Strategy and Engagement

CORPORATE RISK MANAGEMENT POLICY

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South Yorkshire
Fire & Rescue

WORKING FOR A SAFER
SOUTH YORKSHIRE

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POLICY STATEMENT

Statement of Intent

South Yorkshire Fire and Rescue Authority is committed to protect the health, safety and welfare of its employees and the people it serves; to protect its property, assets and other resources, and to maintain its reputation and good standing in the wider community. This will be achieved by embedding at all levels within the authority the principles of risk management, thereby continually assessing and reducing the risks faced by the communities of South Yorkshire.

Risk Management is a central part of the Authority's strategic & operational management. It is the process whereby the risks to achievement of priorities, objectives and delivery of service are considered identified and managed, to minimize losses and maximize opportunity. It is designed to protect and enhance the delivery of corporate objectives.

Objectives

The objectives of the policy are to:
- safeguard the employees, the public and others affected by the Authority's operations by preventing injury, damage and loss
- anticipate and respond to changing social, cultural, environmental and legislative requirements
- safeguard the resources of the Authority
- safeguard the reputation of the Authority

These objectives will be achieved by:
- integrating risk management into the culture and day to day management of the Authority
- incorporating risk management into the decision making, business planning and performance management processes
- managing risk in accordance with best practice by ensuring that, where ever practicable, risks are eliminated or reduced to an acceptable level
- establishing risk groups with clear roles and responsibilities and reporting lines within the Authority for risk management
- effective governance arrangements - monitoring risk management and internal control arrangements on a regular basis

The South Yorkshire Fire and Rescue Risk Management Toolkit provides procedural guidance to support this policy.

Due to the nature of South Yorkshire Fire and Rescue operations and standard operational procedures, operational risk management policy and guidance does not, in the main, form part of this policy.

Effective risk management should enable staff to take risks, so that it drives rather than prohibits the organisation's ability to innovate and strive for achieving excellence.

Risk Definition

Risk is the possibility of an event occurring that, should it occur, could have an impact on the achievement of objectives. The impact can be an opportunity to improve or threat to the delivery of the objectives.

Risk is considered proportional to the expected threat / opportunity (impact) which can be caused by an event and to the probability (likelihood) of this event occurring. The greater the potential impact and the more likely the event, the greater the overall risk.

RESPONSIBILITIES

It is the responsibility of members, managers and all other staff to actively engage in the risk management process. Key responsibilities in this respect are:

South Yorkshire Fire and Rescue Authority

Elected members are responsible for governing the delivery of services to the local community. Members have a responsibility to understand the strategic risks that their Service faces, and to decide how these risks should be managed. They should not seek to avoid or delegate this overall responsibility as it is key to their stewardship responsibilities. Members should:

- correctly position risk management as a strategic and operational tool that can help officers and members to meet the new and existing challenges and demands facing them, rather than as a mere compliance exercise
- view the process as a significant long term exercise: there is no 'quick-fix' solution and the right level of resources will need to be committed to implementation and training over the medium term

- take a top-down approach by managing and monitoring risks, focusing on issues of corporate significance rather than a 'bottom-up' exercise which would be too large for members themselves to manage
- aim for continual improvement on a longer-term basis supplemented by increasing their knowledge through regular training
- appoint a member champion who will communicate the risk management process to others

Members of the Executive Team

The Executive Team will be responsible for identification; evaluation and action planning to mitigate the effect of risks on the successful achievement of the Fire Authority's objectives. They will:

- correctly position risk management as a strategic and operational tool that can help officers and members to meet the new and existing challenges and demands facing them, rather than as a mere compliance exercise
- view the process as a significant long term exercise: there is no 'quick-fix' solution and the right level of resources will need to be committed to implementation and training over the medium term
- take a top-down approach by managing and monitoring risks, focusing on issues of corporate significance rather than a 'bottom-up' exercise which would be too large for members themselves to manage
- implement the risk management policy
- own and take responsibility for Corporate Risks
- be risk management champions
- regularly review the Corporate Risk Register
- encourage staff to actively support the risk management process

