THE POLICE, FIRE & CRIME COMMISSIONER FOR ESSEX (FIRE & RESCUE AUTHORITY)

RISK MANAGEMENT POLICY & STRATEGY

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Risk Management Policy Statement:

The Police, Fire & Crime Commissioner for Essex (Fire & Rescue Authority) (The Authority), is committed to ensuring all policies treat employees and members of the public equally, regardless of their age, race, religion or belief, gender, disability or sexual orientation.

The effect of uncertainty on an organisation's objectives is risk. Risk management is the process of ascertaining what disruptive challenges might arise, both seen and unforeseen, what the potential consequences may be, what could trigger the occurrence and thus deciding how best to minimise the risk materialising. If a risk is realised, as some inevitably will, proactive risk management will ensure the impact is kept to a minimum.

Effective risk management is also a significant part of The Authority's Corporate Governance arrangements. It is policy to:
- Fully integrate risk management into the culture of Essex County Fire & Rescue Service, (the Service), and its service planning processes, overseen by the Chief Fire Officer (CFO)/Chief Executive Officer (CEO).
- Ensure that the risk management framework is understood and implemented by staff with an operational (corporate) responsibility for risk.
- Communicate the risk management approach of The Authority to stakeholders.
- Ensure the benefits of risk management are realised through maximising opportunities and minimising threats.
- Ensure consistency in the management of risk throughout the Service.
- Ensure that The Authority can adequately exercise its roles as The Authority and scrutinise the Chief Fire Officer's actions.
- Assure the Audit Committee that The Authority and the CFO/CEO have a fit for purpose framework for risk management.

Risk Management is a continuous process for managing enterprise wide risks, including strategic, financial, operational, compliance and reputational risks, to minimise unexpected performance variance. The Authority has adopted a proactive approach to enable decisions to be based on comprehensively assessed risks, ensuring the right actions are taken at the right time. How successful The Authority and the Service are in dealing with risks will have a major impact on the achievement of key strategies, priorities and service delivery to the community. The risk management strategy referred to below supports the aim of The Authority to be a best-in-class organisation. The risk management policy of The Authority is to adopt best practice in the identification, evaluation, recording and the cost effective control of strategic (corporate) risks to ensure that they are eliminated or reduced to an acceptable level. Strategic risk management is a process to assist in understanding and managing risk, not to design out risk. Sound risk management will support the achievement of the aims of The Authority, in a cost effective and efficient manner.

It is recognised that people and culture sit at the heart of an efficient and effective risk management process. Risk management needs to be fully embedded within departmental ways of working to ensure proficient implementation of required controls.

Effective risk management will improve performance against objectives by contributing to:
- Establishing a reliable basis for making well-informed decisions and planning at all levels.
- Reducing management time spent problem solving.
- Improving service delivery.
- Increasing the likelihood of change initiatives and projects achieving their planned benefits.
- More internal focus on doing the right things at the right time.
- Better basis for strategy setting.
- Fewer shocks or unwelcome surprises.

- Reduced waste, less opportunity for fraud, and better value for money.
- Improve the identification of opportunities and threats.
- Improve governance, public and stakeholder confidence and trust.
- Effectively allocate and use resources for risk treatment.
- Improve organisational resilience.

The work of the Corporate Risk and Business Continuity team will be directed to effect the achievement of the following risk management objectives:

- Align the organisational culture with the risk management framework
- Integrate and embed the risk management framework across the Service.
- Enable The Authority to deliver effective strategic oversight and management of corporate risks.
- Enable the Service to recognise monitor and manage the risks it faces.
- Enable senior managers to deliver effective leadership in their management of risks.
- Improve risk awareness so the Service is better placed to avoid threats and take advantage of opportunities.
- Minimise the cost of risk.
- Anticipate and respond to emerging risks, internal and external influences and a changing operating environment.
- Implement a consistent method of recording, monitoring and measuring risk.

All managers and staff should understand the nature of risk and accept responsibility for risks associated with their area of activity and at the level at which they operate.

Risk Management will follow the Strategy, and the Risk Management Guidance that details the processes for recording and monitoring risk, to assure the Authority that efficient risk management techniques contribute to effective corporate governance and meet the expectations of a public service.

This Risk Management Policy and Strategy compliments and supports the strategic aims and priorities of The Authority and the Service.

Signed……………………………………………………………………………………………….
The Police, Fire & Crime Commissioner for Essex (Fire & Rescue Authority)

Signed……………………………………………………………………………………………….
(Chief Executive/Chief Fire Officer)

RISK MANAGEMENT STRATEGY

1. Introduction.

1.1   This Risk Management Strategy, together with performance management arrangements and other underpinning documents, supports the aim of The Authority to make Essex a safer place to live, work and travel.

Robust strategic risk management enables The Authority and the Service to plan for, anticipate, manage, and mitigate risks that have the potential to seriously impact upon the services provided, whilst supporting the achievement of objectives as set out in the integrated risk management plan and Service strategy.

1.2   The Strategy is based on BSI ISO 31000:2018.

1.3   Managing risk effectively will:

- Assist The Authority and the Service in setting strategy, achieving objectives and making informed decisions.
- Form part of effective governance and leadership arrangements, fundamental to management of the Service at all levels.
- Contribute to the continual improvement of management systems.
- Be part of all activities associated with The Authority and the Service, including interaction with partners and stakeholders.

