

Strategic Risk Review

Note

Whilst this proposal discusses 'Risk' it is also the intent that Opportunities are treated and managed the same within this structure although to avoid confusion I have phrased the discussion around risk.

Strategic Risk

Internal Audit conducted their review in March 2016. All the recommendations that were proposed have been agreed and implemented as part of this review.

Due to the organisational changes and also due to any changes that we agree as part of this review, the Strategic Risk Management plan will require a significant update. Any changes made will need to be agreed by the Chief Officers Group before being agreed by the Fire Authority or appropriate Committee. We are not changing our Strategic Risk Management process but updating the plan to reflect the current organisational set up and ensure that our risk is easier to understand.

We follow best practice for Risk Management. When we detail our risks we do it to cover three areas. We list the cause, effect and consequence of the risk; this ensures that the risk is clearly articulated and unambiguous. It also allows us to determine the controllable and none controllable elements of the risk and so effectively target our mitigation actions.

The Risk Register has been refreshed with the current risks reviewed and assessed for their current validity. A number of risks have been closed and several merged as their intent and purpose was felt to be duplicated.

It was also identified that the risk register can be difficult to interpret due to the amount of information held within it. To overcome this I have categorised the risks in to Constants or Events.

Constants, are risks we would never expect to see disappear off our risk register as we can not remove them, but we can however control them to an acceptable level, for example the risk of financial crime is ever present. These 'constants' then have a 'state' of either 'Active' or 'Controlled'.

'Active' meaning that we are in the process of some action to bring the risk down or we are seeing an increased threat that must be managed.

'Controlled' meaning that we have sufficient measures in place that we feel it is under control and not requiring additional action at this time.

Events, are risks that are event driven, they are likely to arise and disappear, for example the CSR, the risk associated with this will only be present whilst we are undertaking the CSR and once it is finished they will disappear or be realised (occur).

With all events they are triggered, as an example the elections pose a threat as they may mean new Fire Authority membership and we may delay decisions whilst we ensure that new members have sufficient information and understanding to make an informed decision. This is event driven or 'triggered', and only becomes 'live' as we go through an election, once an election process is complete and we have mitigated the risk, it becomes 'dormant' until the next election.

Whatever the state of a risk is should still be reviewed but categorising them will help us to prioritise those for immediate attention and those that we should regularly monitor. It will also assist with reporting to ensure that the state of our risks is clearly understood and the risk register can be broken down in to sections to avoid the presentation of too much information at one time.

As part of the review I have also looked at the outputs of the risk and opportunity workshops held in August 2015 (prior to maternity leave) and populated the outputs from these meetings in to the risk register where this information is still relevant.

Action Required

1. Chief Officers Advisory Group to agree risk management approach outlined above.
2. Strategic risk management plan to be refreshed to reflect this.
3. Subject to all proposals in this paper being agreed, overarching risk management strategy paper to be detailed.
4. Strategic Risk Register to be updated to incorporate the above proposal.
5. Risk Register content to be reviewed and fully detailed with Chief Officers Group to ensure it is an accurate reflection of our current state.

Risk reporting

To ensure that reporting is clearer to the Fire Authority and we are not just presenting a mass of information. We should firstly present a scatter diagram, showing the distribution of all risks on our risk matrix and the proportion of those that fall above our risk appetite line.

We should also detail those risks that fall above our risk appetite line detailing the status of their mitigations and our progress in controlling the risk exposure.

Action required

1. Chief Officers Advisory Group to agree reporting approach.
2. Template report to be completed for review by Deputy Chief Executive Officer prior to next Policy and Resources Committee.

Directorate Risk

The Directorate structure is no longer in place, so the purpose and benefit of having this risk register has been reviewed.

The current content of the register is significantly out of date and the scope that it covers is inconsistent at present. It is focused at a very slim level within the organisation and should be broadened in scope, to add value.

There would be benefit in utilising this Risk register at an Area Commander/Group Commander and Head of Group level. The scope of this risk register would then detail the key risks faced by individual groups to the day to day delivery of the Service, which at present is not captured anywhere across the Service. We have Strategic Risk, Programme Risk, ICT Shared Service Risk, Operational Risk but not a day to day Business Risk Management Plan or Register.

This could then be utilised to inform discussions around the whole service delivery and the barriers that are present for each group, allowing strategic management to have repository to reference to understand the challenges faced by individual groups and the resourcing that is being utilised to mitigate these in addition to the delivery activities.

This will then create conversation between Heads of Group and enable understanding of challenges; identifying aggregated risks that may actually present a Strategic threat and provide visibility of resourcing diversions at a higher level. It is a check and balance to identify and communicate areas of concern.

Using risk in this way will enable it to become a communication method and also allow the Chief Officer Group to use it as a temperature gauge to ascertain if the priorities and challenges are properly understood and aligned throughout the Service. It also enables the ability for concerns to be contextualised and communicated to a wider audience.

As the Chief Officer Group are also concerned about the non statistical performance of groups this will allow them to determine the areas of greatest risk and identify areas that may require more assurance of the mitigations in place, thus providing a trigger to the boarder performance reporting that they are seeking to put in place.

This capture of risk at this level would also form the basis for the planning process allowing a bottom up approach. Those risks that are outside of our organisations tolerance levels would see their mitigations forming the conversation for the determination of the Services priorities.

By regular review the Heads of group can collectively discuss the risks and opportunities, identifying those that should be escalated to the Chief Officers Advisory Group meeting for strategic direction and/or action.

This would suggest that the Heads of Group should hold a collective risk and opportunity review meeting quarterly, prior to the Chief Officers Advisory Group meeting to allow them to feed areas requiring attention on to the agenda.

