



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Finance & Resources Committee

CORPORATE RISK MANAGEMENT

Report of the Chief Fire Officer

Date 07 July 2017

Purpose of Report:

To provide Members with an overview of the Corporate Risk Management process and the current version of the Corporate Risk Register.

CONTACT OFFICER

Name :	Craig Parkin Assistant Chief Fire Officer
Tel :	0115 9670880
Email :	craig.parkin@notts-fire.gov.uk
Media Enquiries Contact :	Therese Easom (0115) 967 0880 therese.easom@notts-fire.gov.uk

1. BACKGROUND

- 1.1 The Authority has a robust risk management process which enables the consideration of key external and internal risks as part of the management decision-making process, and the management of those risks to an acceptable level.
- 1.2 This report provides Members with an oversight of the Corporate Risk Management process; the role of the Fire Authority; and the key risks to which the Authority is exposed.
- 1.3 The Authority's Corporate Risk Register details those risks that are significant enough to warrant management by a Principal Officer. Specific risk control measures are put in place in order to reduce the likelihood and/or impact of a risk occurrence where this is felt to be practicable and/or appropriate.

2. REPORT

- 2.1 The Authority's Corporate Risk Register is attached at Appendix A. The risks contained within this register are those that the Service has identified as being the most significant in terms of impacting on the Service Priorities. Members will note the activities in place, and planned to help to control those risks.
- 2.2 The Corporate Risk Management policy has recently been revised to align with the ISO31000 standard. This provides opportunities for future audit work against an internationally recognised standard, and for benchmarking against other organisations adopting the same standard. The policy provides an overview of the Corporate Risk Management framework and can be found at Appendix B.
- 2.3 To complement the Corporate Risk Management policy, a guidance document has been developed and is included at Appendix C. This provides Members with information as to how they may discharge their role in the Corporate Risk Management process and make best use of both the Corporate Risk register and the risk management implications in Committee reports.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resource implications arising from this report.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because this report consolidates existing work streams that may themselves be subject to an equality impact assessment.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

The failure of the Authority to effectively manage the risks to which it is exposed in itself poses a risk, particularly where there is a systemic failure that could leave the Authority and individual managers at risk of legal action. Risk management is a key element of the corporate governance framework and it is imperative that risk identification and management is both up-to-date and embedded in the decision-making, governance and scrutiny processes of the Authority.

9. COLLABORATION IMPLICATIONS

There are no collaboration implications arising from this report as this provides an update to Members on risks that are specific to the Authority and Service.

10. RECOMMENDATIONS

That Members note the contents of this report.

11. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None

John Buckley
CHIEF FIRE OFFICER

Appendix A – Corporate Risk Register
Corporate Risk Register

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Service Delivery										
Equipment	Adequacy of work equipment and personal protective equipment	3	4	12 VH	<p>Service needs identified and business cases required for significant purchases, project management process utilised for major work streams.</p> <p>Appropriate specifications for the selection of work equipment through involvement of relevant stakeholders.</p> <p>Procurement process follows industry standards to address risk issues.</p> <p>Robust inspection and maintenance procedures in place on the basis of PUWER and PPE risk assessments plus associated information documents and Standard Tests.</p> <p>Issues raised through Line Managers, Service Health, Safety and Welfare Committee and via Operational Assurance Team</p>	2	3	6M	<p>Codified auditing system utilising competent auditors required to complete the risk management loop.</p> <p>Learning loop requires clarification to ensure that reactive and proactive monitoring lessons inform future practice.</p>	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Service Delivery										
Mobilising	Service is unable to receive and act on emergency calls in contradiction of statutory duty	4	5	20 VH	Control has business continuity plans in place for failure of mobilising system and other disruptive events. These plans are practiced on a regular basis	4	4	16 VH	<p>BCM review has been agreed and action plan will update future BCPs.</p> <p>Greater ownership of process departmentally required.</p> <p>Communication of plans across employees required to activate plans effectively.</p> <p>Testing and exercising schedule required within action plan.</p>	DCFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Service Delivery										
Emergency Services Network	The risk that lack of robust operational communications will affect the delivery of public services during the transition to ESN	4	5	20 VH	<p>Nationally agreed programme funded by government.</p> <p>Airwave remains in place until successful transition has been achieved.</p> <p>Internal project team established with ACFO SRO.</p> <p>Regional Fire Board working in place/being developed.</p> <p>Regular assessment and reporting to the CFA on future implications on service delivery.</p>	3	5	15 VH	<p>Greater collaboration to assure transition and long-term capability management, seeking multi service support and reduce duplication in activity.</p> <p>PSN action plan to deliver a more robust and secure infrastructure.</p>	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Service Delivery										
Availability of resources	The risk that the Service will lose widespread access to key resources – premises, equipment, ICT systems/employees impacting its ability to deliver services.	3	5	15 VH	<p>Business continuity plans in place.</p> <p>Service is implementing the principles of the protective security framework.</p> <p>Competent managers.</p> <p>Property Strategy.</p> <p>Transport Strategy.</p> <p>Service policy framework for employees.</p> <p>ICT Strategy – policies/procedures</p>	3	3	9 H	<p>BCM plans to be reviewed, with testing and exercising on a programmed, auditable basis.</p> <p>PSN action plan to update the ICT infrastructure to a standard equivalent to 27001 ongoing.</p>	ACFO
Employee engagement	<p>Negative industrial relations arising from a period of austerity and change</p> <p>Risk that the Service will be unable to introduce organisational change due to a lack of employee engagement</p>	3	5	15 VH	<p>Principal Officer team maintain positive industrial relations</p> <p>Transformation team, including organisational development, dedicated to managing the change programme.</p> <p>Multiple channels of communication available according to the culture and industrial relations of the Service, and used Service-wide.</p>	3	4	12 VH		DCFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Employees & Workforce										
Health, Safety, and Welfare	The risk arising from the hazards associated with the Service's activities which may cause injury, ill-health or death to employees and/or non-employees and could result in both criminal and civil sanctions, reputational damage and negative effects on service delivery and employee morale	4	5	20 VH	<p>The existence of the safety management system and availability of 'competent persons' to advise the Service of its duties and necessary risk controls which are then translated in to safe systems of work.</p> <p>7.2D process provides a structured methodology for assessing the risk from hazards associated with specific operational sites.</p> <p>Operational Assurance Team facilitates learning from operational incidents.</p> <p>Service learns from other major events affecting FRSs via reports to Service Health, Safety and Welfare Committee.</p> <p>Training ensures competence of employees.</p>	2	5	10 H	<p>Co-ordinated risk management approach required to address NOGp involving peer FRSs to address issues of interoperability and achieve the efficiencies available from joint work.</p> <p>Definitive approach to how National Operational Guidance is introduced into NFRS.</p> <p>Ongoing review of the SMS to refresh and communicate across the organisation.</p> <p>Communications plan to promote SMS.</p> <p>Introduction of technology in relation to mobile working.</p>	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Employees & Workforce										
Working at Height	Aspects of working at height activities, equipment and training have been identified as requiring review to ensure strategy, governance and change management etc. are being adequately addressed to ensure that NFRS is confident that it is adopting and maintaining safe systems of work	4	5	20 VH	<p>Various elements of policy, equipment procurement and maintenance, training and record keeping.</p> <p>Action plan based on the findings of an audit [completed] and subsequent further research to be devised and administered and eventually signed off by Service Health, Safety and Welfare Committee.</p>	3	5	15 VH	<p>Re-audit to determine if the risk controls identified by the previous intervention have been applied to the required effect.</p> <p>Re-audit of working at height arrangements in 6 months' time.</p>	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Employees & Workforce										
Workforce sustainability	<p>Inability to maintain sufficient or adequate workforce to meet service requirements. Issues around competency of staff, loss of corporate memory and single points of failure or critical persons in specific roles</p> <p>Specific risk relating to reduction in operational workforce numbers pending negotiation of a new ridership collective agreement during 2017.</p>	4	4	16 VH	<p>Annual workforce plan, provides an overview of workforce projections and identifies key priority areas and pinch points.</p> <p>L&D ensures delivery of effective acquisition and revalidation of operational training against national standards.</p> <p>Application of maintenance of competence policy ensures ongoing refreshing and practice of core operational skills and competencies.</p> <p>Managers identify and address SPOF as part of BCM and succession planning.</p> <p>Degradation policy</p>	4	3	12 VH	<p>Weekly overview and deployment of resources by Area Manager (Delivery) to maintain appliance availability across the county.</p>	DCFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Improvement & Governance										
The use of vehicles on Authority business	<p>The risk of accidents or other events arising from driving-related activity or a shortfall in driving standards.</p> <p>The impact of vehicle accidents or other events on insurance premiums and retained loss costs.</p>	4	5	20 VH	<p>Road Risk Group action plan progress reported to SHSWC and Finance & Resources Committee.</p> <p>Performance framework activity to enable managers to address shortfalls.</p> <p>Driver training (quality framework) by L&D function.</p> <p>Insurance cover to mitigate financial losses.</p> <p>Driving safety policy.</p> <p>Generic blue-light risk assessment.</p> <p>Generic non-emergency driving risk assessment.</p> <p>External review completed by insurers.</p> <p>Engagement with Nottingham Trent University Emergency Services Research Group.</p> <p>Communications approach.</p>	4	5	20 VH	<p>Introduce and embed single means of event reporting and associated event investigation, root cause identification, risk control application and costings.</p> <p>Specification being developed to deliver event investigation across the Service.</p> <p>Improvement of vehicle collision investigations to maximise organisational learning and improved management of risk.</p> <p>Greater engagement by line managers over standards and expectations in the workplace for driving-related activities.</p> <p>Communications plan development to address gaps in</p>	ACFO

									<p>understanding and awareness.</p> <p>Wider publication of event information across the Service to highlight the implications of failures in management systems and workplace practices.</p>	
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Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Improvement & Governance										
Budget performance	<p>Poor budget management results in significant overspend or underspend</p> <p>Political impact on short to medium-term budgets</p>	4	4	16 VH	<p>Medium term financial strategy; Annual review of budget assumptions; Finance staff work with budget holders to develop realistic budgets for essential expenditure which they have the capacity to deliver; Budget holders trained in finance system based budget monitoring; Budget monitoring reported regularly to SLT and F&R Committee. General reserves are risk-assessed to include elements to cover overspends.</p> <p>Recognition that underspends may arise due to early implementation of savings as part of medium term financial strategy, which is a positive situation</p>	3	3	9 H	Budget assumptions have been revised for 2017/18 to achieve a more realistic budget, which increases the risk of overspend. Impact to be closely monitored during 2017/18.	Head of Finance