1.4   Managing risk should consider the external and internal context of The Authority and the Service, including human behaviour and cultural factors, maximising opportunities, encouraging creativity, innovation, minimising threats and creating an environment that adds value to operational activities by:

- The promotion of public, employee and wider stakeholder safety.
- Protecting personnel, assets and intellectual property.
- Encouraging better quality service delivery.
- Minimising loss and insurance costs; and,
- Improving contingency planning for dealing with risks and their impact in a cost effective and efficient way.

2. Definitions.

Risk – The effect of uncertainty on objectives.

Risk Management – The coordinated activities to direct and control an organisation with regard to risk.

Risk Source – An element, which alone or in combination, has the potential to give rise to risk

Event (Trigger) – An occurrence or change of a particular set of circumstances. An event can also be something that is expected which does not happen, or something that is not expected which does happen. An event can also be a risk source.

Consequence – Outcome of an event affecting objectives.

Likelihood – The chance of something happening.

Control – A measure that maintains and /or modifies risk.

Risk attitude – The opinion or chosen qualitative or quantitative value in comparison to the related loss or losses taken by individuals. This is linked closely with risk perception and underpins the **risk culture** of an organisation.

Risk culture – The shared values, beliefs, knowledge attitudes and understanding about risk, shared by a group of people with a common intended purpose, in particular the leadership and employees of an organisation. Every organisation has a risk culture that should support the achievement of objectives.

Risk perception – the judgement made by individuals with regard to risk both in terms of the potential impact of downside and the opportunities presented by the risk scenario.

3. Principles.

The core purpose of risk management is the **creation and protection of value**. It improves performance, encourages innovation and supports the achievement of objectives.

The following underpin that core purpose:

- Integration with all Authority and Service activities.
- Structured and comprehensive approach to risk management contributes to consistent and comparable results.
- Customised and proportionate to the Service's external and internal context related to its objectives.
- Inclusive with appropriate and timely involvement of stakeholders, enabling consideration of their knowledge, views and perceptions, improving awareness and informed risk management.
- Dynamic taking account of the emergence, change or disappearance of risks as external and internal contexts change. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.
- Best available information. The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.
- Human and cultural factors that can significantly influence all aspects of risk management at each level and stage.
- Continual improvement through learning and experience.

4. Framework for Managing Risk.

4.1   The purpose of the risk management framework is to assist The Authority and the Service in integrating risk management into significant activities and functions. The effectiveness of risk management will depend on its integration into governance arrangements, including decision-making. This requires support from all stakeholders, and in particular senior management.

4.2   The Risk Management Framework and Process is based on the ISO31000:2018 Risk Management Framework as expressed below.
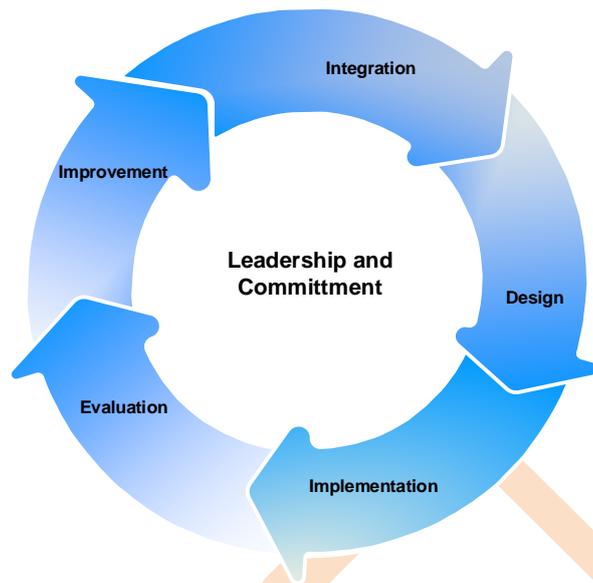
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5. Leadership and Commitment

The Authority and Service managers should ensure that risk management is integrated into all Service activities and should demonstrate leadership and commitment by:

- Ensuring risk management supports the achievement of its corporate, departmental and operational aims and objectives.
- The Authority continues to develop the risk management framework to include the formal application of the risk management process to all areas of its business.
- Widespread employee participation and consultation in the risk management process to ensure the proactive risk identification and management at every level.
- Ensuring that the appropriate resources are available, including people, knowledge and budget.
- The monitoring, reviewing and reporting of progress against this Strategy.
- The periodic reviewing of the Strategy content to ensure it is aligned with the objectives and challenges facing the Service and reflects relevant changes in the internal and external contexts (i.e. the IRMP).

With the aim to:

- Create and protect value.
- Address uncertainty and inform decision-making.
- Provide for a systematic and structured framework for managing risks of all types.

