

<b>REPORT REFERENCE NO.</b>	<b>AGC/22/3</b>
<b>MEETING</b>	<b>AUDIT &amp; GOVERNANCE COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>7 MARCH 2022</b>
<b>SUBJECT OF REPORT</b>	<b>CORPORATE RISK REGISTER</b>
<b>LEAD OFFICER</b>	<b>DIRECTOR OF GOVERNANCE &amp; DIGITAL SERVICES</b>
<b>RECOMMENDATIONS</b>	<i>That the report be noted.</i>
<b>EXECUTIVE SUMMARY</b>	<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 sets out risks and mitigation to ensure that risk is managed appropriately and proportionately.</p>
<b>RESOURCE IMPLICATIONS</b>	Nil.
<b>EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)</b>	Not applicable.
<b>APPENDICES</b>	<ul style="list-style-type: none"> <li>A. Risk management framework</li> <li>B. Corporate Risk Register by risk category V40</li> <li>C. Sharpcloud Risk Register view V40</li> <li>D. High risk, impacts and actions</li> </ul>
<b>BACKGROUND PAPERS</b>	Report to the Audit & Governance Committee on 28 October 2021 (AGC/21/7) – Corporate Risk Register

## 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 Service’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.

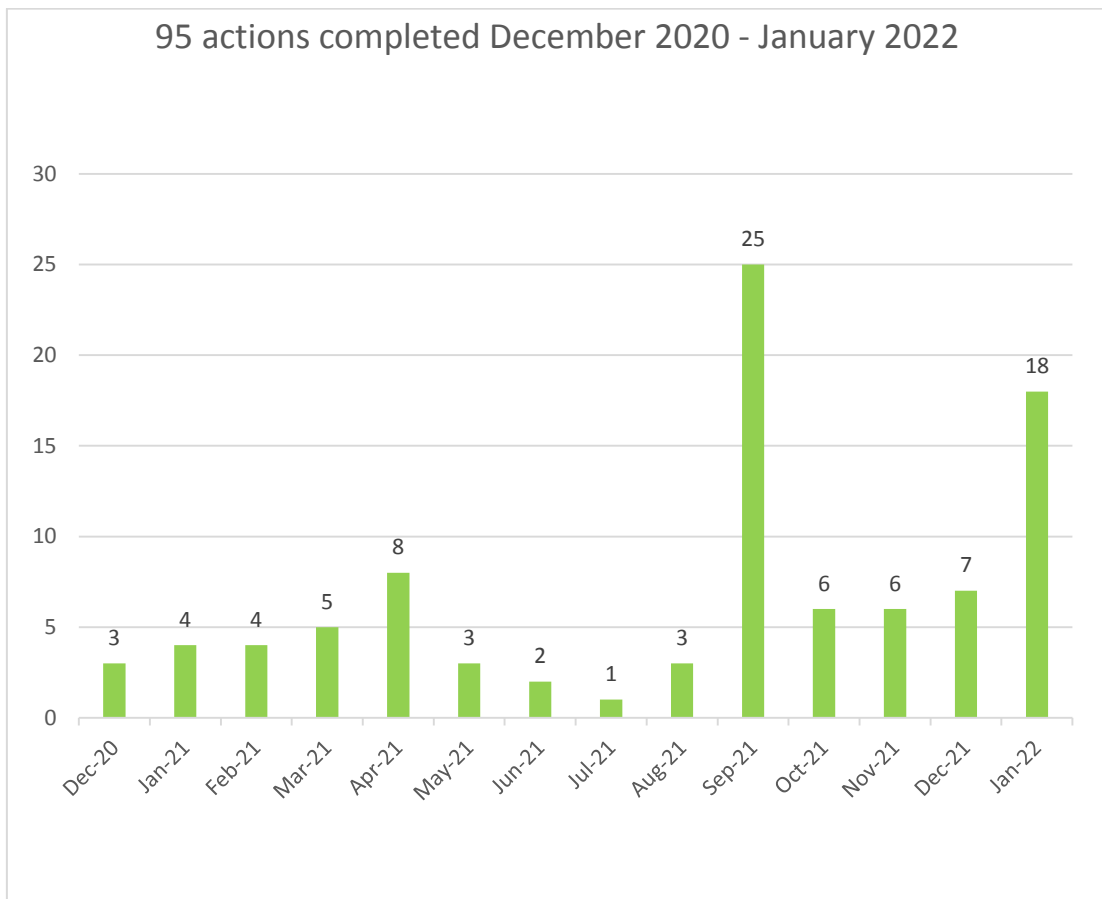
2.2 Risk management is the process by which risks are identified, assessed, recorded, mitigated and reviewed. A risk is the threat that an event or action will adversely affect the ability to achieve our objectives. This Risk Management Framework sets out responsibilities for the management of risk and seeks to ensure that key risks to the achievement of DSFRS objectives are understood, reported and appropriately mitigated. It is important to recognise that an effective risk management framework is as much a way of thinking as it is a process or system as illustrated in Appendix A.

