

Essex Fire Authority

Internal Audit Report (9.14/15)

FINAL

Risk Management

3 July 2015

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1 Executive Summary

1.1 Introduction

An audit of Risk Management was undertaken as part of the approved internal audit periodic plan for 2014/15. During the course of our audit, we reviewed the overall risk management framework including strategy documents, policies and procedures, and key reporting forums. We also conducted a review of departmental, corporate and project-level risks to determine whether controls were in place to adequately identify, evaluate, record and monitor risks and control activities.

The risk management process is managed by the Corporate Risk and Business Continuity Department. The department is headed by a Corporate Risk and Business Continuity Manager who is supported by a Risk Support Officer. The Risk Support Officer role was vacant until March 2015 and the post holder is expected to play an active role going forward to ensure that risk management activities are completed in line with policy at all levels of the organisation.

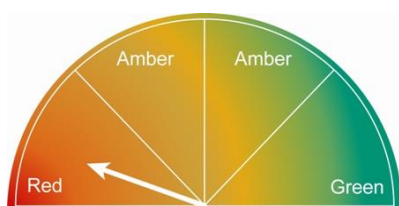
Risk management policies and procedures are documented in three documents: the Risk Management Policy Statement, Risk Management Strategy and Risk Management Guidance. These documents were recently revised and simplified by the Risk and Business Continuity Manager. The three documents are available to all risk and control owners.

The Service uses JCAD Risk Software to record and evaluate risks and control activities. The software also has sufficient functionality to record assurances, but as we have noted below, this function is used inconsistently by the different departments. There is also a poor understanding across most departments regarding the correct way to record risk and control descriptions, although the documents referred to above give guidance in this respect.

1.2 Conclusion

Taking account of the issues identified, the Authority cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

Action needs to be taken to ensure this risk is managed.



We note that progress to improve the Risk Management process since our previous audit report has been hampered due to the Risk and Business Continuity Manager taking on additional responsibilities to manage industrial action, and the transfer of the Risk Support Officer to another department for an extended period. This lack of available resource to manage the risk management process has contributed to the number of new and restated recommendations in this report.

Further, we have noted a number of issues which have impacted on the opinion below. Specifically, the quality of risks and controls documented within the registers, in addition to the lack of review, challenge and scrutiny of the corporate risk register by the Senior Management Board.

The above conclusions feeding into the overall assurance level are based on the evidence obtained during the review. The key findings from this review are as follows:

Design of control framework

The following controls were deemed to have been designed adequately:

- The Service has a Risk Management Policy, Strategy and Guidance manual. The strategy and guidance documents detail the processes to be used to ensure the Authority can use efficient risk management techniques to contribute to effective corporate governance.

- The Service uses JCAD, a risk management database, to record and monitor risks and control measures. Each risk owner has access to the system together with the Risk & Business Continuity Manager and the Risk Support Officer.
- Training material exists for the JCAD database, consisting of both in-house and developer user manuals.
- On a cyclical process, risk owners review and update their risks. The frequency of review is determined by the risk impact and likelihood scores. JCAD allows review periods to be set for each risk, ranging from weekly to annually, with a default quarterly setting. Standard review period settings are detailed in the Risk Management Guidance.
- The Risk Management Guidance document includes a section explaining the correct way to identify and describe a risk.
- Control measures are recorded in JCAD, including a summary control title and the option to include further control details in a secondary description field.
- The responsibilities for risk management and managing individual risks have been established within the Risk Management Strategy, within JCAD, and assigned within risk management reports. The Fire Authority receives a copy of the risk register for review on an annual basis. We have noted one issue with the application of the control framework which is detailed in the subsequent section.

In the course of our review, we identified six issues with the design of the control framework. These issues have resulted in **two medium priority** recommendations and one low priority recommendation, which are detailed in the Action Plan and Findings and Recommendations sections that follow.

- We noted in discussion with control owners that assurances are not adequately documented in JCAD. We also noted that there was not a consistent understanding amongst control owners about how assurances should be obtained, documented and reported, and that there was no documented procedure in place that would assist them. If assurances are not consistently obtained, documented and reported to an appropriate level of the organisation, there is a risk that controls are not sufficient to manage the identified risks.

Medium

- JCAD has separate tabs to record project risks, but individual Project Managers are using personal systems such as excel spreadsheets to monitor risk. The Risk Management Strategy stated that Project Managers had the responsibility to conduct risk assessment(s). However it did not state that risk registers should be managed through JCAD, and as a result there is a risk that the Authority will not have sight of all risks and that not all risk registers are in place and being monitored.

