

## Corporate Risk Management Summary

### Report of the Chief Fire Officer

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

### 1 Purpose of Report

This report is the latest of regular risk summary reports, to the Audit and Performance Management Committee (APMC).

### 2 Recommendations

The Committee is asked to note the report and agree the level of detail they wish to receive at future meetings.

### 3 Background

Following agreement of the Fire Authority in June 2016, the Terms of Reference of APMC have been updated as follows:

'In order to carry out its purpose and core functions the Committee will consider, monitor, review and, as appropriate, approve the following documents.....

Report on the effective development and operation of risk management, to include the Corporate Risk Register.

Following discussions with the Risk Member Champion and the Vice Chair of the Audit and Performance Management Committee, the format of this report has been varied from previous reports. In this first instance the report covers in Appendix B, all details that are captured about each risk on the Corporate Risk Register.

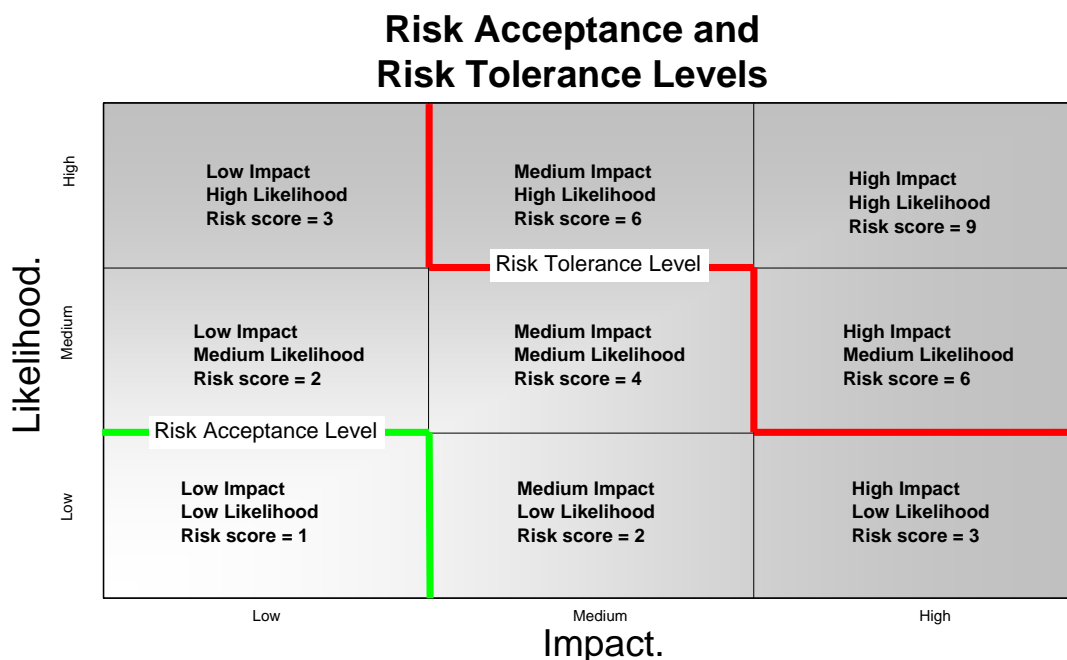
Members may want to consider the level of detail they require for future meetings. For example, any risks that are assessed as above the risk tolerance level (See section 4 below) may require detailed reporting. Whilst providing summary information on the remaining risk entries.

## 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 Financial Implications

There are no financial implications arising from this report.

## **7 Legal Comment**

There are no legal implications arising from this report.

## **8 Initial Impact Assessment**

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

## **9 Equality Impact Assessment**

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

## **10 Appendices**

### **Appendix A**

Summary of Corporate Risk Register Entries

### **Appendix B**

Details of all Open Corporate Risk Register Entries

## **11 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	Owner
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/ Louise McKenzie
Information	Sally Edwards	01/1/2012	To ensure the maximum availability of the C&C system as a mission critical function of the Service.	1	3	3	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.	1	1	1	Sally Edwards
Finance	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	2	6	Andrew Kelcey
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
Policy	Risk Management Group	27/8/2013	Reputation of the Fire Authority and the Service may be compromised if the Local Authority Controlled Company is unsuccessful or delivers a poor quality product.	1	3	3	Andy Johnson

Categories of Risk	Raised by	Date Raised	Description	Current Probability	Current Impact	Current Risk Rating	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	Louise McKenzie
Information	Rod Hammerton	30/9/2015	There is a risk that the Emergency Services Mobile Communications Project (ESMCP) project 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.	3	3	9	Sally Edwards
Policy	Fire Authority Members	17/3/2016	The uncertainty surrounding changes in legislation from the Policing and Crime Bill 2016 (Duty to collaborate and potential for a change in governance) could impact upon services ability to effectively undertake long term planning and the delivery of strategy.	2	3	6	Rod Hammerton
Finance	Joanne Coadey	23/9/2015	Reduction in government funding - insufficient income to cover Service revenue budget'	3	2	6	Joanne Coadey