2.3 The process includes the identification, assessment and recording of risks and mitigating activities which is incorporated into annual service plans. The final stage of the process, once risks have been reviewed by risk owners and directors, is for the Audit & Governance Committee (the Committee) to note the contents of this report.

2.4 The Service risk profile has changed since the last report. The corporate risk register entries total eighteen risks with two risks escalated from local risk registers, five de-escalated to local and thematic risk registers and no risks closed. The register is reviewed monthly by the Service Executive Board dependent on net risk score with high risks reviewed monthly and medium risks quarterly.

2.5 Risk sources are both internal and external to Service activities, therefore establishing categories for risks provides a mechanism for collecting and organising risks as well as ensuring appropriate scrutiny and management attention for those risks that can have more serious consequences to meeting objectives. Risk categories consolidate risks into a two dimensional view, strategic process and directorate; either may exist in a single directorate or cut across multiple directorates. Service corporate risks are aligned to HM Treasury Orange Book (2020) risk categories. Failure to manage risks in any of these categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences. The table in Appendix B provides clarification on the high and medium corporate risks, grouped by risk category, with a high level summary of effective mitigation and actions in development. Appendix C provides high and medium risks with Appendix D focus on high risk with controls and controls in development.

2.6 Over the last ten months 95 actions have been closed. The graph below illustrates actions closed per month.



2.7 As is normal, there have been minor changes to control measures across the risk portfolio. Risk owners are assigned to each risk with active mitigation in place. All risk register owners have reviewed and updated their risk mitigations and agreed new review dates. Overall, the Service Executive Board is satisfied with the adequacy of the risk mitigation progress.

3. **AMENDED CORPORATE RISKS SINCE THE LAST REPORT TO THE COMMITTEE**

3.1 None.

4. **RISKS DELEGATED TO LOCAL RISK REGISTER**

4.1 The following five risks have been de-escalated to local risk registers now that they have been mitigated within a tolerable risk level.

- November 2021:
  - CR068 Failure to effectively manage Apprenticeships resulting in inefficient practices and failure to capitalise on benefits of levy.
- January 2022:
  - CR058 Failure to identify organisational learning and respond to consultation / changes to complex buildings.
  - CR061 Failure to undertake adequate workforce planning in respect of number of firefighters due to retire before 1st April 2022.
  - CR071 Lack of assurance for 3 yearly medicals that staff are fit to carry out their duties at an operational incident.
- February 2022:
  - CR057 Covid 19 results in significant staff absences.

5. **RISK HORIZON SCAN REPORTS**

5.1 The concept of horizon scanning aims to detect early warning signs of emerging risk to prompt the Service to make decisions to act when needed.

5.2 Many different external reports are used to compile a forward look, one being the UK Government Horizon Scan methodology. This recommends that everyone in the public sector has a responsibility to think about the future in the work they do. Decisions made today have long term consequences. However, the future in which these decisions have an impact is uncertain and making decisions is difficult.

5.3 The horizon scan report aims to illustrate how strategic issues can change over time and the benefits that horizon scanning considerations can bring. The topics discussed relate to short term, medium term and long term risks.

5.4 Quarterly reports offer general horizon scan updates with a deeper dive that explores specific topics such as how citizen data might change and to help decision makers form strategies that are resilient to future uncertainties.

5.5 An important element of horizon scanning, which sets it apart from risk assessment, is that it considers information which cannot normally be sourced from within the Service. Emerging risks, by their nature are varied, difficult to identify and quantify. They can have a detrimental impact on the Service’s ability to deliver future prevention, protection and rescue activities to communities so it is important to recognise them as early as possible.