6. Roles & Responsibilities.

Role	Responsibilities
The Police, Fire & Crime Commissioner for Essex (Fire & Rescue Authority	To approve determine the strategic direction for Risk Management Policy and Strategy.
Monitoring Officer	The Monitoring Officer will lead on the promotion of good governance, and will ensure that Risk Policy and Strategy is reviewed regularly and approved by The Authority.
The Audit Committee	The Committee is an independent body and will seek assurance over the adequacy of the following: a) The risk management and internal control framework operated by the Chief Fire Officer. b) The effectiveness of the governance arrangements. c) The appointment, support and quality of the work of internal and external auditors as they provide assurance on risk management, internal controls and the annual accounts through their work.
Chief Fire Officer/Chief Executive	The Chief Fire Officer is the person with primary ownership and overall responsibility for risk management and controls, providing leadership and direction to the Fire and Rescue Service.
The Service Leadership Team (SLT)	The Service Leadership Team, (SLT), is responsible and accountable for:- Overseeing the Strategic Risk Register on behalf of The Authority, including regular scrutiny to ensure accuracy and appropriateness and identifying new risks and opportunities when appropriate. Developing, building and embedding a risk aware culture across the Service, then prosecuting and maintaining the risk management framework Identifying the Senior Information Risk Owner, (SIRO). Ensuring that all risks and risk management issues are recorded, reported, coordinated, managed, monitored and reviewed. Ensuring compliance with The Authority's Risk Management Policy, Strategy and Guidance, including the Assurance model.
Programme & Project Managers	Conduct risk assessment(s). Ensure that programmes & projects have risk logs / registers. Review and report on risks to the Project or Programme Boards.
Corporate Risk & Business Continuity Manager	Provides The Authority and the CFO/CEO with an effective framework for managing and assuring risks and promotes, supports and co-ordinates its implementation at all levels to ensure that sound risk management is accepted as an essential element of every manager's role. Ensures that The Authority and the Service maintain an awareness of external developments in risk management. Through the team, to provide support, guidance, overall management of risk registers, professional advice and the necessary tools and techniques to enable the organisation to take control of the risks that threaten delivery.

7. The Risk Context.

The manner in which The Authority and the Service manage risk is part of a continuum of risk management from the National Security Strategy to the National Risk Register (NRR), to the Essex Resilience Forum Community Risk Register, (CRR), and finally to organisational strategic and operational risk registers. In effect, the strategies at each level provide mutual support. This improves national resilience.

The diagram below identifies how each layer of risk management relates to the one above.
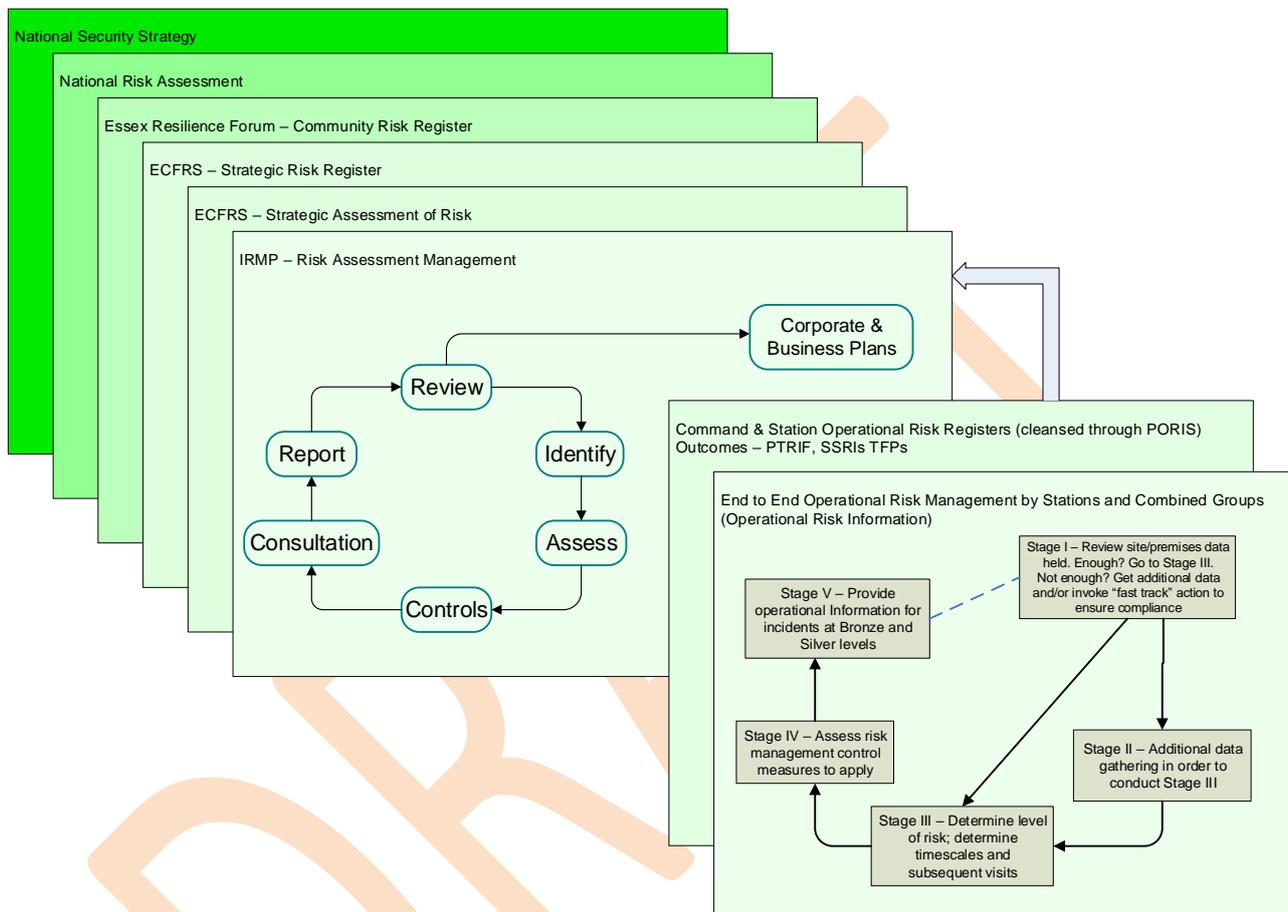
8. A More Defined Context.