## Details of all Open Corporate Risk Register Entries

Risk Title	Risk Owner	Risk Description	Controls or Counter Measures	Risk Rating (control measures in place)	Risk Rating (no control measures)	Risk Rating (current assessment)	Action History
Provision of Information for Management Decision Making	Louise McKenzie	The provision of accurate management information is dependent upon the adoption of high quality data management principles.	<ul style="list-style-type: none"> <li>• Adopt robust processes for ensuring data is entered into departmental systems correctly and consistently. (In progress see action history)</li> <li>• System ownership should be allocated to departmental managers and administration of systems should be appropriately assigned. (In progress see action history)</li> <li>• Process mapping of all major departmental systems that generate reporting at a corporate level should be undertaken. (In progress see action history)</li> <li>• 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)</li> </ul>	1	6	4	August 2016 Good progress continues to be made. Mapping has gone well and a role has been put in place to support further process development in Ops. Data quality issues have reduced. Ops data continues to be worked on.

Risk Title	Risk Owner	Risk Description	Controls or Counter Measures	Risk Rating (control measures in place)	Risk Rating (no control measures)	Risk Rating (current assessment)	Action History
Security & Resilience of the C&C System	Sally Edwards	To ensure the maximum availability of the C&C system as a mission critical function of the Service.	<ul style="list-style-type: none"> <li>• Backup of C&amp;C (Ongoing)</li> <li>• Replication off-site (Work complete. BC Exercise to be undertaken)</li> <li>• Implement procedures for anti-virus and patch updates</li> <li>• MDT hardening (Completed see action history)</li> <li>• Move C&amp;C LAN to a virtualised environment (Completed see action history)</li> <li>• Implement new Station End Equipment (SEE) (Completed)</li> <li>• Increase the SLA levels with the WAN (Wide Area Network) prior to roll out of new SEE. (Completed)</li> </ul>	1	9	3	September 2016 All mitigating actions are now in place. Internal processes are being refined.

Risk Title	Risk Owner	Risk Description	Controls or Counter Measures	Risk Rating (control measures in place)	Risk Rating (no control measures)	Risk Rating (current assessment)	Action History
Security & Resilience of IT Network	Sally Edwards	Provide robust and resilient hardware and communications platforms to ensure availability of electronic systems to service delivery	<ul style="list-style-type: none"> <li>• Implement the recommendations of the 2 internal audit IT reports (in progress)</li> <li>• Review and improve internal policies and procedures (In progress)</li> <li>• Defining IT team roles, responsibilities and competencies</li> <li>• Implement 24/7 IT cover (complete)</li> <li>• Implement management and reporting tools for preventative maintenance (In progress)</li> <li>• Continually review and improve technical infrastructure (Ongoing)</li> <li>• 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)</li> </ul>	3	9	1	September 2016 The actions to mitigate this risk are complete.



Risk Title	Risk Owner	Risk Description	Controls or Counter Measures	Risk Rating (control measures in place)	Risk Rating (no control measures)	Risk Rating (current assessment)	Action History
Failure of Primary Contractor / Supplier	Andrew Kelcey	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.	<ul style="list-style-type: none"> <li>• 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)</li> <li>• 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)</li> <li>• The full assessment will consider whether any further actions need to be addressed in order to mitigate against potential poor performance/contract failure. (Ongoing).</li> </ul>	3	9	6	August 2016 Probabilities reviewed. Individual supplier risk is now monitored and managed in the Departmental risk register.

Risk Title	Risk Owner	Risk Description	Controls or Counter Measures	Risk Rating (control measures in place)	Risk Rating (no control measures)	Risk Rating (current assessment)	Action History
Maintaining Business Continuity	Ged Edwards	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.	<ul style="list-style-type: none"> <li>• Review and update all Departmental Business Continuity Plans. (Completed)</li> <li>• Ensure Business Continuity Plans are easily accessible and available to all departmental managers. (Completed)</li> <li>• Communicate to Officers how to access their respective business continuity plans. (Completed)</li> <li>• Review specific incident BCP's and make available as per point 2 above. (Completed)</li> <li>• Consider and incorporate any outcomes of the national framework risk assessment workshop. The workshop is part of the IRMP/20-20 process.</li> <li>• Test Business Continuity Arrangements.(Completed &amp; Ongoing)</li> </ul>	2	6	4	September 2016 Sample testing of BCP's will be planned in over the next few months. Following this the risk rating will be reduced.

