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Corporate Risk Management Summary

Report of the Chief Fire Officer

For further information about this report please contact Paul Raymond,
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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 this 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 May 2011.

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 May until October 2011.

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, there are certain risks to which the Authority is exposed, the public disclosure of which could 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 ID, risk assessment results, Risk Owner etc), with only the sensitive information being exempt (e.g. Risk Description and any control measures included etc). This approach helps to ensure that the public has as much information as possible about the risk environment, in which the Authority is operating, 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 paper, dated 19 May 2011.

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.

May 2011

This Committee received the last summary report.

The Risk Manager met with the Shrewsbury Programme Manager to discuss and assess all of the programme's risks.

The Chief Officer's Group met to discuss the various risks for which they are responsible as part of the annual review process. This resulted in the number of active risks being reduced, as reported to the Fire Authority in July 2011.

June 2011

The Annual Governance Statement (AGS) and Improvement Plan were considered by the Audit and Performance Management Committee (A&PMC) and forwarded to the Fire Authority for approval.

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

The Service's Health and Safety Committee met.

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 (see below).

September 2011

The Service's Health and Safety Committee met.

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

7 New Risks

One new threat has been added to the Corporate Risk Register since the last summary report. Details about this threat are given in the table below

8 Closed Risks

No risks have been closed since the last report.

9 Current entries in the Corporate Risk Register

This section provides an overall summary of all entries in the Fire Authority's electronic Corporate Risk Register.

The following table includes previous, as well as current, figures for comparative purposes.

Descriptor	Number	Comment
Total number of entries	51	**Previous figure 51** This will increase over time. The rate at which it increases will demonstrate how active the Risk Management process is.
Total number of threats	47	**Previous figure 47** Comment as above
Total number of opportunities	4	**Previous figure 4** Comment as above
Total number of closed entries	36	**Previous figure 36** Comment as above
Number of 'live' threats	14	**Previous figure 14** Whilst we do not want to discourage risk reporting, we would want this to remain within a manageable number. Identifying the optimum number of manageable risks to have in the risk register will come through experience to be gained over the coming months and years.
Average risk level of all currently 'live' threats.	5.79	**Previous figure 6.00** This is on a scale where 1 is minimal risk, through to 9, which is maximum risk. Although there will inevitably be times when this figure increases (especially in the early stages of managing high risks), we would be looking for this figure to show a general downward trend. This would demonstrate that the Fire Authority is successfully managing its risks.
Number of 'live' opportunities	1	**Previous figure 2** We would be looking for this figure to increase, but again not to the extent that it becomes unmanageable. Inclusion of opportunities in the risk register is an area that is under development within both this and other fire authorities' risk registers. The importance and usefulness of this side of risk management is expected to increase as the Fire Authority's risk management process matures.
Average level of opportunity	9	**Previous figure 6.5** Scale of 1 to 9 We would tend to want this figure to grow.

10   Overall Summary

There are now 10 risks assessed as being above "tolerance level". If the risks currently in the Risk Register actually materialised, they are likely to impact on reputation slightly more than on Finance and 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.

The most significant risks currently facing the Fire Authority are Risks 17, 66, 78 and 79. Details about these particular risks, including how they are being dealt with, are summarised in the remainder of this section.

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 the Fire Authority on 30 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. Communities and Local Government (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.

Figure 2 – Risk 66

Risk ID: **66**

Risk Description: **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**

Risk Owner: Paul Raymond (Chief Fire Officer)

Control Owner: Executive Group

Risk Score based upon:

a. NO Controls in place: 9
b. ALL Controls in place: 3
c. CURRENT Controls in place: 6

Actions taken to date:

In February 2008 an initial meeting, held with various departmental practitioners from within the Brigade, took an overview of the Regional Management Board (RMB) / Regional Control Centre (RCC) risk register and previous risks included in the Corporate Risk Register.

In May 2008 a report on the outcomes from the discussions by the practitioners was taken to Policy Group. It was agreed that the Executive Group should meet to discuss this issue on a regular basis. They developed a Risk Action Plan to deal with all aspects of this issue. The Executive Group have now met and discussed progress with their Risk Action Plan on nine separate occasions.

The Fire Control project was called off in December 2010. As a result, Shropshire Fire and Rescue Service (SFRS) has been forced to procure an alternative Command & Control (C&C) system and has built this into a new Fire Control facility within the new SFRS Headquarters. Resilience is being provided through new arrangements with Hereford & Worcester Fire and Rescue Service (HWFRS) who are procuring a similar system. On completion of work by HWFRS this risk may be closed.

Figure 3 – Risk 78

Risk ID:	**78**
Risk Description:	If the aging Information Technology (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 & control system
Risk Owner:	Steve Worrall (Assistant Chief Fire Officer)
Control Owner:	ICT Manager

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:

A specialist contractor, Capita, has been engaged to carry out a detailed audit of the current network. Capita has completed the review and reported findings to the Chief Officers Group (COG) and IT managers on 19 August 2010. This has resulted in a number of priority recommendations which are being taken forward to improve the current performance of the network, deliver adequate resilience, and provide a measure of future proofing (until approximately 2017).

As a result of in depth investigations of the systems in place, and the technological advances that have been made, existing networks are being moved across to new servers, coinciding with the move to the new Headquarters building.

All new hardware has been installed. Considerable reconfiguration and restructuring of files and "active directory" needs to be completed before the risk can be closed. This may take a further 3 months.

Figure 4 – 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: ICT Manager

Risk Score based upon:
d. NO Controls in place: 9
e. ALL Controls in place: 2
f.   CURRENT Controls in place: 9

Actions taken to date:

A physical update of information on all Mobile Data Terminals (MDT) 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.

11 Financial Implications

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

12 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.

13 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.

14 Appendix

Detailed information on all current entries in the Corporate Risk Register

15 Background Papers

There are no background papers associated with this report

Appendix to report 13 on
Corporate Risk Management Summary
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
18 November 2011

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

Threat or Opportunity	Risk ID	Description	Risk Owner	Control Owner	Risk with NO Controls	Risk with ALL Controls	Current Risk	Links to other risks
Threat	17	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	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	ICT Manager	9	2	9	
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 costs, resources and functionality, prior to, during and post-implementation.	Paul Raymond	Executive Group	9	6	6	
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	Executive Group	9	3	6	26, 32, 47
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 & Control system	Steve Worrall	ICT Manager	9	1	9	66,72, 65

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Threat or Opportunity	Risk ID	Description	Risk Owner	Control Owner	Risk with NO Controls	Risk with ALL Controls	Current Risk	Links to other risks
Threat	75	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 Retained Duty System (RDS) staff.	Louise McKenzie	Lisa Vickers	6	4	6	
Threat	35	Information exempt from publication by virtue of the Local Governments Act 1972, Schedule 12A, paragraph 4.	Paul Raymond	John Redmond	6	3	6	12, 23, 36
Threat	11	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	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	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	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	

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Threat or Opportunity	Risk ID	Description	Risk Owner	Control Owner	Risk with NO Controls	Risk with ALL Controls	Current Risk	Links to other risks
Threat	65	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	12	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, 36
Threat	80	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	Kev Faulkner	3	3	3	
Opportunity	33	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

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