We have also identified one issue with the design of the control framework leading to **one low priority** recommendations, which is fully detailed in the Action Plan and Findings and Recommendations sections that follow.

Application of and compliance with control framework

Testing confirmed that the following controls were adequately complied with:

- We reviewed the risk management policy and guidance documents to confirm they were fit for purpose, and have made some recommendations elsewhere in this report regarding their content.
- From our review of the JCAD system and confirmed it included sufficient functionality to fulfil the requirements of an effective risk register
- We reviewed the JCAD training manuals, noting they were user friendly, covered all key areas of the system, and were consistent with the Risk Management Guidance documents.
- We verified that the Risk Management Strategy sets out key risk management responsibilities at each level of the organisation. We also verified throughout our work that risk and control owners have been identified for every risk and control.

However, testing undertaken during this review identified eight issues with the application of and compliance with the control framework, which have resulted in **six medium priority** and two low priority recommendations:

- Out of a sample of 15 risks, including both departmental- and corporate-level risks, the frequency of review set in JCAD for 3/15 of the risks was less frequent than required by the Risk Management Guidance. In addition, the review date for 3/15 risks had expired without the risks being reviewed. If the frequency of review set in JCAD is not in line with the Risk Management Guidance, there is a risk that the frequency of review will not be proportionate to the risk score; and if the reviews are not performed, there is a risk that the scores will be incorrect and that controls will not be working to effectively mitigate the risk. **Medium**

- For the same sample of risks, we noted that the risk descriptions in JCAD for 12/15 of the risks were not actual risk descriptions, but referred to departmental issues or impacts. This is not in line with the Risk Management Guidance and leads to the risk that risks are improperly identified and therefore not controlled. **Medium**
- We reviewed a sample of 15 control descriptions and noted that in all cases the descriptions were too brief and did not describe either the activities undertaken or how they contribute to manage the risk. In discussion with one control owner, we noted she did not understand the control description herself. If control descriptions are not sufficiently detailed, and do not describe how they manage the risk, there is a risk that the controls in place will be inadequate to manage the risk and difficult to review. **Medium**
- We noted in discussion with project managers and review of project updates, that project risk scores do not follow the policy laid down in the risk management guidance. If a consistent method of scoring risk is not used across the organisation, there is a risk that project risks are not properly managed. **Medium**
- Through inspection of the risk report presented to the Fire Authority in February 2015, we noted that the RAG risk rating used did not agree with the ratings given in the Risk Management Guidance. If different systems are used to demonstrate the level of risk, there may be different perceptions of the amount of risk that could impact the Service and the Authority. **Medium**
- Through inspection of the Strategic Management Board and Strategic Delivery Board (SDB) meeting minutes, we noted that discussion of risk was mostly at project- and programme-level, with little or no discussion of departmental or corporate risk registers. We also noted that the overall responsibilities of the Strategic Management Board in the Terms of Reference referred only to the criteria for the escalation of project and programme risks. No risk assurance reports were presented to either Board. If the responsibilities of the Board with respect to the wider risk management framework are not clearly defined, there is a risk that it will not meet its objectives effectively. This has resulted in **two Medium** priority recommendation.

1.3 Scope of the review

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. When planning the audit, the following limitations were agreed:

Limitations to the scope of the audit:

- Our findings do not provide assurance that every risk on the risk register is being effectively controlled.
- We have not given assurance that all risks have been identified, or that all assurances used within the risk register are positive.
- We have not commented on the Authority's risk appetite definition but have confirmed whether it has been defined and clearly communicated.
- The scope of this work was limited to those areas examined and reported upon in the areas for consideration in the context of the objectives set out in for this review. It should not, therefore, be considered as a comprehensive review of all aspects of non-compliance that may exist now or in the future.
- Any testing undertaken as part of this audit will be compliance based and sample testing only.
- Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

The approach taken for this audit was a Risk-Based Audit.

1.4 Recommendations Summary

The following tables highlight the number and categories of recommendations made. The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them.