Members of the Corporate Management Board

The Corporate Management Board will be responsible for identification; evaluation and action planning to mitigate the effect of risks on the successful achievement of the Fire Authority's objectives. They will:

- implement the risk management policy
- own and take responsibility for specific risks
- review and manage risk controls
- be risk management champions
- be responsible for resolving their own risks
- regularly review the Corporate and Integrated Risk Register

- encourage staff within their area of responsibility to actively support the risk management process
- identify individuals within their functional areas to take ownership of maintaining and updating risk registers
- provide full support to the Risk Team in execution of their duties

Managers

All other Managers will:

- maintain an awareness of risk management, and its importance to the effective operation of the Service
- own and take responsibility for specific risks and risk registers
- use all appropriate forums to regularly review risks and identify new risks as appropriate
- communicate the importance of risk identification and management of risk to staff
- maintain a robust and fully up to date register of risks for their functional area

Project and Partnership Managers

For all projects and partnerships they are responsible for managers will:-

- conduct an initial risk assessment in accordance with the management methodology
- maintain a risk register for the project at an appropriate level
- own and take responsibility for specific risks
- regularly review and update risks

Risk Team

The Risk Team is responsible for developing specific programmes and procedures to establish and maintain risk management activities. The main duties can be summarised as follows:

- managing the implementation of SYFR Risk Management Policy and procedures
- advising and training managers, supervisors and staff on the risk management process to ensure adoption of consistent methodologies across the Service
- supporting managers to undertake risk analysis
- updating the Corporate and Integrated Risk Registers, monitoring all other SYFR Risk Registers based on information supplied from owning managers
- preparing strategic risk management action plans that include education, awareness, training & cultural embedding
- preparing strategic risk management reports

All Other Staff

To actively engage in the risk management process, working with managers and colleagues to identify risks and take the required actions to manage their likelihood and impact.

Risk Owners

Every risk must have an owner. The owner will take lead responsibility for ensuring the risk is managed effectively. The risk owner will also be the first point of contact for the risk manager when carrying out his/her monitoring duties.

Review

The policy will be reviewed regularly and updated with any changes necessary to ensure that the Authority maintains best practice.

GOVERNANCE

South Yorkshire Fire and Rescue Authority operates a separate risk register from that of the Service, acknowledging the statutory roles performed by the Clerk and Treasurer and Monitoring Officer. There is an ongoing dialogue and a number of means by which officers of the Authority and Service ensure that relevant and respective risks are captured, monitored and brought to the attention of elected Members of the Authority. To further support this process, the Authority has appointed the Chairman of its Audit Committee as Lead Member for risk management.

Fire and Rescue Authority Members have a responsibility to understand the strategic risks that the Authority faces and to support and monitor the risk management process. The Risk Register and regular supporting reports are a means of summarising the risks to the Service and the Authority within the various functions, advising the current risk status of the Service; all papers submitted to the Fire and Rescue Authority and sub-groups include and reflect on Risk Management implications. The following risk specific reports will be submitted to members:-

- A quarterly report to the Audit Committee on the progress made in reducing the "red" Corporate Risks to the Authority, it will include a profile listing of all open risks on the Corporate Risk Register
- An annual report to the full Fire Authority detailing progress made in addressing all Corporate Risks for the past year
- All reports to the Fire and Rescue Authority consider Corporate Risk implications

Any new Corporate Risks that are raised between quarterly meetings can be communicated to members via the standing item on the agenda of the Policy Development Group if

required.

The Role of Board and Directorate Meetings in Monitoring Risk

Corporate Management Board – Audit Reports

The reports necessary for the Audit Committee will be an agenda item at the Corporate Management Board. The reports will be approved for release, or final amendment instructions given. This will be included in the monthly meeting nearest to, and prior to, the Audit Committee meeting.