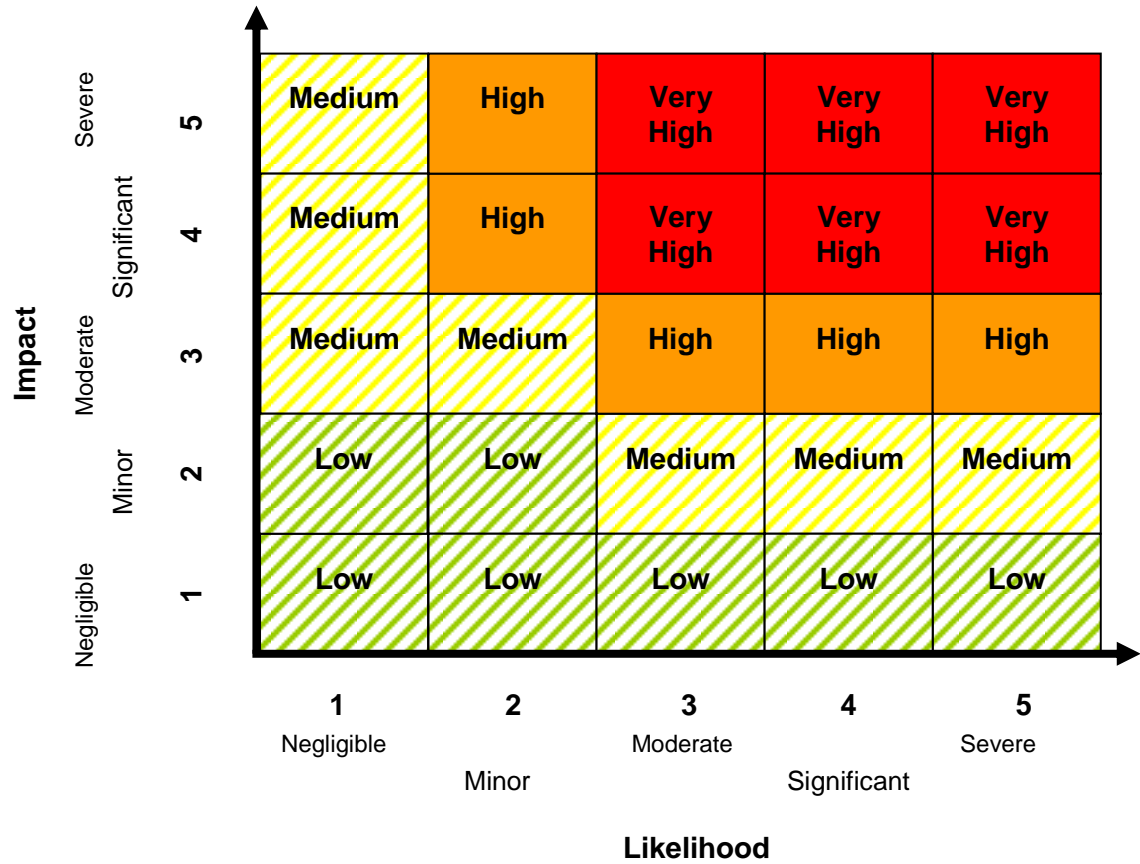
Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Improvement & Governance										
Legal knowledge	The risk that the Service will make decisions without full understanding of legal requirements	4	5	20 VH	<p>Business Risk Manager coordinates the identification of vulnerabilities through the risk management process with departmental leads.</p> <p>Key roles maintain subject matter expertise/CPD to mitigate risk.</p> <p>Use of external professionals to support the Service on compliance in areas not covered by in-house expertise.</p>	2	5	10 H	<p>Business Risk Manager and topic specialists to provide annual horizon-scanning report on legislative development.</p> <p>Embed the local code of governance into daily decision making and practice.</p> <p>Formally identify subject matter experts in the organisation and ensure they are enabled to maintain CPD.</p>	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Improvement & Governance										
Programme governance	The risk that the Service fails to effectively prioritise and resource programmes and projects, resulting in acute capacity issues and potential financial strain	5	4	20 VH	Business case process requires authorisation of Executive Delivery Team and Strategic Leadership Team as appropriate, who have knowledge of competing demands and priorities Approved programmes and projects managed through project and programme management framework	2	4	8 H	<p>The Service Project Manager reports on project and programme status to the Executive Delivery Team on a monthly basis.</p> <p>More accountability and challenge required in governance arrangements to prevent additional works being introduced that compete for resources.</p> <p>Awareness raising across the Service of current and planned demands and the process required to introduce new demands as a business case.</p>	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Engagement & Partnerships										
Preventable deaths	The risk that a person will die in an incident, where the Service failed to put in place an intervention which would have reduced the risk, or where an intervention was ineffective	4	5	20 VH	Operational response Collaborative working with other agencies to identify and target interventions at high risk individuals Fire investigations can identify instances where interventions were not made, or were ineffective Risk reduction initiatives being evaluated for effectiveness Serious fire incident review panel in place to investigate 'near misses'	2	5	10 H		DCFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Environment										
Environmental impact	<p>The risk that the Service will fail to comply with its environmental duties resulting in the potential for enforcement action.</p> <p>Failure to give consideration to environmental factors when making other business decisions may result in missed opportunities for reducing waste and emissions and purchasing environmentally superior assets or consumables that may deliver financial savings.</p>	3	5	15 VH	<p>Property Strategy – Energy saving and generation considered as part of new build/refurbishment projects.</p> <p>Transport strategy now agreed.</p> <p>Access to competent environmental advice.</p> <p>Environmental Strategy signed off September 2016.</p> <p>Procurement process considers ‘whole life’ implications of equipment and other products bought into service.</p> <p>When procuring services, tender requirements include assessment of environmental management skills of contractors.</p> <p>Collaborative working with the Environment Agency and partners at operational incidents.</p>	2	5	10 H	<p>Develop environmental performance improvement targets.</p> <p>Develop environmental reporting to all levels of the Service, EDT, SLT and the CFA to allow transparency and scrutiny.</p>	ACFO