Recommendations made during this audit:

Our recommendations address the design and application of the control framework as follows:

	Priority		
	High	Medium	Low
Design of control framework	1	1	0
Application of control framework	0	6	1
Total	1	7	1

Recommendations implemented since the previous audit in this area:

Date of previous audit: 20 May 2014			
Assurance:	High	Medium	Low
Number of recommendations made during previous audit	1	5	0
Number of recommendations implemented	0	0	0
Recommendations not yet fully implemented:	1	6	0

The medium recommendations not yet fully implemented have been reaffirmed within the recommendations made within this report the high recommendation has been partly restated as a medium recommendation. These recommendations include:

- Controls should have sufficient detail/definition to show how they prevent/mitigate risk.
- A standard definition for each pre-set description of progress status should be produced and subsequently control owners should be asked to confirm statuses are consistent with revised definitions.
- Actions to reduce risks should be appropriately detailed to enable Officers to understand what activities are required.
- Control owners should set realistic and useful review dates and must act on reminders from JCAD. The review should include the details of the control and resources required, and the status of the control and percentage complete, with assurance to support this assessment.
- The Risk Management Policy, Strategy and Guidance and JCAD should be enhanced to document a process for capturing assurances.
- The interval frequency for reviewing risks should be set in consultation with the risk owner and adhered to.
- Where the status or percentage completion of a control is amended, this should trigger a review of the scoring of risk.

1.5 Additional Feedback

Suggestions Made During the Audit

Whilst recognising it is not currently mandated that project managers use JACD to record risks consideration should be given to record project risks on JCAD in the future to ensure a consistent approach.

2 Action Plan

The priority of the recommendations made is as follows:

Priority	Description
High	Recommendations are prioritised to reflect our assessment of risk associated with the control weaknesses.
Medium	
Low	

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1	Provided the review frequencies are configured correctly in JCAD, risk owners must review their assigned risks in line with the next review dates.	Medium	Y	Clearly, managers should heed their self-imposed review dates.	31 December 2015	Individual risk and control measure owners
2	Risk descriptions should adequately state the actual risk, and follow the guidelines set down for risk descriptions in the Risk Management Guidance.	Medium	Y	In addition to that already offered, further support will be available to managers to achieve this.	31 December 2015	See above
3	Control descriptions should give sufficient detail to describe the workings of the control and how it mitigates the associated risk. There should be consistency in the description of controls across all departments.	Medium	Y	See above	31 December 2015	See above
4	The Service should ensure a documented process exists for the obtaining and recording of assurances, and that control owners are made sufficiently aware of their responsibilities in this regard. Furthermore, relevant assurances should be documented against existing risks to	High	Y	Additional training and assistance to that already provided is in hand with managers. An assurance model and narrative will be added to the risk documents for approval by	31 December 2015.	Corporate Risk & Business Continuity Manager

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	provide evidence that risks are being managed and controls are working.			the Strategic Delivery Board.		
5	Risk scoring, as documented in the Risk Management Guidance, should be applied consistently across departments and individual programmes and projects.	Medium	Y	This will be referred to managers at risk surgeries. Once this report is finalised, a summary will be provided to managers.	31 December 2015	Corporate Risk & Business Continuity Manager
6	The risk escalation procedure should be clearly documented in narrative form, and roles and responsibilities in relation to escalation should be clearly defined.	Low	Partly	V II Risk Management Strategy contains a graphic that identifies reporting and escalation, and V III at Annex C contains an action plan for risk escalation. Further narrative can be added but it remains for the human component to take action. Nonetheless, additional narrative will be added to the appropriate documentation.	31 December 2015	Corporate Risk & Business Continuity Manager
7a	The SMB should ensure that the departmental and corporate risk registers are a regular part of its agenda. Additionally the Terms of Reference should be updated to state more clearly the wider risk management responsibilities of the Board and how this relates to and supports the work of other groups such as the Strategic Delivery Board.	Medium	Y	SMB will be so advised.	31 December 2015	Corporate Risk & Business Continuity Manager

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
7b	The SDB standing agenda items should be updated to include regular reporting on the status of control measure effectiveness and discussion of risk at the corporate, departmental and project levels. Risk implications should also be included on papers issued to them.	Medium	Y	In accepting this, the matter will be referred to the Strategic Delivery Board to determine how it wishes to optimise risk reporting, given proposed changes to risk assurance.	30 September 2015	Corporate Risk & Business Continuity Manager
8	The Service should ensure that all reporting of risk includes the rating system as set in the Risk Management Guide.	Medium	Y	Project and Departmental risk management are in the course of being aligned. Existing project management risk registers will conform. This matter will be referred to managers at risk surgeries.	31 December 2015	Risk and control measure owners Corporate Risk & Business Continuity Manager

3 Findings and Recommendations

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all audit testing undertaken.

