

Essex Fire Authority

Essex County Fire and Rescue Service



MEETING	Audit, Governance and Review Committee	AGENDA ITEM	9
MEETING DATE	18 January 2017	REPORT NUMBER	EFA/011/17
SUBJECT	Corporate Risk Register		
REPORT BY	Finance Director & Treasurer		
PRESENTED BY	Finance Director & Treasurer - Mike Clayton		

SUMMARY

This paper reviews the corporate risk register for the Fire Authority identifying the potential causes and impacts of these risks together with the current status of the associated controls.

RECOMMENDATIONS

It is recommended that Members review the risk register and agree any further actions to be taken to mitigate against the likelihood or impact of corporate risks.

BACKGROUND

The key underlying risks to the Authority remain unchanged for earlier years. What is changing are the potential triggers for these risks and, to a lesser extent, the impact of the risks occurring. The key risks (and opportunities) are:

- **Loss of funding** - If we have a large or unexpected loss in our income or cash there is a risk that we will have to reduce the level of prevention, protection and response services we provide to our communities;
- **Loss of resources** - If we have a significant failure, loss or reduction of our physical infrastructure or resources (including our people) there is a risk that we will not deliver the same level of prevention, protection and response services to our communities;
- **Loss of reputation** - If there is a loss of public or stakeholder confidence in the Service there is a risk that we will not be able to engage effectively with our communities, which will impact on our ability to deliver our services;
- **Governance failure** - If our governance processes are ineffective there is a risk that we may not be able to engage effectively with partners or we may misalign resources to need and may compromise safety in the delivery of our services to our communities;

- **Management Failure** - If we do not have motivated and engaged people with the right skills and competencies there is a risk that we will be unable to innovate and deliver safe and effective services to our communities; and
- **Innovation Opportunity** If we are able to react in an agile way to changes in our environment there is an opportunity to identify new and effective ways to deliver our services.

Recent changes to triggers include the proposed governance changes for the Service, the risk to future government funding post Brexit and the potential impact if pay rates for key roles move significantly away from market rates.

APPROACH TO RISK MANAGEMENT

The Authority uses the “bow tie” method to identify the potential causes of risks and their impacts, together with the associated controls. Using this approach a number of key risks and opportunities have been identified and the most significant potential causes and impacts assessed. Risks are scored using a 5 by 5 matrix which assesses the likelihood of the risk occurring and the consequences if it does.

The two scores are multiplied to give both the target risk assessment and the current assessment of the risk. Where the current risk assessment is above target for a risk (or below target of an opportunity) then this indicates that either existing control measures are not yet fully implemented and effective, or additional control measure may be required for a new trigger.

Likelihood

Level	Descriptor	Measure
1	Rare	The event may occur in exceptional circumstances
2	Unlikely	The event may occur infrequently
3	Possible	The event may occur at some time
4	Likely	The event is expected to occur
5	Almost Certain	The event will occur in most circumstances

Impact (Examples)

Level	Service Impact	Financial Impact	Safety Impact
1	Insignificant	Financial loss <£25k	No injuries
2	Minor	Financial loss >£26k <£100k	Minor injuries
3	Moderate	Financial loss >£101k <£250k	Serious injury
4	Significant	Financial loss >£251k <£500k	Severe or multiple injuries.
5	Major	Financial loss >£501k	Loss of life or long term hospitalisation.

The risk register is provided in Appendix1.

RISK MANAGEMENT IMPLICATIONS

The risk management implications are set out in the paper.

FINANCIAL & USE OF RESOURCES IMPLICATIONS

The financial implications are primarily associated with the risk appetite assumed. For example, to ensure that the Authority is able to receive calls and mobile appliances back-up systems and alternative sites for mobilisation are available. These arrangements have to be tested so that there is assurance that they will work if needed. These arrangements add to the authority's costs. The cost burden would not be as great if the risk appetite was greater.

LEGAL, ENVIRONMENTAL AND EQUALITY IMPLICATIONS

There are no direct legal, environmental or equalities implications from the decisions in this paper.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper: Appendix 1 – Risk Register	
List of background documents (not attached):	
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