



SCOTTISH

FIRE AND RESCUE SERVICE

Working together for a safer Scotland

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE
Report Number:	C/ARAC/04-14
Date:	11 MARCH 2014
Report By:	DIRECTOR OF FINANCE & CONTRACTUAL SERVICES

Subject:	CORPORATE RISK REGISTER UPDATE – FEBRUARY 2014
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1. PURPOSE

- 1.1 The purpose of this report is to advise the Audit & Risk Assurance Committee on the significant changes to the Scottish Fire and Rescue Service Corporate Risk Register, following a review by members of the Strategic Leadership Team.

2. RECOMMENDATIONS

- 2.1 The Committee is asked to approve the following recommendation:

- 1) that the Corporate Risk Register update as at February 2014 be noted.

3. BACKGROUND

- 3.1 The Audit & Risk Assurance Committee has responsibility for advising the Board on the strategic processes for risk, control and governance and as such the Chair of the Audit & Risk Assurance Committee provided an update on the Corporate Risk Register to the Board in November 2013.
- 3.2 The requirement to maintain a Corporate Risk Register is detailed with the Scottish Fire & Rescue Service Risk Management Policy which was presented to the Audit & Risk Assurance Committee on 16 September 2013 and subsequently agreed by the SFRS Board on 28 November 2013. The policy provides a framework through which SFRS will integrate risk management within the business processes of the organisation and outlines 4 key benefits to be delivered through the policy:
- Compliance with legislation and regulations
 - Assurance regarding the management of significant risks and uncertainty

- Improved decision making by paying full regard to risk considerations
- Efficiency and effectiveness in service delivery by providing less disruption to normal operations

3.3 To ensure the policy can provide “Assurance Regarding the Management of Significant Risks and Uncertainty” it details the process of compiling a Risk Register and Deputy Chief Officer Alex Clerk reported to the Audit & Risk Assurance Committee on 21 November 2013 on the current Register at that time.

4. SFRS CORPORATE RISK REGISTER

4.1 The Corporate Risk Register forms part of the Services overall Governance arrangements and is produced in line with the Risk Management Policy.

4.2 The risks within the register have been identified through discussion with the Audit & Risk Assurance Committee and members of the Strategic Leadership Team. The register is reviewed regularly by SLT members and reported to the Audit & Risk Assurance Committee.

4.3 In line with the Risk Management Policy the Corporate Risk Register identifies a number of different components:

- A description of the risk;
- The consequence of the risks impacting upon the organisation;
- An initial assessment where no controls have been adopted;
- Identification of controls currently in place;
- A reviewed assessment with controls in place; and
- Additional management actions still to be undertaken.

4.4 The Corporate Risk Register Dash Board is attached in Appendix 1 to this report. The Dash Board provides a summary of the Corporate Risks, outlining the risk, the current assessment and any movement of the assessment following review. The register has been reviewed by the SLT since it was last reported to the Committee and identifies 29 risks with the top three risks relating to:

- Failure to meet statutory obligations under the Fire (Scotland) Act 2005, Health & Safety at work legislation, Environmental legislation and Equality legislation;
- Ineffective succession planning for management and Board roles;
- Insufficient staff with the appropriate skills.

4.5 Of these top three risks, one has been assessed as a high risk to the organisation – “Failure to meet statutory obligations under the Fire (Scotland) Act 2005, Health & Safety legislation, Environmental legislation and Equality legislation”.

4.6 The impact of this risk to SFRS relates to the potential for criminal or civil litigation following a breach of any of the above legislation. An example of this in relation to H&S legislation would be criminal prosecutions, brought by the Crown Office and Procurator Fiscal, arising following an incident where an injury is incurred. Whilst the event may be unforeseen, and all reasonable controls are in place, the financial or reputational impact to the organisation means that this remains a high risk to SFRS.

4.7 Following the review in February 2014 3 risks have had their current risk ratings changed and these are outlined below, together with the rationale for the revision:

- Temporary loss of workforce (P2);
- Failure to have robust information governance arrangements in place (RG17);
- Prevention strategies fail to impact performance targets (RG25).