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
Area: Risk Management					
1	<p>There is an annual risk assessment process as part of the planning cycle. When developing the departmental plans and aligning them with the corporate plan, departmental managers also assess their risks in meeting those plans together with the strategic objectives.</p> <p>On a cyclical basis risk owners will review and update their risks using the JCAD system which allows review periods to be set from weekly to annually; the default setting is quarterly.</p> <p>The risk matrix in the Guidance is colour coded as follows:</p> <ul style="list-style-type: none"> • White: no review required; • Green: at least annually; • Yellow: quarterly; • Amber and red monthly, 	Yes	<p>We noted through inspection of the Risk Management Guidance (Vol III) that frequency of review is based on the risk impact and likelihood scores.</p> <p>We noted through inspection of the departmental risk registers that the colour-coding by risk score does not tie in with the colour-coding in the Guidance. This was corrected at the time of this audit,</p> <p>JCAD generates an email to the risk owner when the review is due; the owner can perform a reassessment up to a maximum of 7 days before the review date entered into JCAD.</p> <p>We inspected a sample of 15 risks across departments and noted the following:</p> <ul style="list-style-type: none"> • For three out of the 15 risks, the frequency of review set in JCAD was less frequent than that required by the Risk Management Guidance; and • For three out of the 15 risks, the 'next review date' had expired. In each instance the date was June 2014. Per discussion with the Risk Support Officer, this means that the risk had 	<p>Provided the review frequencies are configured correctly in JCAD, risk owners must review their assigned risks in line with the next review dates.</p>	Medium

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
	except for the two critical impact scores rated at 1 and 2 likelihood, which require annual review as part of the business plan.		<p>not been reviewed at its last deadline.</p> <p>If the frequency of review in JCAD is not set in line with the requirements in the Risk Management Guidance, there is a risk that they will not be reviewed on a sufficiently regular basis. Similarly, if they are not reviewed when required, there is a risk that they will be incorrectly scored.</p> <p>We noted that the Risk Support Officer role had been vacant until March 2015 and will now be responsible for following up risks with risk owners. In discussion with the Corporate Risk Manager, we noted that this is in an early stage of development, but initial emails have been circulated to departmental managers informing them that the Support Officer will be undertaking regular reviews. A formal timetable and plan for such reviews will be developed going forward.</p>		
2	<p>The Risk Management Guidance document includes a section entitled 'Risk Description' which outlines the correct way to describe a risk. The Guidance states that a risk description should refer to both the cause and impact of the risk.</p> <p>The risk management strategy describes risk as the uncertainty of outcome, whether positive opportunity or negative threat, of actions and events. The risk is assessed in respect of the combination of the likelihood of something happening, and the</p>	Yes	<p>We selected 15 risks at random from the departmental and corporate risk registers, and noted that, for 12 items in the sample, the description was not a risk description, but rather identification of a departmental issue or impact. For example, many descriptions were of the form 'failure of financial planning', which does not adequately describe what the risk actually is, therefore the controls and any mitigating action may not align to the actual risk.</p> <p>The Support Officer will be reviewing risks to ensure they are appropriate and well described, however she had only been in post for one week at the time of this review.</p> <p>Risk scoring, as noted elsewhere in this report, are not standardised across departments and projects.</p>	Risk descriptions should adequately state the actual risk, and follow the guidelines set down for risk descriptions in the Risk Management Guidance.	Medium

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
	impact or consequences which arises if it does actually happen.		Projects, in particular, tend to use a RAG rating that is completely independent of the scoring system documented in the Risk Management Guidance. Please refer to recommendation 1 within this report.		
3	Control Descriptions on JCAD consist of a basic control title and an associated control details field. As part of the role the Support Officer will be reviewing control descriptions to ensure they are appropriately worded to describe the actual control, and discuss these with the owners.	Yes	We noted in discussion with risk owners that control descriptions were not uniformly detailed across departments. In the Property Services department, for example, we noted that the description was limited to a brief title in the control record, whereas the Finance and Pay department included greater detail in the relevant description field. In discussion with one HR control owner, we noted she did not understand the control description herself. Control descriptions in general appeared too brief and did not adequately explain how the control mitigated the associated risk. Without detailed and consistent control descriptions, there is a risk that those controls documented will not be effectively mitigating the risk, potentially increasing the probability of the risk materialising.	Control descriptions should give sufficient detail to describe the workings of the control and how it mitigates the associated risk. There should be consistency in the description of controls across all departments.	Medium
4	Assurances are not effectively documented in JCAD and there is no documented procedure in place that would assist them.	No	We discussed the assurance process with four control owners, noting that there was no consistent understanding of the control review and assurance process. One of the owners did not understand the description of the control assigned to her, and was not sure what she would need to do to obtain and document an assurance. A second owner merely annotated control reviews with 'reviewed and completed' with no description of how the control was reviewed or what type or	The Service should ensure a documented process exists for the obtaining and recording of assurances, and that control owners are made sufficiently aware of their responsibilities in this regard. Furthermore, relevant assurances should be	High