The Service provides a public service, funded by the Government grants and Council Tax. The Authority has statutory obligations under the Fire & Rescue Services Act 2004 and the Civil Contingencies Act 2004. In addition, Chapter 1 of the Policing and Crime Act 2017 refers to Emergency Services collaboration.

In 2015, the Lucas Report highlighted cultural issues present at ECFRS. Since that report was published, progress has been made in improving the culture, but it is recognised that it is work in progress.

On 1 October 2017, the Service became the first to become the responsibility of a Police, Fire and Crime Commissioner. In addition, as with all other FRS's, it will be subject a new inspection regime under Her Majesty's Inspectorate of Constabularies and Fire & Rescue Services, (HMICFRS). The first inspection of the Service will be in 2019. This change of governance, the pending Inspection, and ongoing internal audits all point towards an improved risk management process to ensure that we meet compliance and organisational requirements.

The Authority and the Service manage risks at three levels – strategic, department / operational, and project.

9. Strategic.

Risks at the strategic (corporate) level are those that would have a serious and potentially devastating impact on service delivery. Strategic risks tend to be those noticeable by the public and media. Strategic (high level) risks normally impact across the range of our risk criteria involving decisions about which direction the organisation should be following. Controls for strategic risk may be cross-cutting and thus split across a number of departments or business areas. Risk ownership is required at the highest level in order provide the appropriate leadership, scrutiny and management of the risk. Control measure owners will usually be Department heads. Risk management will appear as a standing item on SLT Agendas. A formal report on Risk (and Business Continuity) will be made quarterly to the Audit Committee and the SLT.

10. Department (Tactical).

Risks at the departmental level are those that would prevent or hinder service delivery. The realisation of one of these risks would not necessarily impact the organisation overall. They may affect other areas of work, especially where departments are jointly delivering an initiative. Controls for departmental risks will mostly sit within the department affected; however, a few significant controls may sit in other business areas. Risk ownership at this level will normally be assigned to the Deputy Director/Head of Service/Department head, although some specific risks may be assigned to other senior officers within a department. Risk management will form an integral part of the business planning process, specifically around Departmental risk registers. It is expected that Department Team Meetings will include risk management as a standing item.

11. Operational (Tactical).

It is appropriate to provide some context around operational risk and its relationship with strategic risk.

Fire and Rescue Service personnel operate in a dynamic and sometimes hazardous environment. The activities covered include incidents involving rescue, fire, water, height, RTCs, chemicals, biological hazards, radiation and acts of terrorism, all performed in various forms of weather. The Service is responsible, under legislation, for developing policies and procedures and to provide information, instruction, training and supervision to its personnel about reasonably foreseeable hazards and the control measures used to reduce the risks arising from them.

The National Operational Guidance Programme, to which every FRS subscribes, sets out to provide fire and rescue services with sufficient knowledge about the potential hazards personnel could encounter when attending incidents.

12. Project.

Project risk management follows the same principles as those defined in this document and uses the same risk assessment matrix to evaluate project risks. In most cases, project risks remain within the project and are assigned to a designated member of the project team, but can also be escalated to either the Departmental or the Strategic level via the project sponsor who is responsible for the aggregated project risks.

It is important that a risk assessment is carried out at the very earliest opportunity in order to understand the viability of the project.

13. Identifying New and Emerging Risks.

Risk management should be a dynamic force, aligned to our activities as a Fire and Rescue Service and providing a comprehensive assessment of Risk.

In order to manage risk effectively we must look at new and emerging risks in the internal and external environment.

This activity should be led by senior management, filter down to departments and feed into operational and project guidance.

The consideration of new and emerging risks should be a regular agenda item at SLT meetings and feature in any Critical Incident de-briefs, or other leading opportunities i.e. national incidents.

14. The Risk Assessment Process.

For staff carrying our risk assessment, the recommended process is as outlined in BSI ISO3100:2108.
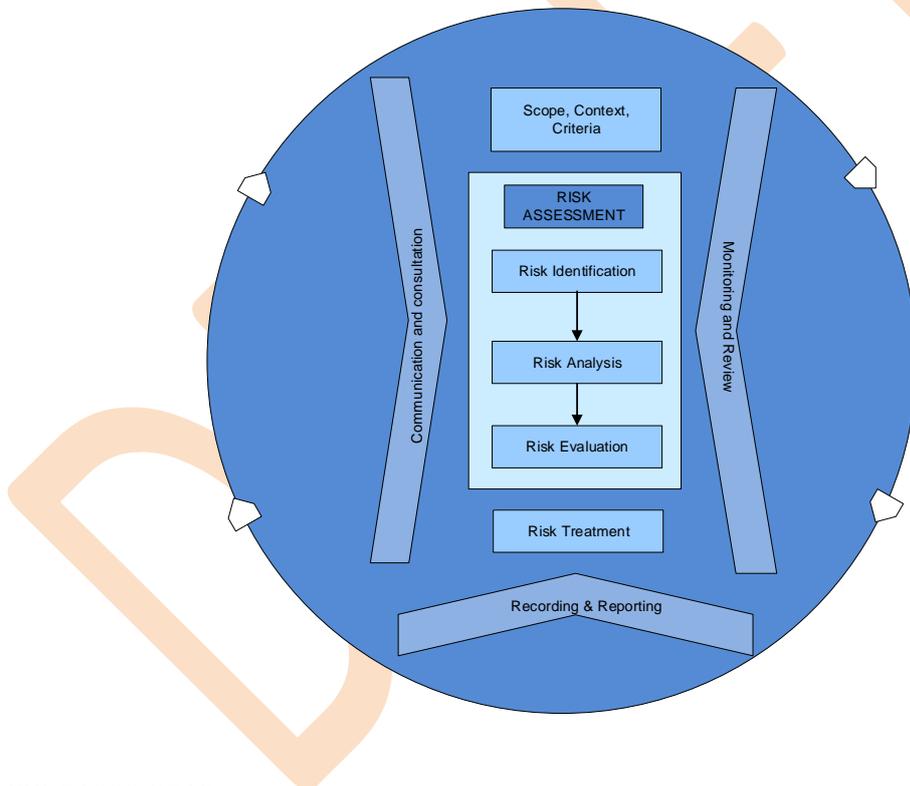
© BSI ISO 31000:2018

Departments are expect to assess risks, which may prevent delivery of the service strategy and their own business plans.

