

# Public Document Pack

LANCASHIRE COMBINED FIRE AUTHORITY

AUDIT COMMITTEE

Thursday, 22 March 2018 in Main Conference Room, Service Headquarters, Fulwood commencing at 10.00 am.

IF YOU HAVE ANY QUERIES REGARDING THE AGENDA PAPERS OR REQUIRE ANY FURTHER INFORMATION PLEASE INITIALLY CONTACT DIANE BROOKS ON TELEPHONE NUMBER PRESTON (01772) 866720 AND SHE WILL BE PLEASED TO ASSIST.

Dear Councillor

I am now able to enclose, for consideration at next Thursday, 22nd March, 2018 meeting of the Audit Committee, the following report(s) that were unavailable when the agenda was despatched.

4. Risk Management (Pages 1 - 20)  
Report to follow.
5. Internal Audit Monitoring Report (Pages 21 - 28)

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## LANCASHIRE COMBINED FIRE AUTHORITY

### AUDIT COMMITTEE

Meeting to be held on 22 March 2018

### RISK MANAGEMENT

(Appendix 1 refers)

#### Contact for further information:

Keith Mattinson – Director of Corporate Services– telephone 01772 866804.

#### Executive Summary

The report highlights action taken in respect of corporate risk since these were last reported to the Audit Committee.

#### Decision Required

The Committee is asked to note the actions taken and endorse the revised corporate risk register.

#### Information

The latest review of the corporate risk register has identified one new risk which warrants inclusion on the corporate risk register.

#### Risk

The outcome of the EU court ruling on the Matzak case relating to on-call arrangements in Belgium has a detrimental impact on service provision and/or cost.

#### Actions

The case looked at the applicability of Working Time in connection with the Belgian Fire Service and their version of On Call Controls.

Legal opinion is being sought in connection with the case to identify its impact in the UK.

#### Score

Until such time as a legal opinion is received it is impossible to identify an accurate risk score, but as an interim I suggest that this presents a significant risk to the organisation and hence is scored as a high risk (15).

Of the existing risks 8 have been reviewed, and an updated corporate risk register is attached as appendix 1, with changes summarised below:-

		Update since last meeting	Proposed Risk Score	
1	Insufficient resources due to poor funding settlement, inability to make required savings, additional financial pressures such as RDS pensions etc., plus council tax limits via local referendum resulting in Authority being unable to set a balanced budget	<p>The Final Settlement for 18/19 was in line with the four year settlement previously agreed. Next year's draft settlement was also in line with previous figures. Hence, barring exceptional circumstances, we anticipate next year's settlement showing a funding reduction of £0.5m. However there still remains some uncertainty surrounding the impact of Brexit. In addition the Government is currently consulting on a Fair Funding Review and changes to the Business Rates Retention Scheme, both of which may impact on future funding</p> <p>Based on current budget estimates we will be faced with a funding gap of £1.2m in 19/20 (assuming council tax is increased by 3%).</p> <p>The Authority will continue to review opportunities for further savings.</p> <p>The Authority holds sufficient reserves to enable it to meet this funding gap in the short to medium term.</p>	Remains at 9	Medium
2	<p>Premises Risk Information: That operational staff do not have available adequate and reliable premises information to efficiently resolve operational incidents: Risk information is provided to operational staff based on premises information and premises risk are identified on a continuous basis although this is not consistent throughout the Service.</p>	No change, not due to report till 30/6/18	9	Medium
3	Insufficient staffing	Previously discharged		

	resources, due to Industrial Action, to deal with operational demand and fulfil statutory responsibilities			
4	Lack of availability of water supplies for fire fighting prevents effective fire fighting resulting in additional damage to property and increased risk to life.	Previously discharged		
5	The increasing age profile of operational staff could adversely affect our ability to deliver effective emergency response.	Previously discharged		
6	Operational staff do not have the required skills to operate safely at an incident with the potential to result in F/F injuries or fatalities.	Through the Operational Assurance Group, Prevention, Protection and Response Task and Strategic Groups along with the Health, Safety and Environment Advisory Groups, internal and external learning are monitored and fed into the Training and Operational Review department to influence operational training. Internal Audit review being undertaken at present	Remains at 9	Medium
7	Failure of key ICT systems resulting in disruption to services	No change, not due to report till 30/6/18	9	Medium
8	Loss of corporate reputation through negative publicity	No change, not due to report till 31/12/18	9	Medium
9	Retention and recruitment of RDS staff impacts on RDS appliance availability	No change, not due to report till 31/12/18	9	Medium
10	Lack of workforce planning resulting in significant over/under provision of staff and resulting impact on service and finances	Previously discharged		