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
			level of assurance was obtained. If assurances are not consistently obtained, documented and reported to an appropriate level of the organisation, there is a risk that controls are not sufficient to manage the identified risks.	documented against existing risks to provide evidence that risks are being managed and controls are working.	
5	JCAD has separate tabs to record project risks, but individual Project Managers are using personal systems such as excel spreadsheets to monitor risk.	No	<p>We noted that there were 37 projects currently set up on JCAD, although in discussion with the Corporate Risk Manager and inspection of JCAD, only 12 of these currently have risk registers associated with them. We selected a sample of five projects and noted the following:</p> <p>Workforce Transformation.</p> <p>We reviewed the programme highlight report for February 2015. This contained a section listing three risks and mitigating actions. However:</p> <ul style="list-style-type: none"> • The risks described issues impacting on the progress of the project rather than risks; • Two of the actions did not give any timescales as to completion, the third gave a date of February but stated 'if required;' and • A risk register existed on JCAD for this project, but the risks on JCAD did not agree with any of the risks in the programme highlight report. <p>Delta programme</p> <p>The programme update for March 2015 included a risk register and this included:</p> <ul style="list-style-type: none"> • Description of the risk; • Mitigating options; • Date raised; and • Owner. <p>However there was nothing within the report that explained the level of risk or risk score, and the only scoring was in relation to progress of the</p>	<p>Whilst recognising it is not currently mandated that project managers use JACD to record risks consideration should be given to record project risks on JCAD in the future to ensure a consistent approach.</p> <p>Risk scoring, as documented in the Risk Management Guidance, should be applied consistently across departments and individual programmes and projects.</p>	<p>Suggestion</p> <p>Medium</p>

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
			<p>project, not the risks.</p> <p>The mitigating options described a mixture of action and controls, although where it appears to discuss a control these are not clearly defined.</p> <p>Where actions were described there was no indication on completion dates and we noted a risk register did not exist on JCAD for the Delta Programme.</p> <p>Risk registers existed on JCAD for the remaining three selected projects: P2020; Magners and Job Evaluation.</p> <p>The Risk Management Strategy stated that Project Managers had the responsibility to conduct risk assessment(s). However it did not state that risk registers should be managed through JCAD, and as a result there is a risk that the Authority will not have sight of all risks and that not all risk registers are in place and being monitored.</p> <p>We noted in discussion with risk owners that the risk scoring for projects was not necessarily in line with the scoring matrix used in JCAD and documented in the Risk Management Guidance.</p> <p>One risk owner made the point that he felt JCAD did not have the functionality to handle project risk, and that he found his independent risk management practices were more effective.</p>		
6	<p>The Risk Management Strategy includes a diagrammatic representation of the process for escalating risks from the departmental to corporate risk registers.</p> <p>The Risk Management Guidance includes, at Annex C, a table indicating the general actions to</p>	Yes	<p>We noted through inspection of the Risk Management Strategy that the escalation process was set out in diagrammatic form, though it was unaccompanied with any narrative description. The diagram illustrates the flow of risks between the corporate and departmental registers, but does not contain sufficient information to allow the reader to determine the specific steps required escalating or downgrading a risk, or who is responsible for doing</p>	<p>The risk escalation procedure should be clearly documented in narrative form, and roles and responsibilities in relation to escalation should be clearly defined.</p>	Low

