

13. Risk Management Strategy and Strategic Risk Register

Purpose of report

1. To consider and recommend the revised Risk Management Strategy and Policy and the live Strategic Risk Register for approval by the Authority.
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Recommendation

The Audit Committee recommends that the revised Risk Management Strategy and Policy and the live Strategic Risk Register be approved by the Authority.

Introduction and Background

2. Through the Fire Authority's Governance arrangements a systematic strategy, framework and processes to manage risk are in place. An assessment of the effectiveness of these arrangements is reviewed and published regularly. Risk Management is a key objective and active part of the Fire and Rescue Service.

Risk Management Strategy and Policy

3. The overall objective of this revised strategy is to ensure that the Authority identifies strategic risks and applies the most cost effective control mechanisms to manage those risks. This ensures they are eliminated or reduced to an acceptable level and that systems are in place to monitor and report. The Strategic Risk Register is then prepared to identify controls which mitigate the inherent identified risks. The residual risk demonstrates the revised risk assessment as a result of the action taken and any opportunities that have been identified.

Strategic Risk Register

4. The reviewed and updated Strategic Risk Register consultation took place with Principal Officers and was shared with Mr. Peter Watts, Risk Management Member Champion and Group Leaders. The Strategic Risk Register was then considered by the Audit Committee on 28 September 2011, who have recommended it for FRA approval.
5. The overall responsibility for ensuring risks are managed effectively lies with the Authority as advised by the Service. The live Strategic Risk Register outlines to Members the risk scoring for both likelihood and impact. A number of changes are recommended to the document, which reflects the National, Regional and Local perspective. Both Members and Officers recommend that the Register continues to be split into Strategic, Operational, Regulatory, Financial, Reputational and Environmental risks.

6. Based upon the revised scores it is pleasing to report the direction of travel for Strategic Risk for 2011/12 continues moving downwards. It is suggested from the information gathered this is a result of stronger management at the top level, continuity and improved control mechanisms. It is highlighted that due to the current economic climate there is still potential for some key suppliers to encounter difficulties within the market place, which may have an impact on the Service.
7. Two risks that have been identified as red are:
 - Risk 17 - Ineffective contingency in the event of an emergency under the Civil Contingencies Act (2004) due to potential industrial action and the recent civil disturbances.
 - Risk 23 - Change in economic and/or political environment causing reduction in real terms of grants etc whilst is scored red the residual score has gone down.
8. The Strategic Risk Register reflects both the updated National Risk Register which is intended to capture the range of emergencies that may have a major impact on all, or significant parts of, the UK. The National Register drives the Community Risk Register held by the Local Resilience Forum (LRF) and is recognised in the Service's live Strategic Register.
9. From a Service perspective the live Strategic Risk Register acknowledges departmental, project and partnership risks. The Director of Corporate Services will escalate any outstanding exposures where necessary to SMB who will report to Audit Committee and the Risk Management Member Champion.
10. These strengths are demonstrated in the successful achievement of Corporate, Strategic and Operational objectives and using risk management to identify opportunities. Whilst pursuing those objectives and embedding corporate risk, it is now an integral component of effective Corporate Governance.

Conclusion/Summary

11. The Authority's live Strategic Risk Register will be monitored and updated on an ongoing basis with exception reporting to Senior Management Board Members and will be formally reported to Members annually, with significant changes being reported to the Audit Committee in a risk update.
12. Following approval from the Authority, the information from the Strategic Risk Register will be incorporated into Corporate Planning, highlighting any resilience issues through the management of Business Continuity in compliance with the Civil Contingencies Act (2004).

Financial Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are financial issues that require consideration	Yes	Strategic Risk Register Paragraph 7

Legal Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	Yes	Strategic Risk Register Paragraph 7

Additional Considerations

13. The table below sets out any additional issues arising from the proposals contained in this report and identifies the relevant paragraphs in the report where such issues are addressed.

Consideration	Yes/No	Reference in Report i.e. paragraph no.
Resources (e.g. Assets, ICT, Human Resources, Training & Development, Sustainability).	Yes	Strategic Risk Register Paragraph 7
Strategic Policy Links (e.g. IRMP, Authority Plan, Equality & Diversity, Partnerships, Environmental Impact).	Yes	Strategic Risk Register Paragraph 8
Risk Management / Health & Safety (e.g. risk management and control measures, risk register score).	Yes	Strategic Risk Register Paragraph 7, 8
Consultation with Representative Bodies	Yes	Strategic Risk Register Paragraph 7

Supporting Information

Appendix 1 – Revised Strategic Risk Register

Appendix 2 – Risk Management Strategy & Policy

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