11	Lack of compliance with legislation resulting in prosecution or compliance order	Previously discharged		
12	Ineffective Health and Safety in the workplace, resulting in prosecution, intervention fees etc.	No change, not due to report till 31/12/18	9	Medium
13	Lack of effective Information management impacting on service delivery and support or leading to a breach of data protection/freedom of information or a loss of sensitive/personal information	<p>Compliance with the Data Protection Act (DPA) and the forthcoming General Data Protection Regulation (GDPR) in May 2018 remains a priority.</p> <p>This work stream will be supported by the recent appointment of our Knowledge Information Officer. This post holder will ensure that Information Sharing Agreements and Information Management Systems are managed to be both efficient and compliant with the forthcoming Date Protection (GDPR) legislative changes. This work is a formal project managed at Group Manager level and has dedicated Terms of reference and work plans.</p> <p>Work remains ongoing in order to deliver performance management integration within our District Plans. Post Incident Activity Logs are now automated and work continues to automate the wider District Plan Key Performance Indicators (KPI's).</p> <p>Once this work completes Service Delivery staff will have a single source work platform that negates the need to interrogate our various systems such as IRS, CORVU, CFRMIS.</p>	Remains at 9	Medium
14	Delayed mobilisation,	No change, not due to report	9	Medium

	impacting on service delivery	till 31/12/18		
15	High levels of staff absence due to outbreak of ebola.	Previously discharged		
16	Lack of clarity on future of FRS, leading to inertia	Previously discharged		
17	Failure of ESMCP to deliver a viable communication facility.	No change, not due to report till 31/12/18	9	Medium
18	Inability to maintain service provision in spate conditions	Previously discharged		
19	Failure to maximise the opportunities that technological advances present due to a lack of capacity within the ICT department, and an inability of staff to keep pace with new development that are implemented	<p>ICT Asset Mgt Plan in place, which identifies replacement timeframes for existing systems.</p> <p>Revised ICT Strategy presented to Resources Committee in March 2018 and includes work stream to improve user experience.</p> <p>BPIP consider all new ICT systems/developments, as part of this consideration is given to capacity planning in terms of ICT resource and impact on end users</p> <p>CPB consider outcomes from BPIP</p> <p>Additional Systems Engineering posts are now filled with the individuals already having a positive impact on the back log of work.</p> <p>The introduction of Apprentice roles should allow additional capacity to build. ICT are still carrying vacancies however work continues on filling these, with ICT working with HR to explore options to attract skilled staff such as telecommuting in addition to Apprentice/Graduate programmes.</p> <p>Existing capacity has enabled</p>	Reduce to 9	Medium

		ICT to start looking at new projects that they have been unable to support in previous years.		
20	Loss of support for Vector Incident Command product with the product name Command Support System (CSS) leading to ineffective command function at large incidents	No change, not due to report till 31/12/18	9	Medium
21	Risk of rapid external fire spread in high rise premise resulting in a major incident	To date one section of ACM cladding, which was managed via risk assessment/arrangements Risk based inspection programme on-going, 148 inspections complete, and 16 premises outstanding (these are lower risk properties comprising low rise hospitals, schools, and non-sleeping commercial premises).	Remains at 10	Medium
22	Failure to maximise collaborative opportunities presented by Policing and Crime Act 2017	No change, not due to report till 30/9/18	9	Medium
23	Lack of leadership capacity impacting on delivery of services	No change, not due to report till 30/9/18	9	Medium
24	Insufficient preparation for inspection programme leading to opportunities being lost in terms of national learning and Lancashire's ability to effectively communicate its progress and awareness	No change, not due to report till 30/6/18	9	Medium

It is worth noting that an updated National Risk Register has been published by the Cabinet Office. This will be reviewed by the Lancashire Resilience Forum, of which we are a partner, with any relevant risk being reported to the Audit Committee in due course.