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
	be taken for each range of risk scores. These include reporting requirements which would form the basis of escalation.		so. In discussion with the Corporate Risk Manager, we noted that in practice the departmental managers are responsible for escalating a risk, and that the Strategic Delivery Board was responsible for approving the transfer of a risk between registers. However, these responsibilities were not clearly defined within the documentation, nor was there a defined procedure for escalation. Without this, there is a risk that those risks to be transferred will not be, potentially resulting in risks not being formally monitored, increasing the likelihood of the risk materialising.		
7	<p>The terms of reference of the SMB includes the responsibility:</p> <ul style="list-style-type: none"> To identify corporate risks and opportunities, review the effectiveness of control measures, identify risk management improvement plans where necessary and provide assurance that the risk mitigation and control environment remains effective; and To take decisions to address issues and risks which may prevent achievement of organisational planned performance. 	Yes	<p>We obtained and reviewed the SMB meeting minutes for October, November, January and February 2014, noting the following:</p> <ul style="list-style-type: none"> In October the Board approved the revised Risk Management Policy; In November, there was some discussion around the Risk Register, though minimal in content; and In January and February, discussion centred mostly on projects and programmes, with little or no discussion of risk management. There was no discussion of departmental or corporate risk registers. <p>We noted that the overall responsibilities of the Board in the terms of reference referred only to the criteria for the escalation of project and programme risks.</p> <p>If the responsibilities of the Board with respect to</p>	<p>The SMB should ensure that the departmental and corporate risk registers are a regular part of its agenda.</p> <p>Additionally the Terms of Reference should be updated to state more clearly the wider risk management responsibilities of the Board and how this relates to and supports the work of other groups such as the SDB.</p> <p>The SDB standing agenda items should be updated to include regular reporting on the status of control</p>	<p>Medium</p> <p>Medium</p>

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
	<p>The terms of reference for the SDB state:</p> <ul style="list-style-type: none"> Under the SDB's objectives, the Board is required to identify corporate risks and opportunities, review the effectiveness of control measures, identify risk management improvement plans where necessary, and provide assurance that the risk mitigation and control environment remains effective; Among the SDB's collective responsibilities, it is stated that it must ensure there are clearly defined criteria for escalating risks. <p>The SDB Terms of Reference are currently in draft form and yet to be approved.</p>		<p>the wider risk management framework are not clearly defined, there is a risk that it will not meet its objectives effectively.</p> <p>We reviewed the SDB Terms of Reference, noting that they clearly defined the responsibilities of the Board in relation to risk management.</p> <p>We reviewed three sets of minutes from November 2014 to February 2015;</p> <ul style="list-style-type: none"> February 2015: risks discussed in relation to Workforce Transformation, Project Delta, Project 2020; January 2015: risks discussed in relation to Workforce Transformation, MIS Replacement, Accepting Vehicles from the public for purpose of Road Traffic Collision Training; and November 2014: risks discussed in relation to Programmes/Portfolio Report, Workforce Transformation, and MIS Replacement. <p>We noted any risks discussed by the SDB were primarily at project level, and there was little discussion of the corporate risk register or of any processes in place to review the effectiveness of control measures. There were no risk assurance reports presented to the Board.</p> <p>In discussion with the Corporate Risk Manager, we noted that the SDB standing agenda should include risk implications, but that this had dropped from the agenda in circulation. A revised agenda is to be circulated going forward.</p> <p>If the SDB does not fulfil its responsibilities with</p>	<p>measure effectiveness and discussion of risk at the corporate, departmental and project levels. Risk implications should also be included on papers issued to them.</p>	

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
			respect to reviewing control measures and assurance, there is a risk that the organisational objectives at all levels will not be achieved. Please also refer to the findings in paragraph 9 below.		
8	The Fire Authority Board receive a copy of the risk register for review on an annual basis.	Yes	<p>We reviewed the risk report issued to the Fire Authority meeting in February 2015.</p> <p>The report described:</p> <ul style="list-style-type: none"> • The risk; • Initial risk score with rag rating; • Mitigating controls; and • Residual risk with RAG rating. <p>We noted that the RAG rating did not agree with the ratings given within the Risk Management Guide. In addition to the above each of the risks were demonstrated in the 'bow tie' format, this records the risk in relation to preventative controls and triggers, and against impact and mitigating controls which gives the reader more information of how the risk has been assessed and being controlled.</p> <p>If different systems are used to demonstrate the level of risk, there may be different perceptions of the amount of risk that could impact the Service and the Authority.</p>	The Service should ensure that all reporting of risk includes the rating system as set in the Risk Management Guide.	Medium

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
9	Risk implications are noted on reports to Committees and Boards. This enables members to consider those risks during discussion and when making decisions.	Yes	<p>We confirmed from a review of the following that risk implications were recorded at the end of reports for the information of the members of committees and groups:</p> <ul style="list-style-type: none"> • Authority; • Audit, Governance and Review Committee; • Policy and Strategy Committee. <p>We were informed by the Risk & Business Continuity Manager that risk implications were not recorded on papers issued to the Strategic Delivery Board.</p> <p>Without this, there is an increased risk that the implications on those risks will not be adequately reviewed and discussed, potentially impacting on decisions made by the SDB in relation to those risks.</p> <p>A recommendation has been made in paragraph 7 above.</p>		