Executive Team Meetings

Risk will be a standing agenda item at the Executive Team Meetings to ensure regular discussion on management of risks which are considered currently or potentially high level.

Corporate Management Board Meetings

On a monthly basis a standing agenda item will be included in Corporate Management Board meetings to review the Corporate Risk Register.

The Corporate Governance Manager will attend and undertake the following duties:-

- ensure that the latest version of the Corporate Risk Register is available to officers
- facilitate a review of the Corporate Risk Register highlighting any key issues and receiving any new progress updates
- capture any new and emerging risks
- update officers of any changes to the rating of risks since the previous meeting, authorised by the Executive Team, noting any that need to be downgraded to Integrated level or require closure
- respond to any requests for further risk assessments to be undertaken as and where directed

Change Programme / Directorate Meetings

On a monthly basis at each Change Programme or Directorate meeting a review should take place of the relevant risk register. Risk management should be included as a standard agenda item at all Change Programme and Directorate Meetings and cover the following:

- review the risk registers highlighting any key issues and receiving any progress updates
- ensure any Directorate / Functional level risks included on the Corporate or Integrated Risk Register are up to date, and accurately reported

- capture any new and emerging risks
- consider the grading of risks noting any that need to be escalated or downgraded

The Risk Team can assist managers in this task by:-
- providing any advice, guidance and training
- responding to any requests for further risk assessments to undertaken within the Programme or Directorate

Partnership Risk

All Partnerships will have a risk assessment, which assesses risk to and within the Partnership and / or to the Authority including the risk of not engaging in the Partnership. This assessment is regularly reviewed and shared within the Partnership as appropriate.

Audit

Compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) and The Society of Local Authority Chief Executives and Senior Managers (SOLACE) framework for the risk management elements of corporate governance will be overseen by Internal Audit as part of the audit of the Authority's governance arrangements.

Risk Audit

Risk recording is a key requirement within the Accounts and Audit Regulations; this is managed via the Risk Register process. Internal Audit will, as part of the audit process, carry out a regular review of risk management arrangements. This will provide independent assurance as to the effectiveness of South Yorkshire Fire and Rescue risk management procedures. In particular this audit will:

- verify the existence of risk registers and risk management action plans
- check whether risk management is being actively undertaken throughout the Service
- provide advice and guidance on how to further improve risk management processes and procedures

Additionally the Authority will allow for peer review and benchmarking of risks where appropriate.

RISK MANAGEMENT INTEGRATION

Risk Management is an integral part of the organisation's management processes alongside integrated r isk management pl anning ac tivities, service pl anning, busi ness continuity, emergency pl anning and r esilience, performance m anagement, as well as day t o da y operational activities.

Corporate R isk Management enabl es managers and s taff to co nsider t he t hreats an d opportunities to the whole range of services we provide and take action to mitigate them. It is a continual process which requires review, monitoring and re-evaluation.

'Sphere of Influence'

Through co nsideration o f t he env ironment w e ar e w orking i n, and t he l evel of co ntrol and influence we have over the various levels of risks to our service provision, we can improve our chances of taking the appropriate action to achieve our objectives.

The level of control that can be achieved over a risk, or the boundaries of our influence over threats and opportunities in the environment we operate in, can be referred to as our 'sphere of influence'.

- Risks within our control – a risk that we can directly control or manage
- Risks within our sphere of influence – a risk which we can partly control / manage or we can influence how it is controlled / managed
- Risk o utside our sphere o f i nfluence – a r isk over w hich we ha ve no co ntrol o r influence