Risk Scoring Matrix



Appendix B – Corporate Risk Management Policy

Review Date:



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Title: Corporate Risk Management

Document: 1009

Scope: This document is for all employees of Nottinghamshire Fire and Rescue Service

Summary: This policy defines the scope of, and processes to be used to manage corporate risk within the Service. This is to ensure that the Service considers risk as an integral part of its management activity in order to achieve its strategic aims and priorities, and in order to identify strategic risks and their potential impact on the Service.

Section	Colour	Purpose
Key		is critical 'need to know' information and can consequently be found at the front of the document.
Primary		is information that supports and elaborates on key information, but is not immediately critical in nature.
Support		is background information that further underpins the previous sections.
Appendix		is relevant information such as process maps, job lists, flowcharts and templates etc.
Document History		is a detailed history of the document and indicates which department owns it.

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Review Date: May 2018

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3. SUPPORT INFORMATION	1 Glossary of terms 2 Guidance 3 Training 4
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Information Delivery System (IDS)

The IDS uses colour to identify sections within documents, namely:

Section	Colour	Purpose
Key		Is critical 'need to know' information and can consequently be found at the front of the document.
Primary		Is information that supports and elaborates on key information, but is not immediately critical in nature.
Support		Is background information that further underpins the previous sections.
Appendices		Is relevant information such as process maps, tick lists, flowcharts and templates etc.
Document History		Is a detailed history of the document and indicates which department 'owns' it.

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KEY INFORMATION

- 1.1 Definitions:
 - 1.1.1 **Risk** is the effect of uncertainty on objectives
 - 1.1.2 **Corporate Risk Management** is the identification and management of the effect of uncertainty on the Service's corporate objectives
 - 1.1.3 **Risk Management Framework** is the set of components that provide the foundations and organizational arrangements for designing; implementing; monitoring; reviewing; and continually improving risk management
- 1.2 Scope:
 - 1.2.1 Corporate risk management is a key part of the Service's governance arrangements. It is a process by which the Service can acknowledge the existence of risks to the achievement of its strategic aims and objectives; and demonstrate how those risks have been managed.
 - 1.2.2 Corporate risks are owned and managed by a Principal Officer. The key consideration in determining whether a risk should be included on the Corporate Risk Register is whether it requires management or intervention from a Principal Officer.
 - 1.2.3 In order to allow for effective audit and benchmarking/comparison of the Risk Management System, NFRS will adopt the methodology outlined in ISO31000.
- 1.3 Roles and Responsibilities:
 - 1.3.1 Fire Authority
The Fire Authority provides an oversight and scrutiny role via the Finance and Resources Committee. The Committee is responsible for monitoring the risk management process and risks identified through that process. The Committee will receive Corporate Risk Management reports twice a year in January and July.
 - 1.3.2 Chief Fire Officer
The Chief Fire Officer is ultimately responsible for the management of corporate risk, discharged through the Assistant Chief Fire Officer, with the benefit of professional advice from the Business Risk Manager.
 - 1.3.3 Assistant Chief Fire Officer
The Assistant Chief Fire Officer is responsible for championing Corporate Risk Management at Strategic Leadership Team and the Finance and Resources Committee; and for ensuring the provision of professional risk management advice.

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1.3.4 Directors

Directors are responsible for ensuring the implementation of control measures in relation to risks for which they are responsible and for gaining assurance as to their effectiveness.

1.3.5 Business Risk Manager

The Business Risk Manager is responsible for providing professional risk management advice; developing and maintaining the risk management framework; and for providing corporate risk management reports as necessary. The Business Risk Manager is also responsible for maintaining their own competence; and for ensuring that they meet the professional code of conduct of the Institute of Risk Management.

1.3.7 Strategic Leadership Team (SLT)

Strategic Leadership Team are responsible for determining whether a risk meets the criteria for being included on the Corporate Risk Register; for ensuring that the risk control measures identified in the Corporate Risk Register are effected through departmental business plans; and for providing updates on progress and effectiveness of those control measures to the risk owners. Strategic Leadership Team are also responsible for ensuring that the rationale behind any changes to the Corporate Risk Register are adequately recorded in the meeting minutes.