In order to do this effectively service heads must be clear about their objectives and the expectations of the Authority regarding performance.

A risk assessment can then be carried out. The Service prefers the PESTLE classification system for assessing the External and Internal environment; however, this can be used in conjunction with other methods. (More information on External and Internal context is contained in the **Risk Management Guidance** accompanying this Policy and Strategy).

The **external** context may consist of, but not be limited to:

- The social, cultural, political, legal, regulatory, financial, technological, economic, natural and competitive environments,
- Key drivers and trends having an impact on Service corporate objectives,
- Relationships with, and perceptions and values of, stakeholders and partners.

The **internal** context may consist of, but not be limited to:
- Governance, organisational structure, roles and accountabilities;
- Policies, objectives, and the strategies that are in place to achieve them;
- Capabilities, understood in terms of resources and knowledge (e.g. capital, time, people, processes, systems and technologies);
- Information systems, information flows and decision making processes (both formal and informal);
- Relationships with, and perceptions and values of, internal stakeholders;
- The Service culture;
- Standards, guidelines and models adopted by the organisation; and,
- The form and extent of contractual relationships.

The Service advocates using the Bow-Tie methodology when carrying out a risk assessment. The Bow-Tie method is useful in considering the range of possible impacts and necessary controls. When done correctly, the Bow-Tie can also support Root Cause Analysis and the identification of risk in Business Cases.

15. Risk Treatment, Escalation & Action Plans.

The higher the value of risk the higher the priority for action becomes. A decision is required whether to treat, tolerate, transfer or terminate the risk. A plan must be prepared accordingly. The diagram on the following page identifies actions.

A risk may need to be escalated to a higher level if the risk:

- Becomes too unwieldy to manage at the current level.
- Rating cannot be controlled / contained within its current level.
- Remains very high even after mitigations are implemented.
- Will impact on more than one service/project or function if the risk event materialises
- Moves outside the appetite boundaries / comfort zone.

A risk may need to be moved to a lower level if the risk:

- Can be controlled / managed at a lower level.
- Rating decreases significantly.
- Event will only affect one function / service area / team and the impact will be limited, thereby controlled more locally at a lower level.

Control Measures should be accompanied by an action plan for implementation and once fully implemented the control should be assessed and monitored for effectiveness.

Risk owners must call in Control Measure owners on a regular basis for review.

Substantial and extensive opportunities will require agile and flexible action if the benefits are to be realised.

Risk impact scores are described below, also referred to in the Risk Management Guidance document.

Risk impact scores

Rating	Rating Scale	Staff / Safety	Service Disruption	Service Objectives	Direct Loss /Finance	Media Attitude /Reputation	Legal/Regulatory Action	Environment
Insignificant	1	No injuries or threat of injuries. H & S compliant	Very little disruption to normal services.	Some problems delivering departmental objectives	Financial loss <£25k	No media coverage. External parties not impacted or aware of problem	Unsupported threat of legal action. High compliance standards recognised.	No damage to local environment.
Minor	2	Minor injuries (first aid required).H & S Policy review required	Minor disruption to delivery of services.	Inability to deliver a departmental objective.	Financial loss >£26k <£100k	Some local media coverage. Some external parties aware of the problem, but impacts on external parties are minimal.	Legal action with limited potential for decision against. / Oral comments received	Minimal damage to local environment
Significant	3	Serious injury. Short term hospitalisation. H&S standards insufficient / poor training.	Significant disruption to important services.	Inability to deliver departmental objectives	Financial loss >£101k <£250k	Extensive local front page press & local TV coverage. Significant number of external parties aware of problems	Probable settlement out of court. / Findings in written examination report	Significant damage to local environment.
Major	4	Severe/multiple injuries possibly leading to loss of life. Long term hospitalisation. H&S investigation.	Major disruption to important services	Inability to deliver one of the corporate objectives	Financial loss >£251k <£500k	Some national broadsheet & TV coverage. Cost to third parties.	Civil action for significant violation with limited opportunity for quick settlement. Possible criminal action. / Multiple or repeat violations.	Significant damage to local environment.
Critical	5	Loss of life. Severe/Multiple injuries & long term hospitalisation. H&S investigation, fine, legal fees and possible stop notice.	Critical disruption to a number of critical services.	Inability to deliver all or a number of corporate objectives.	Financial loss >£501k	Extended national media coverage, inc broadsheet editorial & TV. Third parties suffer major loss and/or cost.	Action brought against for major violation. / Action brought against for significant violation. Very large penalty/fine.	Critical local and major national environmental damage