This risk register would be self administered and owned by the Heads of Group and oversight maintained by the Risk Manager for consistency and for support.

As the Shared Service Risk Register covers risks that are relevant to Bedfordshire and Cambridgeshire and this is utilised as a management tool for the Shared Service, it would not be wise to duplicate this information within the Business Delivery Risk Register. This area would be an exception where we review this risk register alongside the Business Delivery Risk Register to avoid duplication of effort and data discrepancies.

The Business Delivery Risk Register also allows for lower level risks to be captured should they not fit on the Strategic Risk Register.

Having consulted with a number of the Heads of Group there is a high degree of support for this proposal and the benefits can be seen with the approach detailed above. Not only do most welcome this approach but they can see personal benefit in their ability to communicate to the wider organisation and Chief Officers Advisory Group through this mechanism.

Actions required

1. Chief Officers Advisory Group to approve the approach outlined above.
2. The risks held on this register currently have been reviewed to bring the content up to date.
3. Business Delivery Risk Management plan to be created from the Directorate Risk Management plan.
4. Risk workshop to be held with Heads of Group to discuss and confirm our approach and populate the risk register.
5. Quarterly review meetings to be scheduled prior to the Chief Officers Advisory Group meetings.
6. Acceptance that this is an evolving process and we may need to consider additional support or toolsets to fully exploit the benefits of this approach.

Outstanding areas to consider

As our planning process is being refreshed and the IRMP detail is looking at a more holistic picture of risk we need to determine where we will hold the operational risk information and whether it fits within the Strategic Risk Register, the Business Delivery Risk Register or held separately. All risk that informs our planning and response needs to be centrally held and visible to ensure transparency and consistency, we need to identify other types of risk

information to determine if we need to bring these within this structure or whether it is more appropriate to be held elsewhere. This needs to be assessed on a case by case basis as risk information is identified.

Related documents

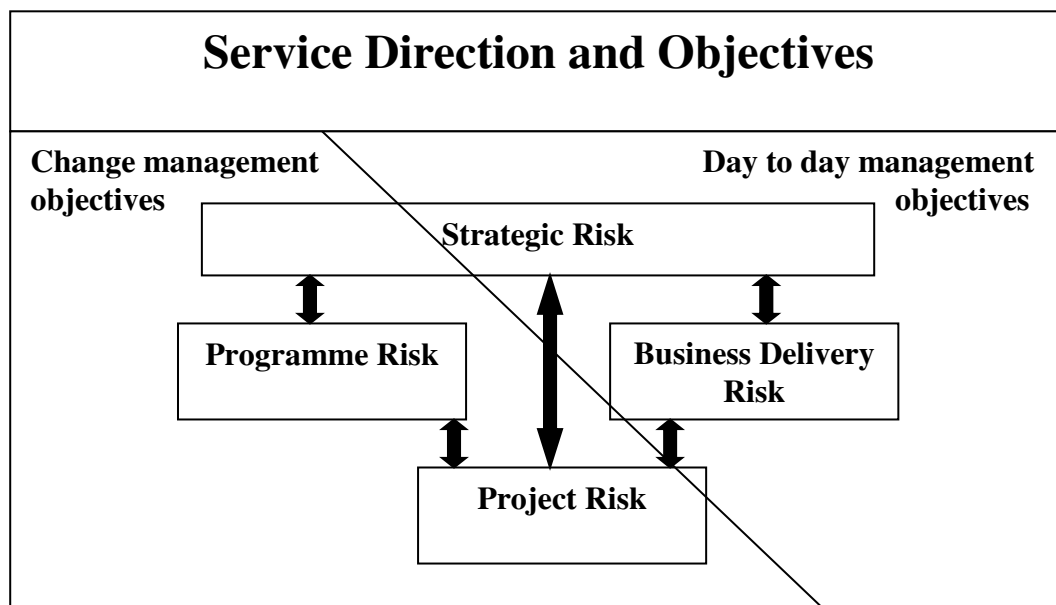
Strategic Risk Management plan [33881](#)
Directorate Risk Management plan [283223](#)
Strategic and Directorate risk registers [40763](#)
Risk Audit Report March 2016 [426980](#)

Supporting Risk Management Theory

Strategic risk should focus on long-term goals, setting the context for decisions at other levels within the organisation.

Medium terms goals are covered in the Programme and Project risk, through our medium terms plans to deliver change.

Short term goals are at the business level, ensuring the ongoing continuity of our business services. *This is often termed 'operational' but in our context that term for business delivery is confused with the operational and professional services parts to our organisation, so I have stayed away from the term 'Operations' and substituted 'Business'.*



Diary of Risk Register Changes

Risk Ref	Change	Why
None	Addition of risk or opportunity filter	The register now includes risks and opportunities this allows for them to be identified easily
None	Addition of Proximity column	Allows us to see those risks that are time bound and those that are constant
None	Group that risk assigned to removed	It is not used and poses little benefit to the use of the Strategic Risk Register.
None	Risk score category added	For ease of reporting and filtering on the spreadsheet.
R004 and R012	Risks closed as definitions overlap and new risk opened to merge these two R088	Risk definitions similar and cut across each other to be redefined as a new risk to fit the current circumstances.
R024	Closed	Risk not detailed fully and no longer valid
R018	Closed	Not Relevant
R076	Closed	Not relevant
R080	Closed	Not relevant
R086	Closed	Merged with R084
R081	Closed	Not relevant
R031	Closed	Not relevant
R054	Closed	Not relevant
R079	Closed	Not relevant
R070	Closed	Not relevant
R035	Closed	Merged with R034