4.7.1 Temporary loss of workforce (P2)

In relation to the potential threat of industrial action significant work has been undertaken in developing business continuity plans, minimising the potential for interruptions to service continuity and enhancing our ability to manage and respond to adverse events. A review of structures has been undertaken and ensures the Service can redistribute staff to areas of need, better utilising internal resources and where practicable working in conjunction with partner organisations.

Following consideration it was felt that the probability of the risk impacting upon the organisation had fallen in a number of areas resulting in a reduced risk assessment of 8 from 11. Probability had fallen in two areas from a 4 (High) to a 3 (Medium) and in a separate area from a 3 (Medium) to a 2 (Low).

4.7.2 Failure to have robust information governance arrangements in place (RG17)

A structured team is now in place led by the Information Governance Manager with support from two Freedom of Information Officers, a Public Records Management Officer and an Information Security Officer

Within this structure relevant policies and procedures have also been adopted by SFRS, including:

- Access to information policy;
- Data protection policy;
- Freedom of information policy; &
- A draft Records Management Policy.

Following consideration of the risk it was felt that the potential impact to the service had reduced from a 4 (ineffective governance arrangements) to a 3 (adverse scrutiny where arrangements fail), lowering the overall risk from a 7 to a 6.

4.7.3 Prevention strategies fail to impact performance targets (RG25)

Discussion with the risk owner identified that whilst work is progressing in relation to operational structures these were not yet fully implemented.

Until structures were fully established there is a risk that the Service's capacity to respond to local issues and develop joint partnership working arrangements continues to present a risk to the Services and further delays could impact upon performance targets.

Following consideration of the risk it was felt that the probability of the risk occurring should be increased from a 3 (Medium) to a 4 (High).

5. FUTURE DEVELOPMENT

5.1 The risk management policy and Corporate Risk Register are in place and have been communicated within SFRS. However, further training and integration of the process is required and this will be developed and implemented through the Risk & Audit Section. The following actions are planned over the next quarter:

- A refreshed 2014/15 Corporate Risk Register developed through discussion with the SLT and reported to the Audit & Risk Assurance Committee;
- A risk appetite workshop with Board/Committee members and the Strategic Leadership Team;
- Alignment of the Corporate Risk Register to the SFRS Strategic Aims;
- Integration of Risk Management within the Service Planning and Performance processes of the Service;
- A full review of the 2013/14 Corporate Risk Register
- A review of the risk management policy, including the provision of a programme timeline;
- Discussions / training sessions with Directorate Management Teams to identify and embed operational risk registers; and
- Communication of the policies and practises throughout SFRS.

5.2 The risk management framework relies upon becoming fully integrated within the business processes of the Service and the work outlined above will continue to embed and develop the process within the Scottish Fire and Rescue Service.

6. EMPLOYEE IMPLICATIONS

6.1 There are no employee implications directly associated with this report.

7. FINANCIAL IMPLICATIONS

7.1 There are no financial implications directly associated with this report.

8. LEGAL IMPLICATIONS

8.1 There are no legal implications directly associated with this report.

Sarah O'Donnell

Director of Finance & Contractual Services

11 March 2014

Corporate Risk Dashboard

Risk	Current Rating	Previous Rating	
P1	13	13	→
P2	8	11	↓
P3	12	12	→
P4	12	12	→
P5	11	11	→
P6	15	15	→
P7	12	12	→
O8	9	9	→
O9	5	5	→
O10	5	5	→
F11	9	9	→
F12	12	12	→
F13	4	4	→
F14	6	6	→

Review Date

14 February 2014

Risk	Current Rating	Previous Rating	
RG15	13	19	→
RG16	7	7	→
RG17	6	7	↓
RG18	8	8	→
RG19	6	6	→
RG20	6	6	→
RG21	3	3	→
RG22	12	12	→
RG23	12	12	→
RG24	6	6	→
RG25	12	9	●
RG26	6	6	→
RG27	8	8	→
RG28	12	12	→
RG29	12	12	→