There are different levels or layers that we have influence over within the environment we operate i n, as w e i nteract w ith ot hers in d elivering our se rvices, a s shown i n t he m odel below:-
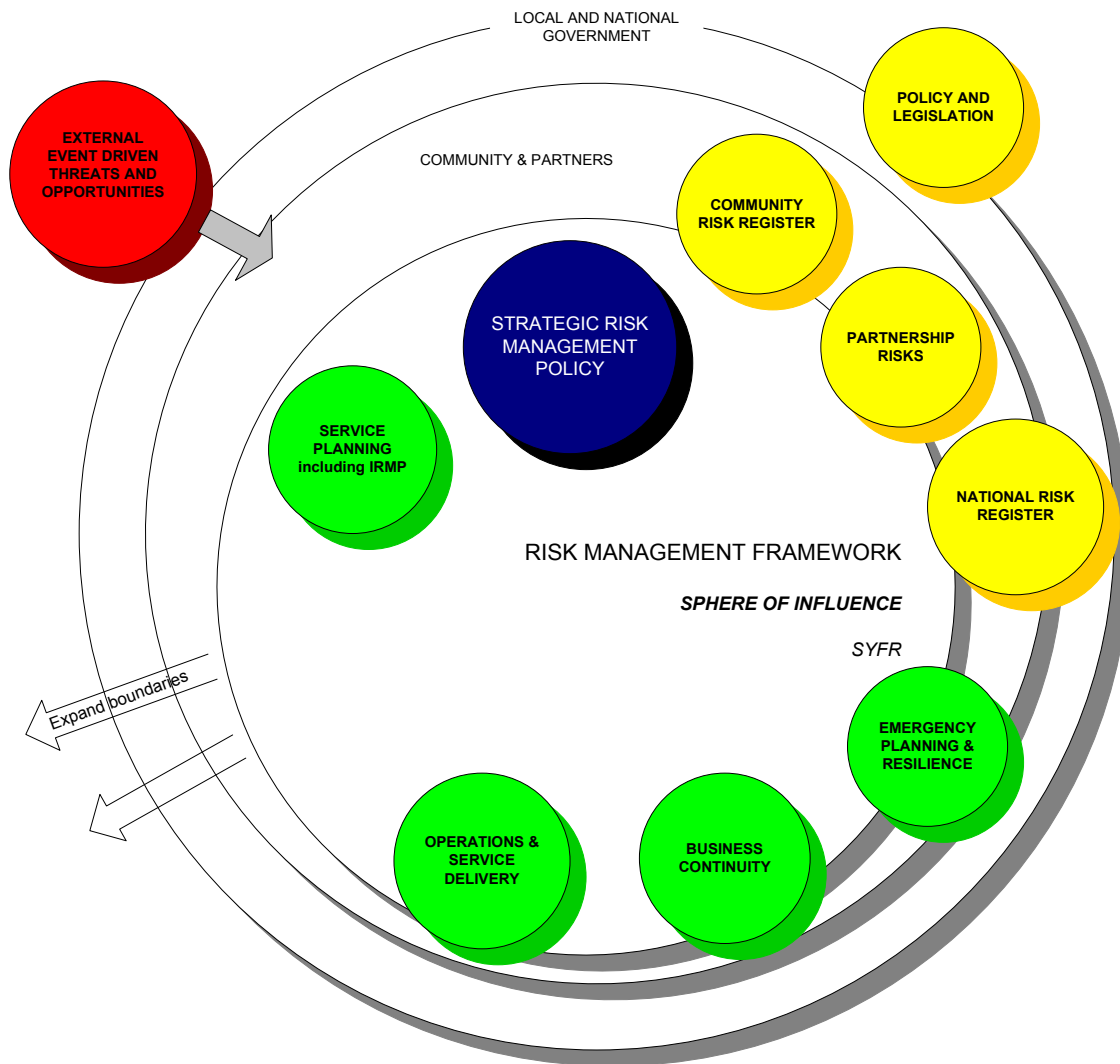
Internal Influence – Operational / Workplace

Direct control over (working within government policy and laws)

- Service Delivery
- Resources
- Resilience
- Security
- Governance

External Influence – partly within our control / influence

- Community - Control and influence over the threats and opportunities that can arise from engagement with the community in the services we provide i.e. responding to incidents, consultation, recruitment, educating communities to enable them to reduce risk of fires in the home. We also have control and influence through statutory powers i.e. legislative fire safety.