5.6 Across different industries some of the common challenges facing senior leadership teams are:

- Managing the growing risk associated with technology 72%
- Demonstrating the value of risk management to the wider business 42%
- Leveraging the growing mountain of data and managing it effectively 41%
- Increased regulatory pressure and interference 39%
- Access to sufficient talent (in terms of skills, experience and attitude) 38%
- Continuing pressure on cost and to deliver with less 37%
- Need to be more flexible and agile in all aspects of risk management 32%<sup>1</sup>

5.7 Aon prediction of risks from now until 2024 indicates that cyber attack / data breach is expected to remain on corporate risk registers, followed by economic slow down and scarcity of materials. Leaders anticipate the rapid pace of change will bring about changing internal and citizen risk profiles and behaviours, changing the way we work, gaining greater insights for data.<sup>2</sup>

Top 10 Risks in the Next 3 Years



<sup>1</sup> Institute of Internal Auditors Risk in Focus 2021

<sup>2</sup> [9. Increasing Competition - 2021 Global Risk Management Survey \(aon.com\)](https://www.aon.com/resources/surveys/2021-global-risk-management-survey)

## 6. **COVID & CORPORATE RISK REGISTER INTERDEPENDENCIES**

- 6.1 As a consequence of the Covid-19 business continuity arrangements, risk management focused on the development and implementation of a strategic Covid-19 risk register, to ensure that robust and effective control measures were operating as expected to deliver the strategic intents outlined in the Strategic Business Continuity Covid-19 Governance Arrangements.
- 6.2 The Covid-19 risk register is reviewed by Silver every month (Silver refers to the level of management within the Service; Gold is at Principal Officer level; Silver is at Area or Group Manager level). The monitoring frequency is monthly due to effectiveness of the internal test and trace process and existing Covid-19 control measures effectively mitigating risk.
- 6.3 To assure business continuity plan adequacy, the Executive Board receive monthly updates and progress against the business continuity plan exercise schedule. The corporate and department business continuity plans have been updated and exercised between December 2021 and February 2022.

## 7. **HEALTH AND SAFETY THEMATIC RISK REGISTER**

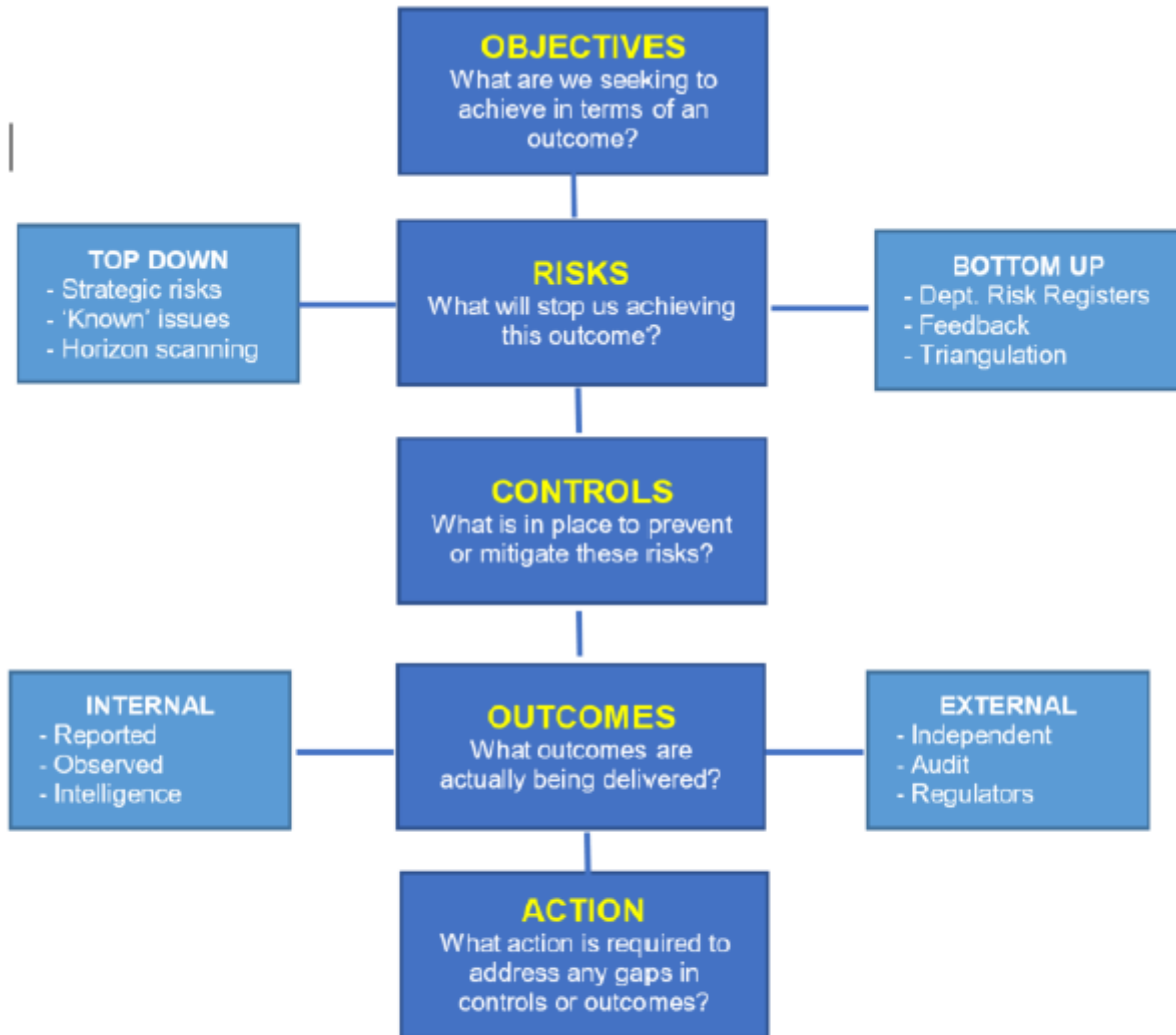
- 7.1. On the corporate risk register there are six health and safety corporate risks. Executive Board decided on 10 August 2021 to set up a thematic health and safety risk register to focus on health, safety and wellbeing risks with a wider stakeholder group.
- 7.2. A strategic health and safety thematic risk register workshop took place on 18 August 2021 to develop the risk register, attended by Strategic Safety Committee stakeholders and chaired by CFO Howell.
- 7.3. The strategic health and safety thematic risk register is reviewed monthly by Health and Safety stakeholders, including representative bodies, and quarterly by Strategic Safety Committee which is chaired by a member of the Executive Board. The risks are owned by Service Leadership Team leads and managers are the control and action owners.