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PRIMARY INFORMATION

- 2.1 Risk Management Framework
 - 2.1.1 The Business Risk Manager develops and maintains the Corporate Risk Management Strategy. This document evaluates the external and internal influences on the Service and is used to help inform the design of the Risk Management Framework.
 - 2.1.2 The Corporate Risk Management Policy is developed and maintained by the Business Risk Manager. The policy is subject to consultation through the Service's prevailing consultation process and is reviewed on an annual basis, or when there is reason to suspect that change may be required.
 - 2.1.3 The Corporate Risk Register provides the means to record the identification, evaluation and ownership of risks. It serves as a record of the risk management activity undertaken by the Service. The current version of the Corporate Risk Register will be published via the Service's intranet.
 - 2.1.4 The Strategic Leadership Team meetings provide an opportunity for significant risks identified at departmental or project level to be escalated to the Corporate Risk Register. A formal report on Corporate Risk Management will be presented to this group on a quarterly basis (February; May; August; November) by the Business Risk Manager.
 - 2.1.5 All management and committee reports refer to Corporate Risk Management through consideration in the Risk Management Implications. This ensures that the consideration of Corporate Risk is integral to the Service's decision-making process.
 - 2.1.6 The Service will provide suitable and sufficient resources for the delivery of the Risk Management Framework. This includes the provision of competent professional advice to maintain and develop the Risk Management Framework; and the tools, techniques and training to facilitate its use by relevant staff.
 - 2.1.7 A quarterly report on Corporate Risk Management will be delivered to Strategic Leadership Team by the Business Risk Manager as outlined in 2.1.4. The Business Risk Manager will also report to the Finance and Resources Committee twice a year (refer to 1.3.1). Additional communication and reporting may be undertaken on an ad-hoc basis in response to specific risk issues or information.
 - 2.1.8 The Risk Management Framework will be audited in line with the Service's priorities for the internal audit programme.
- 2.2 Risk Management Programme Scope
 - 2.2.1 General Principles

Risk management is a systemic part of the Service's approach to decision-making. The framework allows for an auditable trail that can help to explain the rationale for certain choices or courses of action. It is integrated with the day-to-day business of the Service and creates

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is integrated with the day-to-day business of the Service and creates and protects value through transparency and accountability as part of the overall governance arrangements.

2.2.2 Concepts and Assumptions

Corporate Risk Management does not seek to eliminate risk, rather it recognises that risk exists in all decisions and the Service must therefore take some level of risk in order to deliver its objectives. The risk taken must be balanced and well managed.

Corporate Risk Management recognises that there are 'influencing factors' on risk, such as risk culture, risk perception and risk appetite. With this in mind, there is no single 'right answer' to the acceptance, avoidance, or management of risk.

It is often not possible to get perfect information, or to get sufficient information in the timescales required for a decision to be made. Therefore the Corporate Risk Management process assumes the use of the best available information, rather than perfect information.

As Corporate Risk Management has influencing factors, it is not always possible, nor desirable to quantify a risk. Indeed, it is more important to demonstrate that a risk owner understand that risk, rather than having the ability to assign it an arbitrary 'risk score'. Corporate Risk Management can be both qualitative and quantitative with an emphasis on the identification and management of risks.

2.2.3 Process

The Corporate Risk Management process involves the identification; analysis; evaluation; control and monitoring of risks.

2.3 Governance, Audit and Budget

2.3.1 ISO31000 is a system built on the 'plan-do-check-act' cycle. As an internationally recognised standard, alignment with it provides NFRS with a system that can be audited, reported and benchmarked.

2.3.2 The Business Risk Manager will liaise with the Head of Finance to ensure that Risk Management is included in the programme of internal auditing at an appropriate frequency. SLT or the Fire Authority will have the opportunity to instruct specialists to audit the Risk Management System against the ISO31000 standard on an ad-hoc basis.

2.3.3 Where Risk Management activity and the application of this policy requires a budgetary commitment, this will be financed through existing budgets, or on the allocation of funds arising from the presentation of a business case.

SUPPORT INFORMATION

3.1 Glossary of Terms

- 3.1.1 **Risk** is the effect of uncertainty on objectives
- 3.1.2 **Corporate Risk Management** is the identification and management of the effect of uncertainty on the Service's corporate objectives
- 3.1.3 **Risk Management Framework** is the set of components that provide the foundations and organizational arrangements for designing; implementing; monitoring; reviewing; and continually improving risk management
- 3.1.4 **Risk Management Policy** is the statement of the overall intentions and direction of the Service in respect of Corporate Risk Management
- 3.1.5 **Risk Culture** is the combination of individual attitudes, perceptions and appetites towards risk demonstrated within an organization. The overall risk culture can become an influencer, or moderator of those individual risk traits.
- 3.1.6 **Risk Attitude** is an individuals' general approach to risk. It is formed sub-consciously over a long period of time. Some individuals may be described as being inherently risk-averse or risk-takers.
- 3.1.7 **Risk Perception** is the way in which an individual views a specific risk or risk scenario/situation. The perception will differ between individuals based on their risk attitudes.
- 3.1.8 **Risk Appetite** is the amount of risk a person or the Service is prepared to take. The risk appetite will differ for each risk (or scenario or situation). As an individuals' risk appetite will be influenced by their risk attitude and risk perception, determining a risk appetite at an organisational level will inevitably require a consensus to be reached.
- 3.1.9 **Risk Owner** is the Principal Officer responsible for ensuring that the risk is managed appropriately. This includes the prioritization and targeting of resources and risk control actions, and gaining the assurance that those risk actions are in place and effective.

