

# Buckinghamshire & Milton Keynes Fire Authority



<b>MEETING</b>	Overview and Audit Committee
<b>DATE OF MEETING</b>	14 November 2018
<b>OFFICER</b>	Julian Parsons, Head of Service Development
<b>LEAD MEMBER</b>	Councillor Netta Glover
<b>SUBJECT OF THE REPORT</b>	<b>Corporate Risk Management</b>
<b>EXECUTIVE SUMMARY</b>	<p>This report provides an update on the current status of identified corporate risks. Risk registers are maintained at project, departmental and directorate levels. Corporate risks are those that have been escalated from these levels for scrutiny by the Strategic Management Board (SMB) because of their magnitude, proximity or because the treatments and controls require significant development.</p> <p>Since the last Overview and Audit Committee Meeting in July, the Corporate Risk Register has been reviewed at SMB's 14 August and 18 September meetings.</p> <p>At the 14 August meeting the following was agreed:</p> <ul style="list-style-type: none"> <li>• The probability score for the information security risk was reduced from 4 to 3 resulting in an overall score of 12 (amber RAG status);</li> <li>• In light of progress towards implementation of a permanent solution for the Pager risk, and satisfactory performance of the interim arrangements, a reduction in the probability risk score for this was also agreed resulting in an overall score of 6 (Green RAG status).</li> </ul> <p>At the 18 September SMB meeting the potential risks associated with the UK's planned withdrawal from the European Union ('Brexit') were considered, following an initial evaluation, and whether, at this time, there is anything in relation to these that should be considered for inclusion in the Corporate Risk Register. It was agreed that it would not be appropriate to include these in the Corporate Risk Register at this time for the following reasons:</p> <ul style="list-style-type: none"> <li>• The main risks to UK FRS are likely to be similar to those affecting UK public services as a whole and will probably arise from the fiscal effect of Brexit (i.e. the effect on the amount of money available to fund public services and the government's future priorities in relation to the</li> </ul>

	<p>distribution of this). These are scenario dependent, as yet unknown, would require complex multivariate analysis to identify with a probability of a high margin of error and cannot therefore be reliably quantified;</p> <ul style="list-style-type: none"> <li>• The risks particular to FRS are, again, scenario dependent but likely to relate to matters such as the procurement of equipment from EU sources (e.g. potential disruption to supply chains and / or adverse effects on prices) and the possibility of travel delays to UK FRS personnel travelling to and from the EU on business or for personal reasons. In the longer term, and again depending on the precise terms of exit, there is also potential for UK legislation and regulation currently affecting UK FRS to diverge from that pertaining across the EU which could potentially generate opportunities as well as risks.</li> </ul> <p>At the 23 October SMB meeting, the Director of Finance &amp; Assets provided an update in relation to the funding and savings risk regarding the potential impact of changes to employer contributions to the firefighter pension scheme which could increase costs by as much as £1.6 million a year from the 2020/21 financial year if further support is not provided by the Treasury. In light of this it was agreed that the risk should remain at Red RAG status.</p> <p>SMB also discussed the impact of a data breach at a third party supplier of employee benefits (Sodexo) to the Authority and a recent premises security incident at a Fire Station. However, these were not considered to be at a level that would require an immediate change to the information security risk assessment but that this would be reviewed again in light of any further findings and recommendations as to any further steps needed to reduce the risk of similar incidents in the future.</p> <p>A review of Directorate Risk Registers was undertaken at the 10 October PMB meeting. This did not identify any items requiring escalation to SMB for potential inclusion in the Corporate Risk Register.</p> <p>The current distribution of corporate risks relative to probability and potential impact is shown at Annex A.</p> <p>Changes to the corporate risk ratings over the last year are shown at Annex B.</p> <p>Detailed assessments of identified corporate risks are shown in the Corporate Risk Register at Annex C.</p>
<p><b>ACTION</b></p>	<p>Decision.</p>