Value	Level of Priority	Action & Timescale	Value	Level of Priority	Action & Timescale
1-3	**Low** Risk is tolerable	Risk is acceptable as long as all reasonable practicable controls are in place. Monitor regularly.	1-3	**Marginal** Gain is small, but may have slight benefits elsewhere.	Apply treatment as soon as reasonably practicable. Aim to induce Opportunities. Work should continue whilst Opportunity is induced
4-6	**Medium** Risk is moderate	Action should be planned to reduce risk. Monitor closely by Deputy Director / Department Manager.	4-6	**Considerable** Gain is worth the effort, will have immediate benefits, and possibly some benefits elsewhere.	Induce opportunities. Report to Department Manager.
8-12	**High** Risk is substantial and proximity is close.	Significantly high risk that where reasonably practicable, activity should cease until action taken to reduce risk. Where not practicable, strict deadlines should be agreed for mitigation. Report urgently to Director. Inform Risk & Business Continuity Department.	8-12	**Substantial** Notable financial, structural or reputational benefits.	Commence activity and negotiate Opportunity expeditiously. Maintain Opportunity to ensure no threats occur. Report urgently to Department Manager. Inform Risk Department..
15-25	**Very High** Risk is substantial and proximity imminent.	Activity should be suspended immediately until action taken to mitigate risk. Report immediately to the PFCC.	15-25	**Extensive** Very high value benefits to the Service if swift action is taken.	Commence activity and negotiate Opportunity immediately. Report immediately to the PFCC.

16. Risk Appetite.

Risk appetite is best summarised as "the amount of risk an organisation is willing to accept" and is about looking at both the propensity to take risk and the propensity to exercise control. Risk appetite provides the means to assess whether the organisation (and component parts) are operating within acceptable limits. The lower of the two thick black lines on the matrix below shows the generic/standard risk threshold. Where appropriate, risk appetite should be applied to specific registers and/or risks groupings with specific scaling.

Setting a risk appetite enables The Authority to communicate with senior staff and project teams the parameters within which Service managers are allowed to take acceptable risk. If there is a case for taking on more risk to achieve specific objectives that will be beneficial to the Service or department. In the long term, a business case for taking on more risk can be made.

Where risk is said to be outside of the desirable risk appetite, risk management prioritisation measures can be taken (e.g. relocation of staff, funding or expertise) to manage the risk back to within acceptable limits or options can be considered as to whether the risk can be transferred, terminated or tolerated at its current rating. This may involve a risk treatment action plan and risk escalation.

Where organisational performance as a whole exceeds the risk appetite limit, consideration will be given to providing a full stop on further change activity that may introduce more risk into the organisation.

Both the risk appetite and risk profile of the organisation will be regularly monitored by The Authority and the SLT through performance reports and formally reviewed on an annual exceptions basis unless circumstances demand otherwise, to check that the risk appetite remains appropriate to deliver the organisation's objectives in light of internal and external drivers.

17. Purpose of the statement.

This statement sets out the thinking and guidelines behind our risk appetite. Risk appetite should be formally applied at three levels within the organisation: the strategic, the departmental and the project levels. At a departmental level, the risk appetite should be determined through consultation with Heads of Service. At the project level, risk appetite may be expressed in the Project business case or PID.

In the pursuit of providing effectiveness and efficiency, the Service is willing to accept some closely monitored medium risks. This includes the development of community safety and communication initiatives, which by nature require a degree of creativity and innovation.

The Service will tolerate only unlikely negative exposure in the pursuit of objectives as reputational damage may hinder our ability to deliver prevention and protection activities.

Strategic risks rated at being greater than 6 will be escalated to The Authority. The appetite of the SLT will be "Open". (See diagram on the next page).

Likelihood/Probability	Almost Certain 5					
	Likely 4					
	Possible 3					
	Unlikely 2					
	Rare 1					
		Insignificant 1	Minor 2	Significant 3	Major 4	Critical 5
		Impact/Consequence				

Rare – Highly unlikely, but it may occur in exceptional circumstances. **Unlikely** – Not expected but there is a slight possibility it may occur at some time. **Possible** – The event may occur at some time. Historical evidence may support. **Likely** – There is a strong possibility the event will occur. Historical evidence may support. **Almost certain** – Very Likely. The event is expected to occur in most circumstances.

Risk Appetite Scale	Descriptions
Averse	Avoidance of risk and uncertainty is primary objective, no desire to part take in any activity which might put the service at risk
Minimalist	Ultra-safe methods of business delivery are primary concern. Potential rewards will be small with low level inherent risk involved in activities.
Cautious	Safe business delivery options with low level inherent risk and small but meaningful reward.
Open	Willing to consider all potential options for business delivery which are likely to bring the highest rewards. These are likely to have a high level of inherent risk associated.
Hungry	We choose to be innovate and lead change, we seek solutions which offer the highest possible rewards regardless of the associated high level of risk.

18. Risk Recording

The Service currently uses JCAD software for the recording, reporting, reviewing and monitoring of all Service Risks.

This provides transparency to all levels of management as necessary, to interrogate the system and obtain reports as required. **JCAD is simply the recording and reporting tool. *It does not manage risk for risk and control measure owners*.**

Risk Management Guidance is contained separately as part of the suite of Risk Management documents. The Guidance provides a step-by-step account of the risk assessment process, and recording, monitoring and reviewing risk using JCAD.

19. Reporting

The Authority's Audit Committee formally reviews the Strategic Risk Register on a Quarterly basis.

Monthly, the SLT will review other risk related issues such as high risks and emerging risks when the need arises, in addition to the quarterly reports.

Departmental Risks with a score of 8 or above will be referred for consideration by the SLT or if the items requires immediate attention, the appropriate Director.

