

REPORT REFERENCE NO.	APRC/19/18
MEETING	AUDIT & PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	13 NOVEMBER 2019
SUBJECT OF REPORT	CORPORATE RISK REGISTER
LEAD OFFICER	DIRECTOR OF GOVERNANCE & DIGITAL SERVICES
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>Managing risks, both operational and strategic, is an important part of ensuring that the resources of Devon and Somerset Fire and Rescue Service are used to best advantage. Risk is inherent in most things that the Service does and much of its activity is already assessed and managed through the application of the operational risk management procedures and good common sense.</p> <p>The Corporate Risk Register details risks and mitigation to ensure risk is managed appropriately and proportionately.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	Appendix 1 – Strategic risk horizon scanning report
LIST OF BACKGROUND PAPERS	<p>APRC November 2018 – Corporate Risk Register</p> <p>APRC May 2019 – Corporate Risk Register</p>

1. **INTRODUCTION**

1.1 The aims of Risk Management for the Devon & Somerset Fire & Rescue Service (“the Service”) are to:

- Protect the assets of the Service;
- Ensure service continuity; and
- Facilitate innovation and opportunity.

1.2 Risk management does not mean risk avoidance. It is about encouraging officers and managers to identify, understand and control risk and to learn how to accept the right level of risk.

2. **CORPORATE RISK REGISTER**

2.1 The corporate risk register captures and describes the Authority’s most significant risks, with a focus on cross-cutting risks and major projects. It is formally reviewed and refreshed on a regular cycle. In order to embed the Service’s approach to managing strategic and operational risks, risk management is integrated within the planning process so that it is part of direction setting, activity and resource planning and activity monitoring.

2.2 The process includes the identification, assessment and recording of risks and mitigating activities which is incorporated into annual directorate statements and service plans. The final stage of the process, once risks have been reviewed by risk owners and directors, is for the Audit & Performance Review Committee to consider and comment.

2.3 The Service risk profile has changed over the last six months. The corporate risk register entries now total nine, with one new risk added July 2019, CR054 Fire Fighter Fitness.

- Following the final HMICFRS inspection week, the Executive Board reviewed the immediate feedback from HMICFRS and agreed next steps. In total, ten Risk Critical Urgent Pathway assessments (RCUP) were reviewed and the Executive Board agreed to add CR054 Fire Fighter Fitness to the Corporate Risk Register. The remaining nine RCUP’s are to be transferred to the Safer Together Programme or into the Service’s Corporate Planning framework, via annual directorate statements or service plans, with monthly monitoring by the Governance & Digital Services directorate.
- Risk CR052 Industrial action has reduced impact as a result of the 2019 pay offer being accepted by representative bodies.
- Risk CR049 had increased in severity because of uncertainty surrounding the potential of leaving the EU with no deal on 31 October 2019. A risk workshop held 24 September 2019 captured risks and impacts to the Service’s ability to continue to provide our service. The Brexit risk register has been reviewed regularly at contingency response meetings. A strategic Brexit business continuity exercise was held October to further test adequacy of the Service planning assumptions. However, given the EU decision to agree to HM Government’s request for a Brexit extension to 31 January 2020, the risk of a no deal exit from the EU has now reduced in severity.

- 2.4 Risk horizon scanning is a technique which is used to explore potential future developments, better anticipate risks and emerging trends that might affect the Service. It helps by taking a longer term strategic approach and makes present plans more resilient to future uncertainty. At appendix 1 the Institute of Internal Audit horizon scanning report overview gives insight into multiple organisations five year strategic risk perceptions. The Service Executive Board commissioned two deep dive risk workshops, Brexit and Digital Transformation, both of which were completed and outputs currently being analysed with a view to update the Corporate Risk Register accordingly.
- 2.5 As is normal, there have been minor changes to control measures across the risk portfolio. Risk owners are assigned to each issue with active mitigation in place. All risk register owners have reviewed, updated their risk mitigations and agreed new review dates for annual directorate and service plan level registers. Overall, the Executive Board was satisfied with the adequacy of risk mitigation progress.

3. AMENDED RISKS

- 3.1 Following organisational restructures, risk ownership transferred from: Sarah Allen to Lucy Cole & Caroline Taylor; Nick Manning to Joe Hassell; and Joe Hassell to Sarah Allen.

4. RISKS TO BE DELEGATED TO LOCAL RISK REGISTER

- 4.1 None.

5. LEGAL IMPLICATIONS

- 5.1 None.

6. NEXT STEPS

- 6.1 The next formal review of the corporate risk register will take place April 2020. The register may well therefore need to be refreshed.

MIKE PEARSON
Director of Governance & Digital Services

The Institute of Internal Audit Risk in Focus Report – Horizon Scanning

For four years Chief Audit Executives across Europe have shed light on their key business risks. The report is an annual barometer of what strategic leaders perceive as their organisations key risk priorities and what is preoccupying their strategic thinking as forthcoming audit plans are being prepared. The table below is a rundown of this and previous years hot risk topics and gives a sense of how strategic risks develop over time. For more information click either link below to access full report or YouTube clip precis.

<https://www.iaa.org.uk/media/1690710/risk-in-focus-2019-report.pdf>

YouTube: [top 10 risks - 2020](#)

2018	2019	2020
1. GDPR and the data protection challenge	1. Cybersecurity: IT governance & third parties	1. Cybersecurity & data privacy: rising expectations of internal audit
2. Cybersecurity: a path to maturity	2. Data protection & strategies in a post-GDPR world	2. The increasing regulatory burden
3. Regulatory complexity and uncertainty	3. Digitalisation, automation & AI: technology adoption risks	3. Digitalisation & business model disruption
4. Pace of innovation	4. Sustainability: the environment & social ethics	4. Looking beyond third parties
5. Political uncertainty: Brexit and other unknowns	5. Anti-bribery & anti-corruption compliance	5. Business resilience, brand value & reputation
6. Vendor risk and third party assurance	6. Communication risk: protecting brand & reputation	6. Financial risks: from low returns to rising debt
7. The culture conundrum	7. Workplace culture: discrimination & staff inequality	7. Geopolitical instability & the macroeconomy
8. Workforces: planning for the future	8. A new era of trade: protectionism & sanctions	8. Human capital: the organisation of the future
9. Evolving the internal audit function	9. Risk governance & controls: adapting to change	9. Governance, ethics & culture: the exemplary organisation
	10. Auditing the right risks: taking a genuinely risk-based approach	10. Climate change: risk vs opportunity