3.2 Guidance

The Business Risk Manager shall develop and maintain a guidance document that allows stakeholders in the Corporate Risk Management process to effectively discharge their responsibilities in terms of:

- Understanding how the risk management framework operates

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- Writing and understanding risk management implications in management and committee reports
- How to assess a risk
- How to record risk management activity

3.3 Training

Training will be provided at the following levels:

- General awareness training
- Executive Delivery Team
- Principal Officers (risk owners)
- Elected Members

The format and content of the training (including any training needs analysis) will be agreed by the Business Risk Manager and the Training Delivery Manager.

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APPENDIX

Version		Revision	
1	01/08/2012	Business Risk Manager	Minor Changes
2	24/03/2014	Business Risk Manager	Minor changes
3	07/03/2014	Business Risk Manager	Minor changes
4	August 2018	Business Risk Manager	Updated to reflect changes in reporting lines
EIA – 01/08/2012		Assessment completed	
1 Year – May 2018		Review Period	
AM McMillan – Head of Corporate Support		Approved by	
Service Assurance		Department	
Business Risk Manager		Author	
Audit of February 2017		Summary of changes	
Greater detail included to reflect findings of internal audit		Replaces	
Significant changes to reflect alignment to ISO31000 standard		Version No.	

DOCUMENT HISTORY

Version No.	4.0		
Replaces	3.3		
Summary of changes	Significant changes to reflect alignment to ISO31000 standard. Greater detail included in reflect findings of internal audit of February 2017		
Author	Business Risk Manager		
Department	Service Assurance		
Approved by	Head of Corporate Support		
Version	Date	Modified by	Changes
3.3	August 2016	Business Risk Manager	Updated to reflect changes in reporting lines
3.2	07/05/2014	Business Risk Manager	Minor changes
3.1	24/03/2014	Business Risk Manager	Minor changes
3.0	01/06/2012	Business Risk Manager	Minor Changes
Assessments completed	EIA – 01/06/2012		
Review Period	1 year – May 2018		

Appendix C – Risk Management Guidance

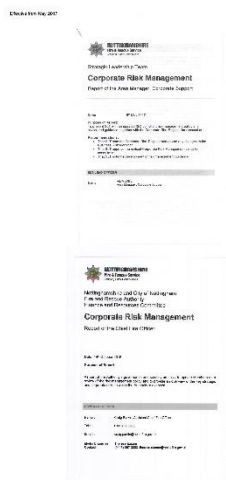
The Corporate Risk Management Cycle



The Service's IRMP sets out the strategic objectives for the Service. The purpose of the risk management process is to assist managers in meeting those strategic objectives by providing a framework for identifying and managing risks; and acting as a corporate memory for the consideration of risk in decision-making.

Strategic Objective	Risk	Impact	Control Measures
1. To ensure the safety of the public and the service's personnel and assets.	1.1. The risk of a major incident occurring, resulting in significant loss of life, injury, or property damage.	1.1.1. The risk of a major incident occurring, resulting in significant loss of life, injury, or property damage.	1.1.1.1. The risk of a major incident occurring, resulting in significant loss of life, injury, or property damage.
2. To ensure the safety of the service's personnel and assets.	2.1. The risk of a major incident occurring, resulting in significant loss of life, injury, or property damage.	2.1.1. The risk of a major incident occurring, resulting in significant loss of life, injury, or property damage.	2.1.1.1. The risk of a major incident occurring, resulting in significant loss of life, injury, or property damage.
3. To ensure the safety of the service's personnel and assets.	3.1. The risk of a major incident occurring, resulting in significant loss of life, injury, or property damage.	3.1.1. The risk of a major incident occurring, resulting in significant loss of life, injury, or property damage.	3.1.1.1. The risk of a major incident occurring, resulting in significant loss of life, injury, or property damage.

The strategic objectives in the IRMP are risk assessed and those risks are categorised in the Corporate Risk Register under those strategic objective headings and assigned ownership by a Principal Officer.



The Corporate Risk Register is reported to SLT on a quarterly basis. This is the prompt for the risk owners to review the risks for which they are responsible. It is also the opportunity to add new risks where this is deemed appropriate. Any changes to the risk register are recorded in the SLT minutes so that it can be updated and published to the intranet.

Members engage with the risk management process twice a year. The most recent version of the Corporate Risk Register is reported in January and July along with a commentary of any other significant risk management issues, such as new or emerging risks that Members may need to keep in mind when making medium to long-term decisions. This allows members to have an oversight role in the risk management process.

Explaining The Corporate Risk Register

A risk register is a tool for recording the risks you have identified, how you are going to manage them, and how effective that management is.

Corporate Risk Register

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Service Delivery										
Operational equipment	Inadequacy of operational equipment or personal protective equipment	3	4	12 VH	Appropriate specification and selection of equipment, process for commissioning and procuring equipment Robust maintenance procedures in place	2	3	6 M		ACO Finance & Resources
Mobilising	Loss of mobilising capability Risks around replacement of Airwave system (ESMCP) – financial details not yet known	3	5	15 VH	Secondary and tertiary mobilising arrangements in place. Maintenance contract in place for current system. New mobilising system includes cover arrangements Engagement with relevant CFA and ESMCP groups Fall-back to LFRS and DFES	2	3	6 M		ACO Finance & Resources
Availability of assets	The risk that the Service will lose widespread access to key assets – this may include premises, equipment, ICT systems and data or employees	3	5	15 VH	Business continuity management plan and process in place Asset maintenance plans supported by Redkite asset management system Planned replacement and upgrade programmes Defect reporting and repair procedures in place Competent management and management	3	3	9 H		ACO Finance & Resources

The risks described in the Corporate Risk Register are grouped by the Service Priorities.

