out before making further improvements to the infrastructure by removing single points of failure (In progress)		
RDS Staff - European Working Time Directive "opt-out" option	People	Germaine Worker	17/03/2009	<p>Maintain involvement in national CFOA People and Organisational Development Committee to be sighted on any indication of changes on the issue. (On going)</p> <p>Obtain legal advice at 6 monthly intervals to ensure that the legal picture hasn't changed. (On going)</p> <p>Specify the facility to monitor working time (as well as availability) when the procurement of an appropriate IT system for RDS finally happens.</p>	2	April 2018 The position remains unchanged at this time. We are still waiting to see what impact if any Brexit will have on this.
Introduction of PSN/ESMCP	Service Delivery	Sally Edwards	30/09/2015	SE is currently researching other options for connectivity if 4G is not available, and is also exploring the potential for collaboration with other Fire Services and other emergency services in Shropshire.	4	March 2018 Motorola have extended contract for Airwave. Research still continues for alternative communication in case a contingency is required.

Risk Title	Risk Category	Risk Owner	Date Raised	Controls or Counter Measures	Risk Rating (current assessment)	Action History
Rules that apply to Governments specific funding	Finance	Joanne Coadey	23/09/2015	<p>Officers and members will continue to lobby Government where appropriate.</p> <p>Finance will ensure that timely strategic financial planning is carried out to inform management of the Service and Members of the Authority. The development of 2020 scenario planning will attempt to implement changes in the Service to close the funding gap in later years.</p>	6	<p>March 2018</p> <p>Attended an LGA workshop and responded to the MHCLG consultation on the Fairer Funding Review, which asked for recommendations to facilitate changes in the fire funding formula from 20/21</p>
Shropshire Council (SC) Enterprise Resource Planning (ERP) System	Information	Ged Edwards	24/08/2017	Options are currently being investigated which may allow the Service to continue using Resourcelink once SC migrate over to the ERP.	9	<p>March 2018</p> <p>A decision was made by SMT in January to move to T&W for the Payroll and HR system. Options for Finance are still being assessed. Support for the current system will cease at the end of August. The Business Continuity Group have met to discuss the timescales and activities that need to take place. A Business Continuity Support Group, chaired by the ACFO, has been established to oversee and co-ordinate activities.</p>

Risk Title	Risk Category	Risk Owner	Date Raised	Controls or Counter Measures	Risk Rating (current assessment)	Action History
Cyber Security Risk	Service Delivery	Sally Edwards	19/07/2017	<p>There are a number of counter measures including work being undertaken on the Remedial Action Plan (RAP) from the IT Health Check (ITHC) to tighten security controls. Internal audit are conducting a full controls audit this year to check the IT environment is controlled and managed in line with best practice. There are a number of initiatives for improving staff awareness so they can protect themselves.</p> <p>The greatest vulnerability is maintaining specialist technical skills within the ICT team.</p>	6	<p>March 2018 All work still continues and there is some encouraging progress that should improve staffing within the ICT team.</p>
Integrated Communications Control System (ICCS)	Service Delivery	Sally Edwards	17/11/2017	<p>Liaison with the system supplier to extend the maintenance period. Liaise with other FRA's who use the same product to put pressure on the supplier to continue to offer maintenance beyond the current notice period. Investigate the possibility of migrating onto an alternative solution.</p>	9	<p>March 2018. 12 month renewal of maintenance contract has been requested for current ICCS, and a letter sent to Motorola on 19 March 2018 seeking clarity on the proposed new product called WAVE CRS. Motorola have acknowledged receipt but still awaiting a formal response.</p>

Risk Title	Risk Category	Risk Owner	Date Raised	Controls or Counter Measures	Risk Rating (current assessment)	Action History
LACC (Local Authority Controlled Company)	Policy	Andy Johnson	27/08/2013	<p>Establishment of board of directors made up of Fire Authority members and a Senior Officer Establishment of a company manager</p> <p>Structure based on companies house guidance</p> <p>Legal and financial advice sought at set up from Clerk and Treasurer</p> <p>In life legal and financial advice from 3rd party.</p> <p>Company uses contractors with skills, knowledge and experience overseen by company manager.</p> <p>QA of the product overseen by company manager. (Feedback forms and training to maintain competencies)</p> <p>Professional indemnity insurance taken out.</p> <p>A&PMC monitor 1/4ly performance Review and approval of Business Plan was conducted in October 2015.</p>	3	<p>March 2018</p> <p>The company has achieved minimal success, largely due to it not being able to retain the services of a professional Technical Sales Manager. The Fire Authority therefore considered a recommendation, from the Company Board of Directors, that the company should either receive significant investment (to make it commercially competitive and viable), or that it should go into hibernation (until a more commercially suitable environment is found), or that it should close.</p> <p>At its meeting in February 2018, the Fire Authority agreed to put the company into hibernation until further notice. The costs incurred were shown to be minimal and Members were hopeful that future opportunities may present themselves for the company.</p>

				Approval by the Fire Authority for the company to continue for the current year (2016/17) whilst a new Business Plan is developed.		Although no trading will be conducted by the company until the FA determine it is appropriate to do so (which would need to be based on a new Business Case), all of the control measures listed will remain in place during the period of hibernation. No change to the current risk ratings.
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