REPORT REFERENCE NO.	**AGC/22/16**
MEETING	**AUDIT & GOVERNANCE COMMITTEE**
DATE OF MEETING	**29 NOVEMBER 2022**
SUBJECT OF REPORT	**CORPORATE RISK REGISTER**
LEAD OFFICER	**DIRECTOR OF GOVERNANCE & DIGITAL SERVICES**
RECOMMENDATIONS	***That the report be noted.***
EXECUTIVE SUMMARY	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. The Corporate Risk Register sets out risks and mitigation to ensure that risk is managed appropriately and proportionately.
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	Appendix A – Risk management framework Appendix B – Corporate Risk Register by risk category V48 Appendix C - Sharpcloud risk register view V48
LIST OF BACKGROUND PAPERS	Audit & Governance Committee 7 March 2022 – Corporate Risk Register Audit & Governance Committee 8 October 2021 – 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.

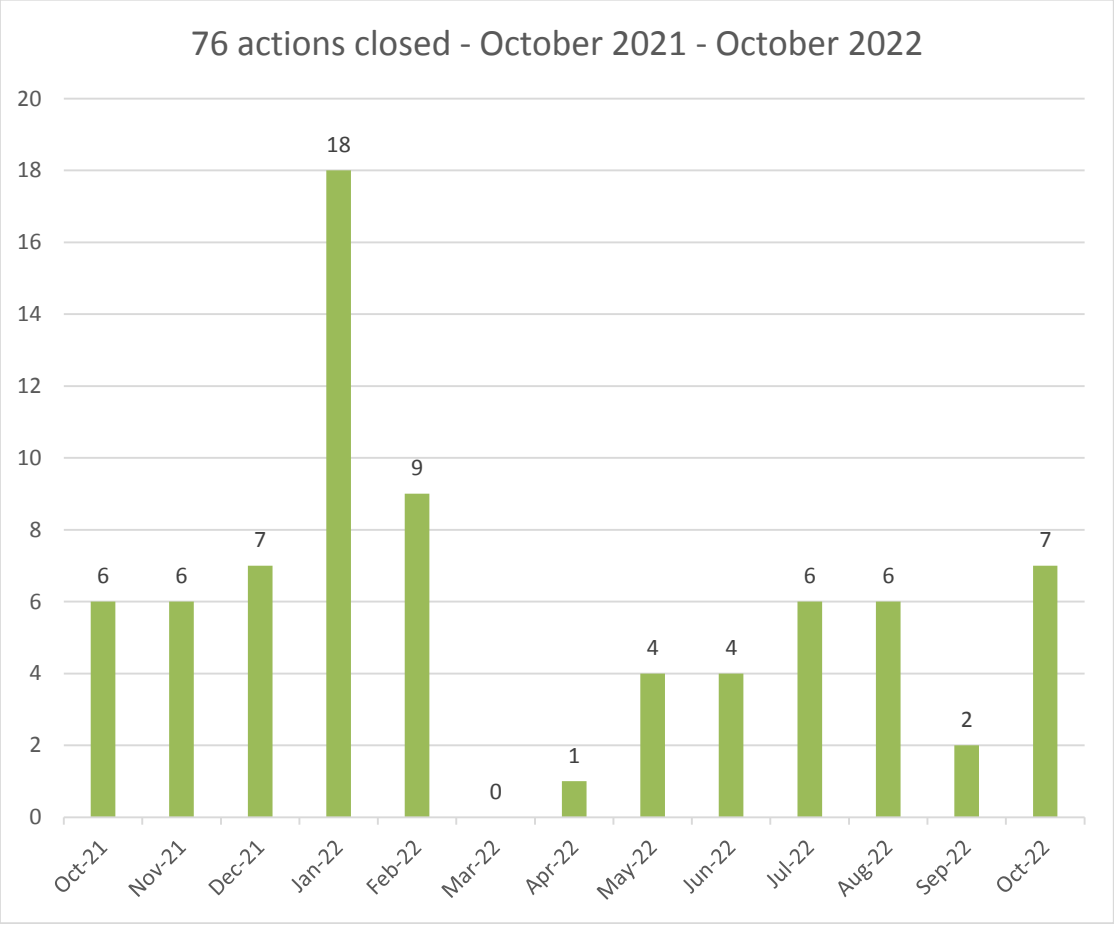
2.2. Risk management is the process by which risks are identified, assessed, recorded, mitigated and reviewed. A risk is the threat that an event or action will adversely affect the ability to achieve our objectives. This Risk Management Framework sets out responsibilities for the management of risk 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 of this report.