## 8. **NEXT STEPS**

- 8.1 The Corporate risk register will continue to be subject to monthly review by the Service Executive Board. The next formal review of the corporate risk register by the Committee is due to take place in six months' time date to be confirmed when the calendar of meetings is agreed.

**MIKE PEARSON**  
**Director of Governance & Digital Services**

Risk Management Framework



**APPENDIX B TO REPORT AGC/22/3**

**Corporate Risk Register February 2022 v40**

The Service corporate risks are aligned to Her Majesty’s Treasury Orange Book (2020) risk categories. Failure to manage risks in any of these categories may lead to adverse consequences. The table below provides clarification on the high and medium corporate risks, grouped by risk category, with a high level summary of effective mitigation and actions in development. Corporate, new, escalated and emerging risks are reported to Executive Board monthly and Audit and Governance Committee every 6 months.

<b>HM Treasury Orange Book Risk Category</b>	<b>DSFRS Corporate Risks</b>	<b>Risk Mitigation in Place and actions in development</b>
<b>1 high risk – Executive Board monitor monthly</b>		
<p><b>Information:</b> Risks arising from a failure to produce robust, suitable and appropriate data / information and to exploit data / information to its full potential.</p>	<p>CR079 Inability to assure ourselves that the Home Fire safety data created, held and reported on is correct</p>	<ul style="list-style-type: none"> <li>• Home Fire Safety system.</li> <li>• Options appraisal.</li> </ul>
<b>17 medium risks – Executive Board monitor quarterly</b>		
<p><b>Safety:</b> Risks arising from safety deficiencies or poorly designed or ineffective / inefficient hazard management resulting in non-compliance and / or harm and suffering to employees, contractors, service users or the public.</p>	<p>CR073 Failure to assure that staff read and understand risk critical messages and apply required changes</p>	<ul style="list-style-type: none"> <li>• Risk critical messages issued with electronic acknowledgement.</li> <li>• Operational assurance monitoring process.</li> </ul>
<p><b>Safety:</b> Risks arising from safety deficiencies or poorly designed or ineffective / inefficient hazard management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.</p>	<p>CR055 Failure to report and learn and take corrective action to prevent foreseeable accidents.</p> <p>CR056 Failure to ensure that fleet and equipment is available and is fit for purpose.</p> <p>CR070 Failure to operate an effective risk assessment framework.</p>	<ul style="list-style-type: none"> <li>• Safety Event Management System (SEMS).</li> <li>• Safe To interventions.</li> <li>• Occurrence Review Group.</li> <li>• Phase 1 equipment review completed.</li> <li>• Procurement of new vehicles in progress.</li> <li>• Phase 2 progressing.</li> <li>• Strategic risk assessment process.</li> <li>• Health and Safety monitor effectiveness of risk assessment process.</li> </ul>



HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation in Place and actions in development
<p><b>Governance:</b> Risks arising from unclear plans, priorities, authorities and accountabilities, and / or ineffective or disproportionate oversight of decision-making and / or performance.</p>	<p>CR035: Failure to agree performance measures &amp; inability to fully and immediately report against agreed measures which may reduce the ability to make informed decisions.</p>	<ul style="list-style-type: none"> <li>• InPhase performance, planning and risk management system.</li> </ul>
<p><b>Information:</b> Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.</p>	<p>CR062: Failure to operate an effective Information Governance framework.</p>	<ul style="list-style-type: none"> <li>• MS365 rolled out.</li> <li>• Development of records and document management system.</li> </ul>
<p><b>People:</b> Risks arising from ineffective leadership &amp; engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity &amp; capability, industrial action, and / or non-compliance with relevant employment legislation / HR policies resulting in negative impact on performance.</p>	<p>CR064 Failure to provide demonstrable consistent standards in firefighter competence.</p> <p>CR066 Failure to adequately plan and implement recruitment and promotion processes.</p> <p>CR069 People structure does not support the needs of the organisation.</p> <p>CR077 Industrial action, including withdrawal from voluntary agreements to do non-contractual working.</p>	<ul style="list-style-type: none"> <li>• Professional, Safe and High Performing' report; transformation of 6 themes: <ul style="list-style-type: none"> <li>▪ Station based training</li> <li>▪ Setting standards</li> <li>▪ Audit &amp; assessment</li> <li>▪ Central training/T4C</li> <li>▪ Role Development</li> <li>▪ Service Support</li> </ul> </li> <li>• Workforce planning group.</li> <li>• Workforce planning reports.</li> <li>• Key elements of HR transformation plan implemented: HR business partners, Welfare capability, additional posts.</li> <li>• Business continuity framework and plans.</li> <li>• Business continuity governance arrangements.</li> <li>• Desktop exercises and debrief reports.</li> </ul>

HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation in Place and actions in development
<p><b>Reputational:</b> Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations.</p>	<p>CR063 Failure to deliver Environmental Strategy and action plan</p>	<ul style="list-style-type: none"> <li>• Maintenance of environmental strategy.</li> </ul>
<p><b>Security:</b> Risks arising from a failure to prevent unauthorised and / or inappropriate access to the estate and information, including cyber security and non-compliance with General Data Protection Regulation requirements.</p>	<p>CR044 Cyber-attack on ICT services causes sustained ICT outage.</p> <p>CR065 Cyber-attack or accidental loss leads to data breach of sensitive operational and / or personal data.</p>	<ul style="list-style-type: none"> <li>• Protective monitoring system implemented.</li> <li>• Business continuity plans and system resilience established.</li> <li>• MS365 rolled out.</li> <li>• Maintenance of Digital roadmap.</li>   <li>• Protective monitoring system implemented.</li> <li>• Business continuity plans and system resilience established.</li> <li>• MS365 rolled out.</li> <li>• Maintenance of Digital roadmap.</li> </ul>
<p><b>Technology:</b> Risks arising from technology not delivering the expected services due to inadequate or deficient system / process development and performance or inadequate resilience.</p>	<p>CR037 Physical loss of ICT services causes sustained ICT outage.</p>	<ul style="list-style-type: none"> <li>• Business continuity plans and system resilience established.</li> <li>• MS365 rolled out.</li> <li>• Maintenance of Digital roadmap.</li> </ul>
<p><b>Financial:</b> Risks arising from not managing finances in accordance with requirements and financial constraints resulting in</p>	<p>CR050 Failure to agree and set a balanced budget 2022/2023.</p>	<ul style="list-style-type: none"> <li>• Value for money assessment completed.</li> <li>• Benefits realisation monthly report.</li> <li>• Rolling efficiencies review.</li> </ul>

HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation in Place and actions in development
<p>poor returns from investments, failure to manage assets / liabilities or to obtain value for money from the resources deployed, and / or non-compliant financial reporting.</p>		
<p><b>Legal:</b> Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets and people (for example intellectual property).</p>	<p>CR075 Failure to assure that staff are complying with the requirements of the HASAW Act 1974 and Management of H &amp; S Regulations and associated legislation.</p>	<ul style="list-style-type: none"> <li>• Strategic Safety Committee.</li> <li>• Thematic Health &amp; Safety risk register reporting to Strategic Safety Committee quarterly.</li> </ul>
<p><b>Commercial:</b> Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and / or failure to meet business requirements / objectives.</p>	<p>CR074 Supply chain disruption</p>	<ul style="list-style-type: none"> <li>• Assessing status of projects / works and corresponding risk register.</li> <li>• Regular engagement with contractors to identify 'issues' at earliest opportunity.</li> <li>• Programme adjustment / consideration.</li> </ul>
<b>5 x risk de-escalated to local risk registers</b>		
<p><b>Reputational:</b></p>	<p><b>November 2021:</b></p> <ul style="list-style-type: none"> <li>○ CR068 Failure to effectively manage Apprenticeships resulting in inefficient practices and failure to capitalise on benefits of levy.</li> </ul>	<ul style="list-style-type: none"> <li>• De-escalated to Service Delivery Resilience risk register.</li> <li>• Apprenticeship Manager recruited.</li> </ul>

HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation in Place and actions in development
<p><b>Safety:</b></p> <p><b>People:</b></p> <p><b>People:</b></p>	<p><b>January 2022:</b></p> <ul style="list-style-type: none"> <li>• CR058 Failure to identify organisational learning and respond to consultation / changes to complex buildings.</li> <li>• CR061 Failure to undertake adequate workforce planning in respect of number of firefighters due to retire before 1st April 2022.</li> <li>• CR071 Lack of assurance for 3 yearly medicals that staff are fit to carry out their duties at an operational incident.</li> </ul>	<ul style="list-style-type: none"> <li>• De-escalated to Service Delivery Response risk register.</li> <li>• De-escalated to People Services risk register.</li> <li>• De-escalated to People Services risk register.</li> </ul>
<p><b>People:</b></p>	<p><b>February 2022:</b></p> <ul style="list-style-type: none"> <li>• CR057 Covid 19 results in significant staff absences.</li> </ul>	<ul style="list-style-type: none"> <li>• De-escalated to Service Improvement risk register.</li> </ul>
<b>Risk Categories with no current corporate risks</b>		
<p><b>Operational:</b> Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money</p>		
<p><b>Business Change / Project / Programme:</b> Risks that change programme and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time cost and quality.</p>		
<p><b>Strategy:</b> Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g. political, economic, social, technological, environment and legislative change) and changing micro-environment (competing strategic perspectives)</p>		

Corporate Risk Register V40 8 February 2022

V40 Corporate Risk Register – border colour indicates net risk score – 18 corporate risks:

- 1 x high risk CR079

CR079 Inability to assure ourselves that the Home Fire safety data created, held and reported on is correct

- 17 x medium risks

CR035 Failure to agree performance measures & inability to fully & immediately report against agreed measures which may reduce the ability to make informed decisions	CR044 Cyber-attack on ICT services causes sustained ICT outage	CR055 Failure to report & learn from events and take corrective action to prevent foreseeable accidents	CR062 Failure to operate an effective Information Governance framework.	CR064 Failure to provide demonstrable consistent standards in FF competence	CR066 Failure to adequately plan and implement recruitment and promotion processes	CR070 Failure to operate an effective risk assessment framework.	CR074 Supply chain disruption	CR077 Industrial action, including withdrawal from voluntary agreements to do non-contractual working.
CR037 Physical loss of ICT services causes sustained ICT outage.	CR050 Failure to agree actions to set a balanced budget in 2022/2023, further exacerbated by reduced council tax and business rates as a result of Covid impact on the economy.	CR056 Failure to ensure that fleet and equipment is available and is fit for purpose	CR063 Failure to deliver Environmental Strategy and action plan	CR065 Cyber-attack or accidental loss leads to data breach of sensitive operational and/or personal data	CR069 Structure and culture of HR function does not support the needs of the organisation	CR073 Failure to assure that staff read and understand risk critical messages and apply required changes	CR075 Failure to assure that staff are complying with the requirements of the HASAW Act 1974 and Management of H&S Regulations and associated legislation	submitted to HMI is correct

CR079 High risk added to corporate risk register 8 February 2022