Risk Title	Risk Owner	Risk Description	Controls or Counter Measures	Risk Rating (control measures in place)	Risk Rating (no control measures)	Risk Rating (current assessment)	Action History
LACC (Local Authority Controlled Company)	Andy Johnson	Reputation of the Fire Authority and the Service may be compromised if the Local Authority Controlled Company is unsuccessful or delivers a poor quality product.	<ul style="list-style-type: none"> <li>Establishment of board of directors made up of Fire Authority members and a Senior Officer</li> <li>Establishment of a company manager</li> <li>Structure based on companies house guidance</li> <li>Legal and financial advice sought at set up from Clerk and Treasurer.</li> <li>In life legal and financial advice from 3rd party.</li> <li>Company using contractors with skills, knowledge and experience overseen by company manager.</li> <li>QA of the product overseen by company manager. (Feedback forms and training to maintain competencies)</li> <li>Professional indemnity insurance taken out.</li> <li>A&amp;PMC monitor 1/4ly performance</li> <li>Review and approval of Business Plan in October 2015.</li> <li>Approval by the Fire Authority for the company to continue for the current year (2016/17) whilst a new Business Plan is developed.</li> </ul>	3	9	3	1 August 2016 With the Board having agreed to enter a trial year, during which the quantity of sales is greatly reduced and the breadth of products is also tightly constrained, the risk levels relating to this risk are considered to be at their minimum. It should be noted that, despite to the above points, all of the controls, highlighted in the controls section, remain in place. For this reason the current assessment ratings have been reduced from the previous ratings of (Probability - 2, Impact - 3, Overall = 6) to (Probability - 1, Impact - 3, Overall = 3).

Risk Title	Risk Owner	Risk Description	Controls or Counter Measures	Risk Rating (control measures in place)	Risk Rating (no control measures)	Risk Rating (current assessment)	Action History
RDS Staff - European Working Time Directive "opt-out" option	Louise McKenzie	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.	<ul style="list-style-type: none"> <li>• Maintain involvement in national CFOA People and Organisational Development Committee to be sighted on any indication of changes on the issue. (On going)</li> <li>• Obtain legal advice at 6 monthly intervals to ensure that the legal picture hasn't changed. (On going)</li> <li>• Specify the facility to monitor working time (as well as availability) when the procurement of an appropriate IT system for RDS finally happens.</li> </ul>	1	6	2	August 2016 - Louise McKenzie There remains no further update available.
Introduction of PSN/ESMCP	Sally Edwards	There is a risk that the ESMCP project 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.	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.	1	9	9	September 2016 Research is continuing on the options for PSN/4G and we are awaiting information from providers.

Risk Title	Risk Owner	Risk Description	Controls or Counter Measures	Risk Rating (control measures in place)	Risk Rating (no control measures)	Risk Rating (current assessment)	Action History
Changes from the Policing and Crime Act	Roderic Hammerton	The uncertainty surrounding changes in legislation from the Policing and Crime Bill 2016 (Duty to collaborate and potential for a change in governance) could impact upon services ability to effectively undertake long term planning and the delivery of strategy.	<ul style="list-style-type: none"> <li>• Government and local policy regarding election and powers of PCCs monitored for potential risk impact on SWFRA.</li> <li>• Regular meetings with PCC taken place.</li> <li>• Constitution of a sub-regional "Blue Light" collaboration forum at Chief Officer level</li> <li>• Better engagement through CFOA with the HO</li> <li>• PCC to be invited to become a member of FA as legislation permits.</li> </ul>	4	6	6	<p>July 2016 Item raised as a result of Risk Management Training for members February 2016. Item to be reviewed once PCC elected</p> <p>May 2016 Regular meeting with PCC reinstated</p> <p>Reorganisation of CFOA to more effectively engage with HO taking place following AGM</p>

Risk Title	Risk Owner	Risk Description	Controls or Counter Measures	Risk Rating (control measures in place)	Risk Rating (no control measures)	Risk Rating (current assessment)	Action History
Rules that apply to Governments specific funding	Joanne Coadey	Reduction in government funding - insufficient income to cover Service revenue budget'	<ul style="list-style-type: none"> <li>Officers and members will continue to lobby Government where appropriate.</li> <li>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.</li> </ul>	3	9	6	<p>September 2016 The Local Government Finance Settlement was published on 17 December and the Authority's strategic planning is in line with the Settlement. Officers will continually update the plan for officers and members.</p> <p>Officers are currently preparing an Efficiency Plan for submission to the Home Office, to secure a four year funding settlement. However following Brexit, future settlements are likely to change and it is unlikely that further information will be available until after the Autumn Statement.</p> <p>The likelihood and impact of this risk has been increased to reflect current uncertainty and will be amended as more information becomes available.</p>