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 three risks escalated from local risk registers, three 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 of this report 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 details of high and medium risks.

2.6. Over the last twelve months, 76 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's Executive Board is satisfied with the adequacy of the risk mitigation progress.

3. CORPORATE RISKS ADDED SINCE THE LAST REPORT TO THE COMMITTEE

3.1. The Executive Board agreed to add the following risks to the corporate risk register:

- July 2022: CR080 Failure to create a diverse and inclusive workforce.
- July 2022: CR081 Failure to operate appropriate trading company governance arrangements.
- August 2022: CR055 (SSC 005) Failure to thoroughly investigate & learn from safety events and take corrective action to prevent foreseeable reoccurrences.

3.2. The Executive Board also agreed to amend the following risks on the corporate risk register:

- September 2022: Increased the likelihood score for risk CR070 (failure to operate an effective risk assessment process) from 3 to 5, thereby increasing the risk level from medium to high risk.
- September 2022: Increased the likelihood score for risk CR079 (inability to assure ourselves that Home Fire Safety data created, held and reported on is correct) from 3 to 5, thereby increasing the risk level from medium to high risk.

4. RISKS DELEGATED TO LOCAL RISK REGISTER

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

- March 2022: CR037 Physical loss of ICT services causes sustained ICT outage.
    - February 2022 the risk owner reviewed the risk and recommends de-escalation to ICT risk register due to actions completed:
        - DSFRS Digital strategy adopts a strategic move to cloud for ICT services.
        - Cloud based backup and data replication deployed that reduces recovery time.
        - Backups held offsite.
        - Regular meetings between Business Continuity (BC), Information Governance (IG) and Information & Communications Technology (ICT)CT management leads.
        - Business continuity impact assessment and Information Governance information asset register have been combined into one document. ICT system restoration plan available and regularly reviewed by BC, IG and IC T management. Two data centres in place. The next strategic horizon scan meeting is planned to exercise cyber-attack with Executive Board and Service Leadership Team (ELT), date to be confirmed.

- April 2022: CR055 Failure to report and learn from events and take corrective action to prevent foreseeable accidents.
    - Actions completed and Safety event management system rolled out February 2022.
    - Consultants supporting Health and Safety plan to work towards an engaged safety culture.
- July 2022: CR064 Failure to provide demonstrable consistent standards in Fire Fighter competence
    - Evidence to support de-escalation of risk is provided through an updated report from the Operational Assurance team to the risk owner. This report identifies that in the last 3 years:
        - of 816 incidents monitored by an Operational Assurance, 796 incidents reported that the Incident Commander was identifiable by wearing a tabard or armband.
        - the appropriate level of resources was requested for 760 incidents with 15 incidents resourced to an inappropriate level.
        - decision controls were observed as used during 734 incidents with 34 occurrences of them not being considered.
        - plans were created, communicated, and reviewed regularly. The plan was initiated and communicated during 764 incidents with only 8 incidents where it was not. Plans were reviewed and adjusted at 756 incidents and not at 14 incidents.
        - spans of control were at an appropriate level during 611 incidents but not manageable during 10 incidents.
        - Safety Officers were utilised during 170 incidents. For 30 Incidents it was felt they were required but not implemented, and 547 incidents not a required role.
        - there were 15 incidents where the cordons were either not established or effective. A further 360 incidents had effective cordons in place.
        - there were 733 incidents with correctly positioned appliances and only 16 occurrences of inappropriately placed appliances.
        - 733 incidents recorded as effective comms and 26 incidents where comms were not as effective.
        - effective multi-agency working was in place during 380 incidents. There have been 19 recorded incidents of ineffective joint working. 410 incidents have declared the subject as not applicable.

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. Over the last six months, the ELT have met every two months to consider future key risks, milestones and changes. The outputs inform corporate risk reports and planning. The latest session was held on 15 September 2022. The meeting focused on topics noted below and how they could impact the Service.