- Partners - Statutory responsibilities to work with Community Safety Partnerships, involvement in multi-agency planning for resilience, joint control over identification of

risks and maintenance of Community Risk Register.

- Political – Local and National Government policy - Grants and funding pay, policy direction within the national framework, regulation and audit. Changes in national policy can impact on the Services we provide and how we deliver them. We can influence via Chief Fire Officers' Association / consultation. Council tax precept makes up part of our funding; councillors are South Yorkshire Fire and Rescue Authority members who provide direction and scrutiny.
- Environmental - Our activities have an impact on the environment, use of water, power etc. Environmental events and changes can impact on our operations e.g. flooding, as can changes in attitude to environmental issues by government, consumers etc.

External Influence – outside our sphere of influence

- Economic - global economic conditions may affect our services e.g. our suppliers.
- Socio-cultural - demographic changes within our communities that may impact on community needs for our services e.g. aging population, changing migrant population.

The level of influence and control over events in each of these layers will vary depending on the type of event, threat or opportunity. Some of these we can predict, others we cannot, as risks are dynamic and emerging.

Expanding Our Sphere of Influence

Through proactive identification and analysis of the risks within the environment we operate in, we can expand the influence we have over control measures to reduce the likelihood and impact these may have. Focusing on those areas within our sphere of influence will enable us to consider how we can expand it in the future.

Effective risk management is about understanding our response to an event, how we can minimise the impact of threats or maximise opportunities through the action we take. By considering the most appropriate response in advance we can plan for a given scenario and be better prepared if and when it happens. It should not inhibit the organisation's ability to innovate and strike for excellence.

RISK REGISTER STRUCTURE

Corporate Risk Register

This is a controlled register that can only be updated by the Risk Team after authorisation from the Corporate Management Board (CMB) and Executive Team.

Integrated Risk Register

This register covers the risks to the Change Programme and Directorates in achieving set objectives. New R isks will usually be logged on this Register prior t o esca lation, i f necessary, to the Corporate Risk Register via the Executive Team.
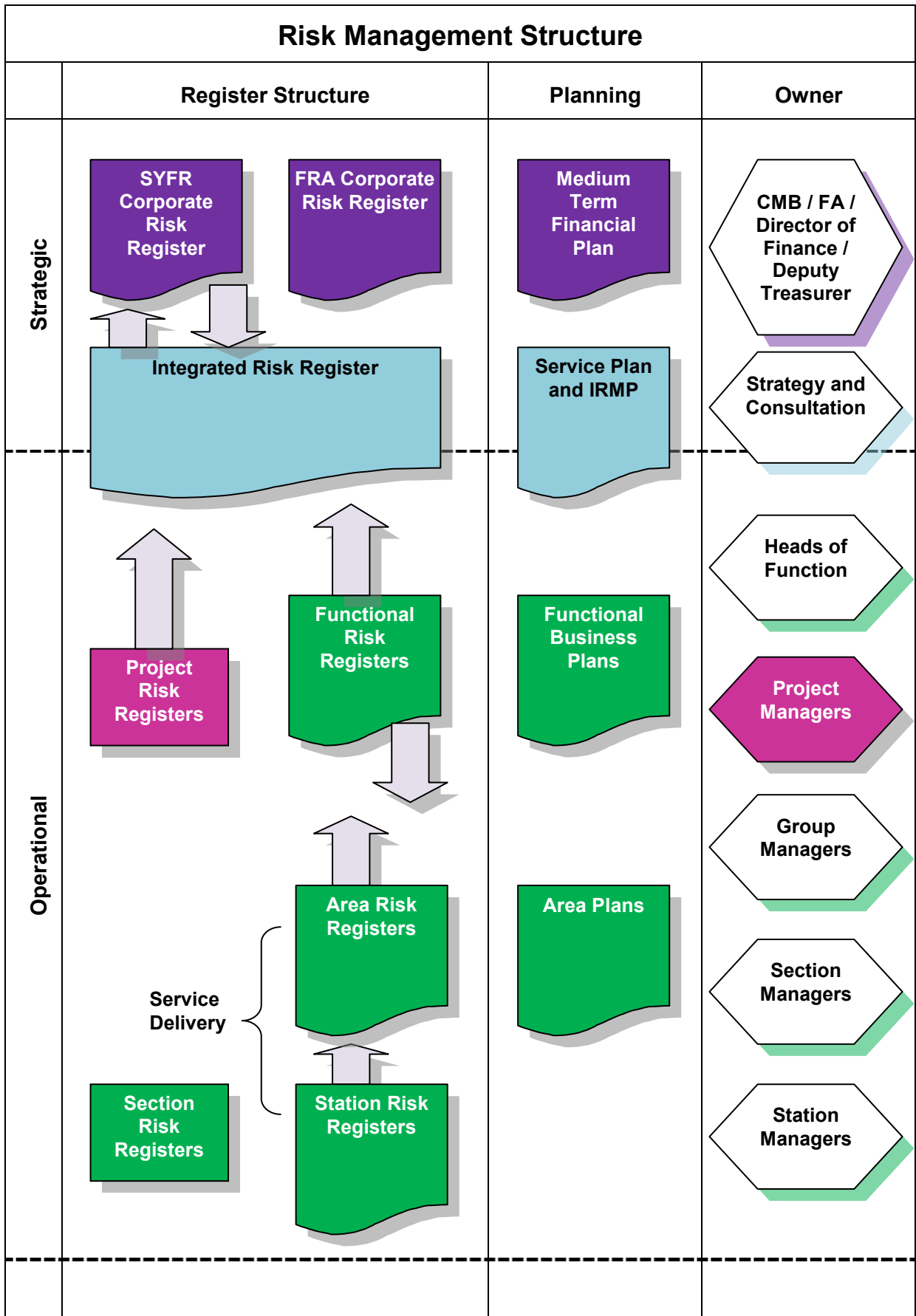
Function / Area Risk Register