The **risk title** is a generic heading that helps to identify the nature of the risk at a glance

The **risk description** is a more detailed description of the risk. It identifies how the risk may arise and what the effects or consequences may be.

The scoring section, where the likelihood and impact of the risk occurring is assessed, is there to help prioritise the risks and therefore where attention should be focused. Be realistic, don't fall in to the trap of manipulating the numbers to be lower (or higher) than they really are. The risk register template contains a scoring matrix for you to refer to.

Identify what existing controls are in place to manage the risk. These controls may be designed to reduce or eliminate the risk occurring in the first place, or could mitigate the effects if it does occur. Risk owners should regularly check these measures to ensure that they are still in place and working effectively, and take action if they are not.

Which Principal Officer is going to be responsible for the risk?

Is this remaining level of risk that acceptable? Would it be beneficial to introduce further control measures? If so, note them here, but remember you'll have to make sure they are implemented.

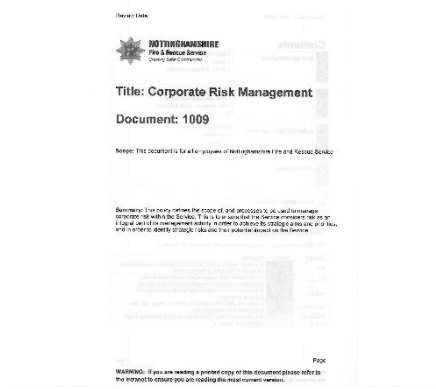
Take account of the control measures in place and decide what effect they have on the likelihood and impact of the risk occurring. Again, be realistic so you know where your on-going risk management efforts need to be directed.

Methodology For Assessing Risk

Identify	<p>There are many ways to identify risks:</p> <ul style="list-style-type: none"> • Historical – learn from previous mistakes, or situations where with hindsight a better outcome could have been achieved • Brainstorming – in a workshop situation, consult those involved in delivering a strategic objective and seek their views on potential risks • SWOT Analysis – methodically identify the Service’s strengths, weaknesses, opportunities and threats in relation to the strategic objectives • Assumption Analysis – identify the assumptions that have been made in setting strategic objectives, assess what the impact would be if those assumptions turned out to be incorrect • PESTEL Analysis – primarily used for identifying external risks, use categories as a method of brainstorming: Political; Economic; Socio-cultural; Technological; Environmental; Legal <p>Some of these approaches can be blended</p> <p>There is also the potential for risks to be escalated, these can be identified through:</p> <ul style="list-style-type: none"> • Issues identified in project or programme risk management • The identification or occurrence of a less significant risk, but where it affects multiple departments to the overall effect is significant • Audits – for example: of a safety critical activity or method of work
Analyse	<p>Establish the way in which the risk may manifest, what the root causes are, and whether there are multiple points of failure – this analysis will help you to evaluate how significant the risk is, and determine what your risk response will be</p> <p>The analysis provides a greater context of the risk being considered</p>
Evaluate	<p>The primary purpose of evaluation is to allow risk owners to prioritise the risks for which they are responsible. This will allow them to allocate their attention and resources to the risks that they consider to be highest.</p> <p>Determine what the impact of the risk would be on the Service. The evaluation can sometimes be expressed numerically, but may be better understood by way of a description. The evaluation could be expressed as financial, damage to reputation, loss of service, or the impact of not meeting the strategic objective. Similarly, it may be possible to express the likelihood of the risk occurring as a quantitative measure (annually, monthly, weekly) or on a qualitative scale of more likely or not.</p>

Respond	<p>There are four ways to respond to a risk:</p> <p>Terminate – If you decide that the risk is too high to accept and you have no effective way of controlling it or mitigating its effects, then you decide that you will no longer pursue the particular strategic objective to which the risk relates.</p> <p>Transfer – It may be possible to transfer the risk to another party through outsourcing, collaborative working, or through financial risk transfer mechanisms such as insurance. But be aware that you may not be able to truly transfer all risk – for example, the financial risk of motor accidents is transferred to an insurance company, but the Service will still suffer damage to its reputation should it have an accident.</p> <p>Treat – this involves the development and implementation of control measures that reduce either the likelihood of the risk occurring (pro-active) or the impact of the risk if it does occur (reactive). Control measures need to be planned in to the workload of the teams responsible for delivering them and their effectiveness needs to be monitored as part of the monitor and review phase.</p> <p>Tolerate – in some cases, even if a risk remains high, you may decide to accept it without reducing it further. There are two main reasons for this: firstly that you have little or no control over the risk (for example the FiRe Control project); or secondly, you decide that although the risk is high, the potential rewards far outweigh that risk.</p>
Monitor & Review	<p>Risk owners need to periodically ensure that the risks they are responsible for remain those with the highest significance to the Service. This means revisiting the identification/analysis/evaluation/respond cycle. The prompt for this is the reporting of the Corporate Risk Register to Strategic Leadership Team. This forum allows for the accuracy of the register to be confirmed, or changes to be proposed – and for these discussions to be accurately recorded in the minutes for audit purposes.</p>

Guidance For Report Writers



When determining what to include in the ‘risk management implications’, the policy provides information on the general approach to Corporate Risk Management. It will help provide some context and explain some of the terms that you may be using.