- Geopolitical / global risks, strategic supply chain
- Strategy, development of target operating model, robust planning and strategy aligned with HMI direction
- Severn Park closure
- Legislative changes such as Building Safety Regulator
- Clinical Governance and transporting patients would require new burdens funding
- New dimensions 2, access to air support
- Economic stability and cost of living crisis, escalating energy bills
- Environmental agenda, renewable energy sources, northwards people migration
- Lithium ion batteries
- Biological risks Artificial intelligence, self-drive vehicles, drones.

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 slowdown 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.[1]

Top 10 Risks in the Next 3 Years

6. COVID & CORPORATE RISK REGISTER INTERDEPENDENCIES

6.1. As a consequence of the changes to the Government's Covid-19 protocols the Service moved out of Business Continuity Covid response phase to business as usual. Risk CR057 Covid 19 results in significant staff absences, was de-escalated February 2022.

6.2. 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 March 2022 and October 2022.

7. HEALTH AND SAFETY THEMATIC RISK REGISTER

7.1. On the corporate risk register there are five 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.

[1] 9. Increasing Competition - 2021 Global Risk Management Survey (aon.com)

7.2. The strategic health and safety thematic risk register workshop is chaired by CFO Howell, 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.

7.3. In the previous six months, April 2022 to October 2022, two risks were escalated to the Corporate Risk Register, namely:

- CR070 (SSC002) Failure to operate an effective risk assessment framework; and
- CR055 (SSC002) Failure to thoroughly investigate and learn from safety events and take corrective action to prevent foreseeable recurrences.