<b>RECOMMENDATIONS</b>	It is recommended:  1. that the status report on identified corporate risks at Annex C be reviewed and approved;  2. that comments to officers for consideration and attention in future updates/reports be provided.
<b>RISK MANAGEMENT</b>	The development, implementation and operation of effective corporate risk management structures, processes and procedures are considered critical to assure continuity of service to the public, compliance with relevant statutory and regulatory requirements and the successful delivery of the Authority's strategic aims, priorities and plans.
<b>FINANCIAL IMPLICATIONS</b>	No direct financial implications arising from the presentation of this report. It is envisaged that the further development of the Authority's corporate risk management framework will be undertaken from within agreed budgets.
<b>LEGAL IMPLICATIONS</b>	None directly arising from this report. Any legal consequences associated with the crystallisation of individual risks are detailed in the Risk Register report at Annex C.
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	The potential to share corporate risk intelligence with neighbouring FRS and other relevant agencies will be considered. BMKFA already participates in the multi-agency Thames Valley Local Resilience Forum which produces a Community Risk Register which is among the sources used to identify potential risks to the Authority.
<b>HEALTH AND SAFETY</b>	Development of the framework does not impact directly on the legal compliance to health and safety, however if risks are not appropriately identified then this may present Health and Safety risks.
<b>EQUALITY AND DIVERSITY</b>	No direct implications from the presentation of this report. However risks to achieving the Authority's equality, diversity and inclusion objectives or compliance with relevant statutes or regulations are identified assessed and managed via this process and are currently monitored within the People and Organisational Development Risk Register.
<b>USE OF RESOURCES</b>	The development of the risk management framework complements the governance framework and business processes as a critical cog in the system of internal control and makes better use of our people resources by giving them clearly defined areas of responsibility.  Senior managers and principal officers are key stakeholders in the development of the framework and

	<p>have an active role in its development at every stage. The lead Member will also be involved in the development of the framework with particular responsibility for determining the reporting arrangements for the Authority.</p> <p>As with all policy frameworks, all employees will be informed of the changes in the process and will receive any training necessary to support their role in the process.</p>
<p><b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b></p>	<p>A formal policy for the management of Corporate Risk was approved by the Authority in August 2006 and implemented with effect from 31 January 2007 (OC57: Corporate Risk Management Policy).</p> <p>Further development of this policy and framework was reported to members at the 15 September 2010 CFA meeting (see Annex A and item 8 of 15 September CFA Papers:</p> <p><a href="http://bucksfire.gov.uk/files/8114/0681/3588/150910.PDF">http://bucksfire.gov.uk/files/8114/0681/3588/150910.PDF</a></p> <p>An updated Corporate Risk Management Policy was approved at the 18<sup>th</sup> March 2015 Executive Committee:</p> <p><a href="http://bucksfire.gov.uk/files/3314/2564/2098/Executive_Committee_180315.pdf">http://bucksfire.gov.uk/files/3314/2564/2098/Executive_Committee_180315.pdf</a></p> <p>CFA Members were last updated on the status of the Authority's Corporate Risks at the 18 July 2018 Overview &amp; Audit Committee:</p> <p><a href="https://bucksfire.gov.uk/files/2815/3112/5913/OVERVIEW_AND_AUDIT_COMMITTEE_180718_AGENDA_AND_REPORTS.compressed.pdf">https://bucksfire.gov.uk/files/2815/3112/5913/OVERVIEW_AND_AUDIT_COMMITTEE_180718_AGENDA_AND_REPORTS.compressed.pdf</a></p>
<p><b>APPENDICES</b></p>	<ol style="list-style-type: none"> <li>1. Annex A: Distribution of Corporate Risks at 23 October 2018 SMB meeting.</li> <li>2. Annex B: 12 Month View of Changes to Corporate Risks</li> <li>3. Annex C: Corporate Risk Register Report</li> </ol>
<p><b>TIME REQUIRED</b></p>	<p>10 Minutes</p>
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