Service Managers are required to add risk to their meeting agendas and must provide evidence upon request for assurance purposes.

The strategic reporting regime is demonstrated in the diagram below.
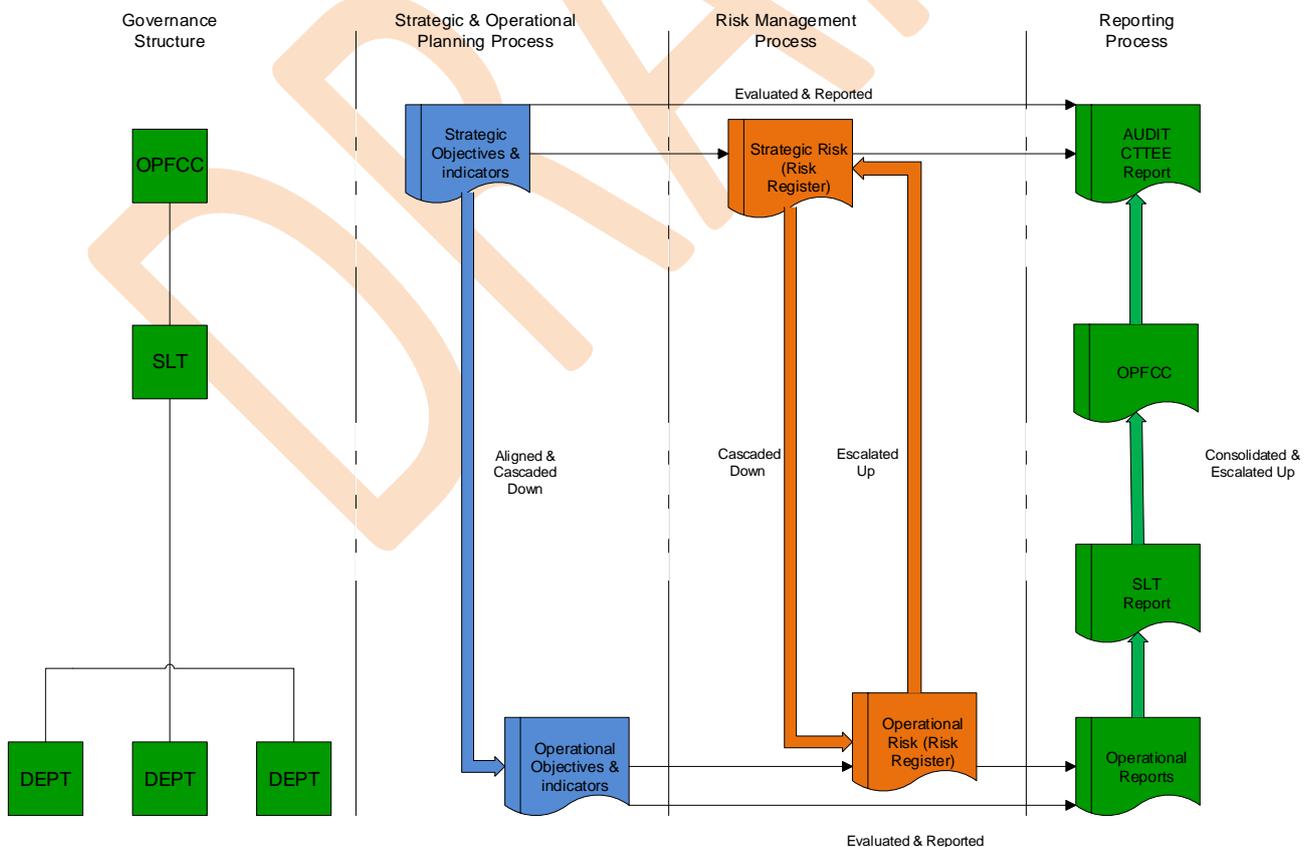
20. Development, Training and Awareness.

Through training and development, staff will:

- Have a basic awareness of risk.
- Be able to identify and manage risk.
- Understand the ECFRS approach to risk.
- Conduct Risk analysis.
- Prioritise.
- Act!

This is will be achieved through:

- Adequate resourcing.
- The SLT having collective risk management training.
- Mandatory training as a risk or control measure owner is appointed, to introduce the person to the Service risk recording system, JCAD CORE. Refresher training will be provided as required.
- Other training around specific areas of risk management provided as individual packages on request to the Corporate Risk & Business Continuity Manager. Packages shall be designed and delivered to be part of our training delivery programme.
- Individual Risk Surgeries for Risk Owners, which are mandatory at least three times a year.

21. Risk Assurance and Risk Management Maturity Model.

The SLT is the guardian of risks and risk control measures on behalf of The Authority, the Service, and for their own departments. Two important factors need attention. Firstly, adherence to a robust and active reporting, (assurance), mechanism; secondly, a risk maturity model to improve risk management.

22. Risk Assurance Model

Risk management duties must be coordinated carefully to assure that risk and control processes operate as intended. Roles require coordination to avoid gaps and duplication of effort. Without a cohesive, coordinated approach, limited risk and control resources may not be deployed effectively, and significant risks may not be identified or managed appropriately.

The Three Lines of Defence[1] model on page 19 provides a simple and effective way to enhance communications on risk management and control by clarifying essential roles and duties as follows:

- ❖ Functions that own and manage risks.
- ❖ Functions that oversee risks.
- ❖ Functions that provide independent assurance.