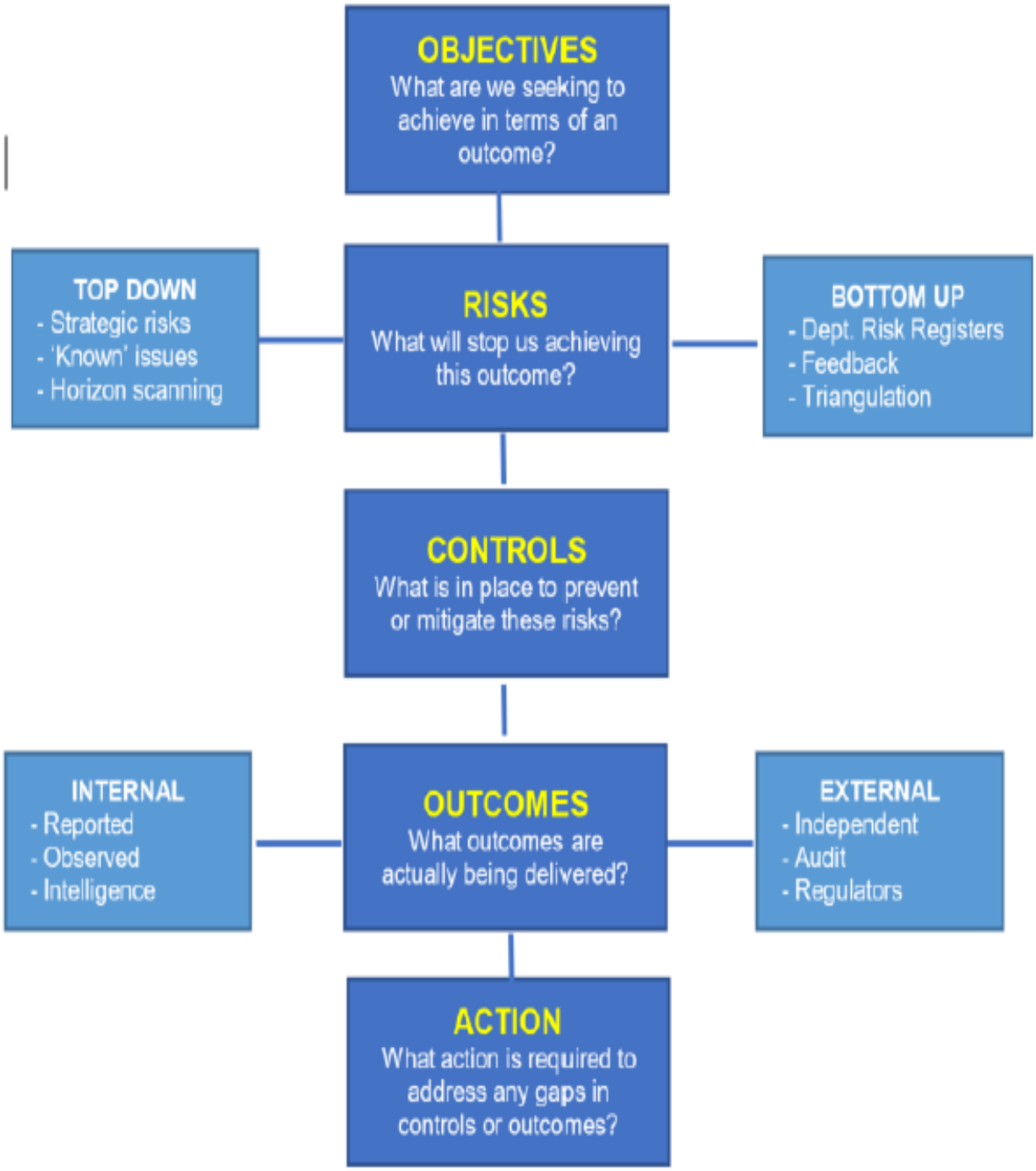
8. NEXT STEPS

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, the date to be confirmed when the calendar of meetings is agreed by the Fire & Rescue Authority.

MIKE PEARSON
Director of Governance & Digital Services

APPENDIX A TO REPORT AGC/22/16

Risk Management Framework



APPENDIX B TO REPORT AGC/22/16

Corporate Risk Register March 2022 v41 - October 2022 V48

The Service corporate risks are aligned to His 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.

HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation
Five high risk – EB monitor monthly		
Safety: 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.	CR055 (SSC003) Failure to thoroughly investigate and learn from safety events and take corrective action to prevent foreseeable occurrences. Re-escalated August 2022. CR070 Failure to operate an effective risk assessment framework.	• H&S team working with contractor to develop campaigns to address identified areas of improvement • H&S cultural survey September 2022 • Strategic risk assessment process. • Health and Safety monitor effectiveness of risk assessment process.
Information: Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.	CR079 Inability to assure ourselves that the Home Fire Safety data held and being submitted to HMICFRS is correct. (increased likelihood score from 3 to 5, medium to high risk)	• Home Fire Safety system review. • Options appraisal report.
People: Risks arising from ineffective leadership & engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity & capability, industrial action, and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.	CR080 Failure to create a diverse and inclusive workforce	• Diversity & inclusion action plan

HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation
Governance: Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.	CR081 Failure to operate appropriate trading company governance arrangements	• Review of governance arrangements.
13 medium risks - EB monitor quarterly		
Safety: 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.	CR056 Failure to ensure that fleet and equipment is available and is fit for purpose. CR073 Failure to assure that staff read and understand risk critical messages and apply required changes	• Phase 1 equipment review completed. • Phase 2 progressing. • Procurement of new vehicles in progress: ALP, MRP 4x4. • Risk critical messages issued with electronic acknowledgement. • Operational assurance monitoring process.
Governance: Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.	CR035: Failure to agree performance measures & inability to fully and immediately report against agreed measures which may reduce the ability to make informed decisions.	• InPhase performance, planning and risk management system.
Information: Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.	CR062: Failure to operate an effective Information Governance framework.	• MS365 rolled out. • Development of records and document management system.
People: Risks arising from ineffective leadership & engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity & capability, industrial action, and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.	CR066 Failure to adequately plan and implement recruitment and promotion processes. CR069 People structure does not support the needs of the organisation.	• Workforce planning group. • Workforce planning reports. • Key elements of HR transformation plan implemented: HR business partners, Welfare capability, additional posts.

HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation
	CR077 Industrial action, including withdrawal from voluntary agreements to do non-contractual working.	• Business continuity framework & plans. • Business continuity governance arrangements. • Desktop exercises and debrief reports.
Reputational: 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.	CR063 Failure to deliver Environmental Strategy and action plan	• Maintenance of environmental strategy.
Security: 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.	CR044 Cyber-attack on ICT services causes sustained ICT outage. CR065 Cyber-attack or accidental loss leads to data breach of sensitive operational and/or personal data.	• Protective monitoring system implemented. • Business continuity plans and system resilience established. • MS365 rolled out. • Maintenance of Digital roadmap. • Protective monitoring system implemented. • Business continuity plans and system resilience established. • MS365 rolled out. • Maintenance of Digital roadmap.
Financial: Risks arising from not managing finances in accordance with requirements and financial constraints resulting in 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.	CR050 Failure to agree and set a balanced budget in future years, further exacerbated by reduced council tax and business rates and inflation. Risk description changed 10 May 2022.	• Value for money assessment completed. • Benefits realisation monthly report. • Rolling efficiencies review.

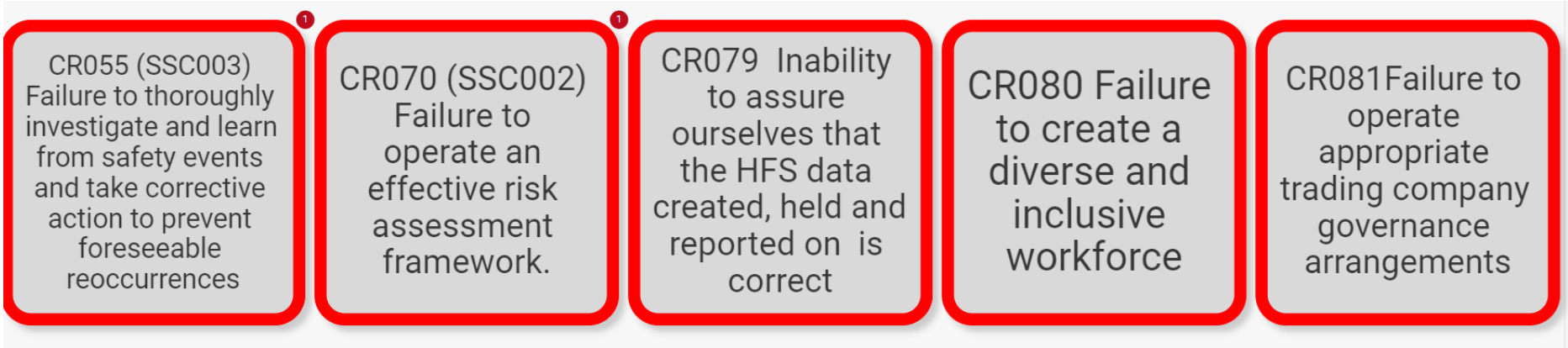
HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation
Legal: Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets and people (for example intellectual property).	CR075 Failure to assure that staff are complying with the requirements of the Health and Safety at Work Act 1974 and Management of Health & Safety Regulations and associated legislation.	• Strategic Safety Committee. • Thematic Health & Safety risk register reporting to Strategic Safety Committee.
Commercial: 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.	CR074 Supply chain disruption	• Assessing status of projects / works and corresponding risk register. • Regular engagement with contractors to identify 'issues' at earliest opportunity. • Programme adjustment / consideration.
Four risks de-escalated		
Technology: Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.	CR037 Physical loss of ICT services causes sustained ICT outage. De-escalated March 2022 v41	• Business continuity plans and system resilience established. • MS365 rolled out. • Maintenance of Digital roadmap.
Safety: 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.	CR055 Failure to report and learn and take corrective action to prevent foreseeable accidents. De-escalated April 2022 v42	• Safety Event Management System (SEMS). • Safe To interventions. • Occurrence review group.

HM Treasury Orange Book Risk Category	DSFRS Corporate Risks	Risk Mitigation
People: Risks arising from ineffective leadership & engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity & capability, industrial action, and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.	CR064 Failure to provide demonstrable consistent standards in firefighter competence. De-escalated June 2022 v44	• Professional, Safe and High Performing' report; transformation of 6 themes: o Station based training o Setting standards o Audit & assessment o Central training/Training for Competence o Role Development o Service Support
Risk Categories with no current corporate risks		
Operational: 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		
Business Change/ Project / Programme: 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.		
Strategy: 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)		

Corporate Risk Register V48 11 November 2022

V49 Corporate Risk Register – border colour indicates net risk score – 18 corporate risks:

- 5 x high risks. Increase of 4 from previous report March 2022.



- 13 medium risks. Decrease of 3 from previous report March 2022.