

REPORT OF THE CHIEF FIRE OFFICER

RISK MANAGEMENT AUDIT RESULTS

1 Purpose of Report

To inform Members of the results from the recent Internal Audit review of the Fire Authority's Risk Management System, and the actions being taken to improve those areas of weakness identified.

2 Recommendations

Members are asked to note the report contained in the Appendix, which shows:

- a) Areas of the Fire Authority's Risk Management System identified as requiring improvement, as recommended by Internal Audit; and
- b) The work planned to ensure these improvements are implemented in a timely manner.

3 Background

Internal Audit undertook an audit of the Fire Authority's Risk Management System during January and February 2006.

Their overall conclusion of was:

'A considerable amount of work has been carried out to introduce a formal risk management process by the Head of Risk Management since he took up the post in April 2005. A comprehensive risk management strategy is in place, roles and responsibilities have been determined and a system for recording risks and their control measures is in place. Whilst there appears to be a good level of risk awareness at the higher levels within the Authority, work has still to be carried out to increase awareness of both corporate and operational risks amongst the wider staff group. It is anticipated that this will develop in time once the appropriate training has been provided and there is a subsequent increase in the profile of the risk management process.'



The Appendix contains a summary report of the recommendations that fell out of the audit. It also includes details of the work that will be undertaken by the Fire Authority to ensure the areas for improvement are adequately met.

4 Legal Comment

There are no legal comments arising directly out of this report.

5 Financial Implications

The costs for the highlighted improvement work will be met from existing planned budgets.

6 Equality and Diversity Implications

There are no equality or diversity implications arising directly out of this report.

7 Appendix

Audit Report on Risk Management

8 Background Papers

There are no background papers associated with this report.

For further information about this report please contact Alan Taylor, Chief Fire Officer, on 01743 260201 or Andy Johnson, Head of Risk Management, on 01743 260287.



**AUDIT AND CONSULTANCY
SHROPSHIRE FIRE AND RESCUE SERVICE
RECOMMENDATIONS RESPONSE SHEET
AUDIT REPORT ON RISK MANAGEMENT**

Please complete this form and return it to Audit and Consultancy with the customer feedback survey. If you wish to make further comments or require more space, please attach additional sheets. Please indicate whether you accept the recommendation, explaining briefly the system changes that will be made, together with a target implementation date, or whether you reject it explaining why this is so. Please sign and date the sheet where indicated.


| No | Recommendation | Response and Implementation date |
|----|--|---|
| 1 | Appropriate risk awareness training should be arranged for members of the Risk Management Group who are not qualified, Policy Group members and Members with specific risk management responsibilities. | Accepted. Training has been booked for 29 March. This includes all Policy Group members and other chairs of meetings that have risk on their agendas. Fire Authority Members with specific responsibility for risk are also involved. All Fire Authority Members will be receiving more general Risk Awareness training as part of the SIC process. |
| 2 | Steps should be taken to increase risk awareness amongst those staff not directly involved with the risk management process. This could involve the use of risk awareness sessions, a risk management newsletter or update, or items being placed on the intranet. | Accepted. Items relating to risk management will be included on the PINK. |
| 3 | Consideration should be given to including a section on risk management in the induction process. The Authority will need to ensure that the line manager or member of staff providing this briefing has been appropriately trained themselves. | Accepted. All staff already receive Health and Safety awareness as part of their induction training. We shall look to develop appropriate risk awareness induction training for all appropriate staff. This will also tie in with the staff 'Code of Conduct' and 'Staff Handbook' planned as part of the SIC Improvement Plan. This work will be planned in to be completed during 2006/07. |
| 4 | An Authority Member or Members should be assigned a risk management portfolio. | Accepted. Fire Authority Chair, and Chairs of Performance Management and Strategy and Resources Committees will be developed in this way (see point 1 above) |
| 5 | A briefing session should be provided to all Members on the risk management process. | Accepted. Planned for the Extraordinary Fire Authority meeting required to enable the signing of the Final Accounts and SIC in June 2006. |