Risk Title	Risk Description	L	I	Risk	Existing Controls	L	I	Risk	Further Controls	Risk
Business Priority	Implications & Mitigation									Change
Health, Safety, and Welfare	For the service, the risk arises from the likelihood of an incident occurring with the service's vehicles which may cause injury, ill health or death to employees whilst on duty or non-employees and co-incident with the service's reputation for operational competence and negative effects on service delivery and employee morale.	4	5	20	The existence of the safety management system and availability of competent personnel to deliver the service of its duties and necessary risk controls are in place. Controlled in to safe systems of work. 7.22 process provides a structured methodology for assessing the risk from incidents associated with specific operational areas. Operational Assistance Team handles reporting from operational incidents. Service learns from other major events affecting the fire via reports to Service Health, Safety and Welfare Committee. Training ensures competence of employees.	2	5	10	Considered if risk management approach requires to address future emerging risks to address existing risks and enhance the effectiveness of the service's work. Detailed approach to how National Operational Guidance is introduced into the service. Ongoing review of the risk management and communication between the organisation. Communication plans to promote risks. Introduction of technology to enable the ongoing working.	ACRO

Effective from May 2017

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Now look forward: do the proposals or recommendations in your report give rise to any risks that will need to be managed; can they be managed at a departmental level, or do they need escalating immediately to the Corporate Risk register in order that they are managed by a Principal Officer; what impacts or implications might there be? Advice and guidance can be sought from the Business Risk Manager

Guidance For Principal Officers

[illegible]

Corporate Risk Management reports to Strategic Leadership Team are provided on a quarterly basis, in February; May; August; and November. It is important that the reports are considered at these SLT meetings as this timetabling allows for reporting to Finance and Resources Committee in January and July.

The report will provide an overview of any policy amendments; will summarise any key external risks that may be the subject of future briefings; describe any changes made to the Corporate Risk Register since the last SLT meeting; and provide any other key Corporate Risk Management information. The Corporate Risk Register will be appended to the report:

Principal Officers should use the Corporate Risk Register to gain their own assurances that the risks for which they are responsible are being managed in an effective manner. This includes holding their departmental managers to account for delivery of the existing and further controls.

Where changes are proposed to existing risks, or where new risks are escalated to the Corporate Risk Register from departments, projects or as the result of new information (as raised at SLT), detailed reasoning behind this, and the changes proposed must be recorded in the meeting minutes. This will allow the Business Risk Manager to update the Corporate Risk Register before it is published, and also provides an audit trail for internal audit purposes.

Task	Task Description	Start	End	Duration	Key Milestones	Key Risks	Key Deliverables	Key Owner
Task 1: Project Planning	Define project scope, objectives, and deliverables. Establish a project management plan.	2023-01-01	2023-01-31	30	Finalize project charter and management plan.	Scope creep, resource availability.	Project charter, management plan.	Project Manager
Task 2: Requirements Gathering	Conduct interviews with stakeholders to gather requirements. Document functional and non-functional requirements.	2023-02-01	2023-02-28	28	Complete requirements document.	Stakeholder miscommunication, changing requirements.	Requirements document.	Business Analyst
Task 3: System Design	Develop high-level and low-level system designs. Create data flow diagrams and database schemas.	2023-03-01	2023-03-31	31	Finalize system architecture and database design.	Design changes, technical debt.	System architecture, database schema.	System Architect
Task 4: Development	Develop the core functionality of the system. Implement user interface and business logic.	2023-04-01	2023-06-30	90	Complete development of core features.	Integration issues, bugs.	Developed system components.	Development Team
Task 5: Testing	Conduct unit testing, integration testing, and user acceptance testing. Identify and resolve defects.	2023-07-01	2023-07-31	31	Complete testing cycle and sign-off.	Test environment issues, missed defects.	Test reports, defect log.	QA Team
Task 6: Deployment	Deploy the system to the production environment. Monitor system performance and user feedback.	2023-08-01	2023-08-31	31	Successful system launch.	Performance issues, user adoption challenges.	Deployed system, user feedback.	Operations Team
Task 7: Project Closure	Conduct a project retrospective. Document lessons learned and close the project.	2023-09-01	2023-09-30	30	Final project report and closure.	Documentation gaps, knowledge loss.	Project closure report, lessons learned.	Project Manager

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Guidance For Elected Members

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Use the Corporate Risk Register and the risk management implications in Authority and Committee reports to build a picture of the preparedness and agility of the Service in being able to respond to risk. This information will allow you to form an opinion as to whether the Service is taking an appropriate amount of risk to deliver on its vision and strategic objectives. This is in the wider context of all the papers you receive, consider, and make decisions on.

In forming this opinion, be aware that not everyone will have the same perception of, or appetite for risk and therefore there may not be a single 'correct' approach. The assessments and decisions you make concern managing and balancing risk. There is not a 'no risk' option.

Templates

Risk Register

[illegible]

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Risk Scoring Matrix