At a lower level there is a requirement to cover the day to day risks that are an inherent part of business activity. This needs to be controlled by the Functional Head as these risks could have an i mpact upon key busi ness objectives. These r isk registers form par t o f each Function's Business Plan, thereby ensuring a fully integrated approach to business planning.

Station/Section Risk Register

Each Station will record risks on the Station Risk Register which will be t he responsibility of the Area Manager.

Sections may decide to maintain a Risk Register below that of the Functional Register.

NB. Similar risks may reside at varying levels with differing controls, owners and ratings.

Risk Management Structure

	Register Structure	Planning	Owner
Strategic	SYFR Corporate Risk Register / FRA Corporate Risk Register / Integrated Risk Register	Medium Term Financial Plan / Service Plan and IRMP	CMB / FA / Director of Finance / Deputy Treasurer / Strategy and Consultation
Operational	Project Risk Registers / Functional Risk Registers / Area Risk Registers / Section Risk Registers / Station Risk Registers / Service Delivery	Functional Business Plans / Area Plans	Heads of Function / Project Managers / Group Managers / Section Managers / Station Managers

Help and Additional Support

The Planning, Review and Risk Manager has responsibility for the risk management process and ensuring that systems and processes remain in place for the effective management of risk.

The risk specific procedural methodology, information and guidance including escalation and downgrading processes are included within the SYFR Risk Management Toolkit.

For help and guidance in all aspects of risk management, please contact Planning, Review and Risk or Risk Inbox – risk@syfire.gov.uk

The following publications have been taken into account in the compilation of this policy:

- The ALARM National Performance Model for Risk Management in the Public Services (www.alarm-uk.org)
- Managing Risks with delivery Partners (HM Treasury, www.ogc.gov.uk)
- Governance of Risk: Improving Strategic Risk Management Arrangements in Local Public Bodies and Partnerships – Audit Commission (www.audit-commission.gov.uk)
- Risk Management Assessment Framework (www.info4local.gov.uk)
- SYFR Risk Management Toolkit