| No | Recommendation | Response and Implementation date |
|----|---|--|
| 6 | In the briefing to staff at the Strategic Planning Workshop, and in other guidance that is issued to staff on risk identification, the possibility of identifying positive risks (opportunities) should be highlighted. | Accepted. Noted and ongoing. |
| 7 | The Head of Risk Management to monitor that minutes are received from all committees in order to ensure that any new risks identified can be recorded in the risk register. | Accepted. Appropriate guidance has been issued and will be covered in the Risk Management training course on 29 March.. Monitoring of this will be ongoing |
| 8 | The field on the risk assessment form called 'Others that should be kept informed' could be used to record any associated risks which may be affected by a change in the status of another risk. | Accepted. This will be completed for all existing risks as part of their reviews, and for all new risks as they are assessed. |
| 9 | A system should be introduced whereby associated risks are identified to enable an assessment to be made as to whether a number of small low-rated risks, when considered as a whole, become a higher-rated risk. | Accepted as best practice. This issue will be investigated further to explore how this works in practice. Risk Manager will look to approach Local Authority Risk Managers and others from ALARM to ensure this measure is appropriately implemented. |
| 10 | In preparation for the 'Use of Resources' exercise, the Head of Risk Management and the Risk Management Group should familiarise themselves with the requirements in relation to risk management and assure themselves that all criteria are being met. | Accepted. This work is currently being undertaken through Policy Group. |
| 11 | The proposed system of risk review sheets to monitor the implementation of actions to mitigate risks should be introduced as soon as possible. | Accepted. The first round of complete reviews will be completed by the end of March. |
| 12 | A decision needs to be taken by Policy Group as to what level of risk and the action taken to mitigate that risk they would be prepared for the Risk Management Group to deal with and what level of risk they want reported to them. | Accepted. Report to Policy Group on 15 March 2006. |
| 13 | The anticipated cost of control should be included on the risk assessment form. | Accepted. A section has been included in the Risk Register. Entries for all risks will be completed as part of ongoing risk review. |



| No | Recommendation | Response and Implementation date |
|----|---|---|
| 14 | Consideration should be given to allocating a budget specifically for risk management. This will enable the Head of Risk Management to plan and allocate resources for risk awareness training and raising the profile of the risk management function. It will also help to ensure that resources are available to implement measures to mitigate risks. | Accepted. A separate Risk Management budget will be created for the beginning of the 2006/07 financial year. This will cover the necessary costs required for ongoing awareness training etc. Costs incurred in risk mitigation measures will not be included in this budget, but will come from appropriate revenue budgets as necessary. Where measures require budgets in excess of that available, this will have to be obtained through appropriate reports to Policy Group or the Fire Authority. |
| 15 | A decision should be taken by the Risk Management Group as to who should have access to the risk register and what level of access this should be. | Accepted. This was discussed and agreed at the latest RMG meeting. Whilst an electronic summary of all current risks will be made available to all appropriate people (RMG members and Policy Group etc) via the intranet, access to the Risk Register itself will be limited to the Risk Manager and one other person on the RMG. This work will be completed by the end of March 2006. |
| 16 | The strategic business objective that a risk relates to should be recorded on the risk assessment form. This will assist in re-enforcing the importance of controlling the risk. | Accepted. The Risk Register and Risk Review sheets have been modified to do this. |
| 17 | The content of reporting from Policy Group to the Performance Management Committee and the Strategy and Resources Committee should be determined. | Accepted. A report will go to Policy Group during March 2006. |
| 18 | The Head of Risk Management should satisfy himself that if a risk is identified that could have a national significance, he is aware of the appropriate reporting mechanism. | Accepted. Appropriate avenues for reporting risks up to the national level have been identified. |

Signed.....  Date ...9 March 2006.....

Reviewed by Auditor/Date

Reviewed by Audit Senior/Date