As the **first line of defence**, operational managers own and manage risks. They also are responsible for implementing corrective actions to address process and control deficiencies. For a **second line of defence**, the Service should have various risk management and compliance functions to help build and/or monitor the first line-of-defence controls. The **third line of defence** is Internal Audit reviewing risk management arrangements and processes annually, providing the Audit Committee and the Authority with comprehensive assurance based on the highest level of independence and objectivity.

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[1] Various sources. https://www.iia.org.uk/resources/audit-committees/governance-of-risk-three-lines-of-defence/

A risk assurance model will benefit the Authority in risk management moving forward. This can be linked to a risk management maturity model. (See the following page).
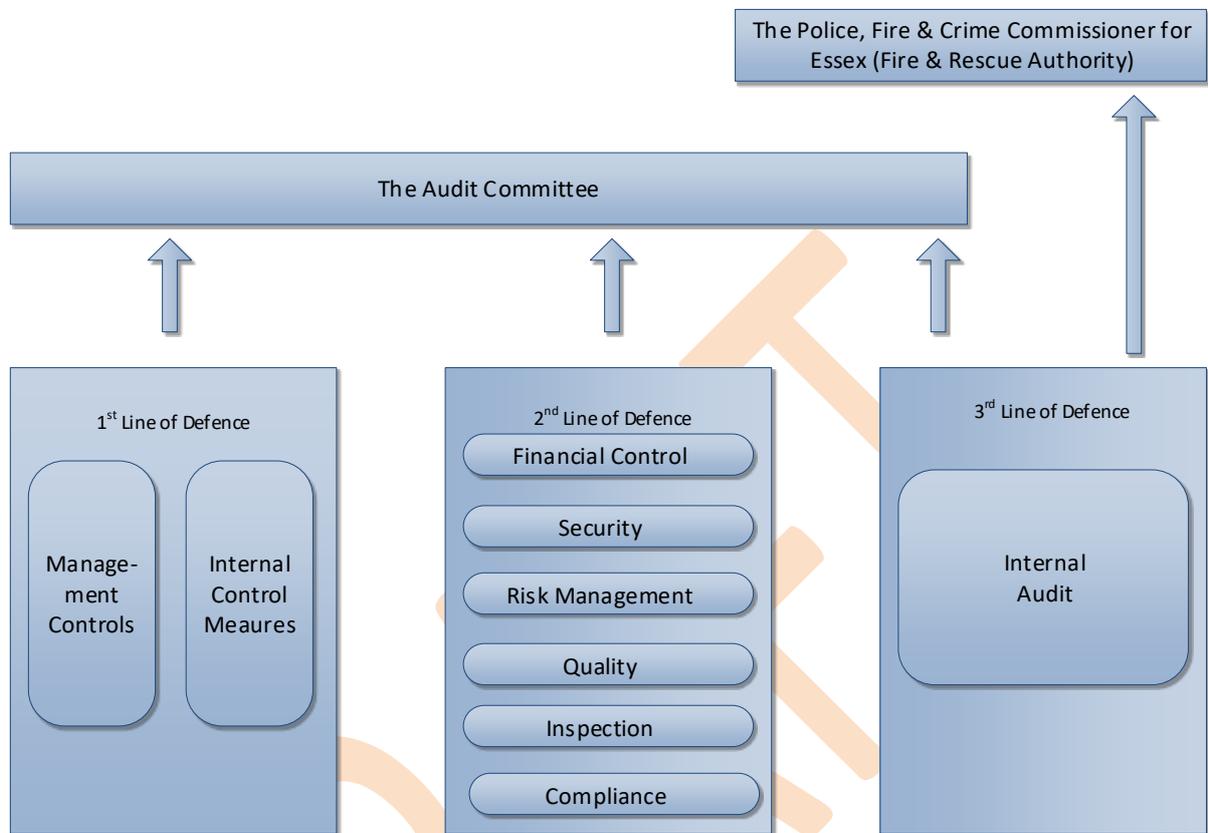
23. Risk Maturity

All organisations, including Essex County Fire & Rescue Service, are on a risk management journey. Risk maturity refers to where the business is on that journey and how well established risk management is as a discipline across the Service. There is increasing complexity of risks facing public service organisations. Senior managers must recognise and actively support the driving forward of the risk management agenda. Senior managers must monitor and review risk management activity and capability to direct resources to areas that need improvement and further development, ensuring that risk management arrangements remain fit for purpose in this changing environment.

The diagram on the following page illustrates a direction of travel and achievement for the Service.

24. Risk Maturity Model

Risk maturity can only occur if there is active and ongoing risk management by the appropriate managers within the Service. At March 2018, the Service remains at the "Engaging" stage.

Engaging

Leaders are aware of the principles and benefits of risk management

Some evidence of risk management processes in place

Little evidence of improved outcomes

Happening

Leaders ensure plans are in place to embed risk management

Key managers are aware of significant shared risks

Risk management processes are being implemented

Limited evidence supporting delivery of outcomes

Working

Leaders are discussing structured risk information on a regular basis

Processes are in place for all elements of risk management

Formal process of reporting/escalation established

Clear evidence supporting delivery of outcomes

Embedded & Working

Decision making is recognised as a key element of risk management processes

Managers have a clear understanding of the quality of risk information

Risk management is integrated into key business processes

Very clear evidence sustained improvement of delivery outcomes

Driving

Leaders use risk management to drive the business

All managers understand and apply the principles of risk management

Risk management processes are embedded within all key business processes

Risk management is clearly acting as a driver to improved performance