### Financial Implications

None



**Human Resource Implications**

None

**Equality and Diversity Implications**

None

**Environmental Impact**

None

**Business Risk Implications**

The improvement in risk management arrangements should result in reduced business risk

**Local Government (Access to Information) Act 1985**

**List of Background Papers**

Paper	Date	Contact
None		
Reason for inclusion in Part II, if appropriate:		

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CORPORATE RISK REGISTER

Mar 18

KEY RISKS		RISK MITIGATION/CONTROLS IN PLACE	LIKELIHOOD	IMPACT	RESIDUAL RISK	ACTIONS RECOMMENDED	BY WHEN	BY WHOM	RISK OWNER	DIRECTORATE
1	Insufficient resources due to poor funding settlement, inability to make required savings, additional financial pressures such as RDS pensions etc., plus council tax limits via local referendum resulting in Authority being unable to set a balanced budget.	<p>The Government has confirmed that the multi-year settlement offers have been agreed with all single purpose fire and rescue authorities.</p> <p>The Final Settlement for 18/19 was in line with the four year settlement previously agreed. Next year's draft settlement was also in line with previous figures. Hence, barring exceptional circumstances, we anticipate next year's settlement showing a funding reduction of £0.5m. However there still remains some uncertainty surrounding the impact of Brexit. In addition the Government is currently consulting on a Fair Funding Review and changes to the Business Rates Retention Scheme, both of which may impact on future funding</p> <p>Based on current budget estimates we will be faced with a funding gap of £1.2m in 19/20 (assuming council tax is increased by 3%).</p> <p>The Authority will continue to review opportunities for further savings.</p> <p>The Authority holds sufficient reserves to enable it to meet this funding gap in the short to medium term.</p>	3	3	9	<p>Continue to monitor position and review implications arising from Brexit, fair funding review and Local Retention of Business Rates.</p> <p>Continue to identify savings opportunities</p>	31/03/2019	DoCS	DoCS	Corp Serv
2	<p>Premises Risk Information: That operational staff do not have available adequate and reliable premises information to efficiently resolve operational incidents: Risk information is provided to operational staff based on premises information and premises risk are identified on a continuous basis although this is not consistent throughout the Service.</p>	<p>Premises based risks are assessed using the ORA process and paperwork. These are then categorised as level 1, 2, or 3 risk and documented accordingly.</p> <p>RIEF process is in place for sharing risk information The Service now has an ability through its RADAR product to store and record/ amend Cat 2 &amp; 3 risk information.</p> <p>Premises risks categorised as level 2 risk have a hazard statement on the mobilising system. The PORIS programme went live on the 1/4/15, as per the project plan. This now gives the Service a fully compliant system against the principles outlined in the CFRA PORIS guidance.</p> <p>All known high risk premises are recorded on the system.</p>	3	3	9	<p>86 plans still require further work. Since the last update the new form and training have been developed. The training will be completed by mid-July following which all new 7(2)(d) plans will be created using the new format. SDMs have received training to ensure that they can quality assure the plans prior to them being published. The Operational Assurance Team will recommence auditing of existing 7(2)(d) plans, starting with the Level 5s in Q2.</p>	30/06/2018	HoSD	DoSD	Serv Delivery

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3	Insufficient staffing resources, due to Industrial Action, to deal with operational demand and fulfil statutory responsibilities.	<p>LFRS has a separate contingency plan in place that is specific to industrial action. This plan has been utilised throughout the current period of industrial action. Whilst overall levels of cover have been marginally reduced our resilience arrangements have ensured that we have been able to maintain our first pump attendance standards and ensured the same level of professional operational effectiveness throughout each of the periods of industrial action. Appropriate refresher training has been provided. There are 13 &amp; 16 agreements in place with other NW FRSs. Regular dialogue takes place with key staff and representative bodies. In December the FBU announced that further industrial action has been put on hold until June 2017, pending the outcome of the employment tribunals relating to the modifications to the pensions scheme. As such it is proposed that the risk is discharged from the corporate risk register, until such time as the potential for further industrial action arises, i.e. June 2017.</p>	1	4	4	Discharged				
4	Lack of availability of water supplies for fire fighting prevents effective fire fighting resulting in additional damage to property and increased risk to life.	<p>The Service commissions, adopts, systematically inspects and repairs mains fed fire fighting hydrants across the County. We maintain operational plans that display the location of available hydrants and open water supplies. Accurate hydrant information now provided to FES. Hydrant inspections moved to a risk based programme. New SSI Hydrant Manager update - Central system (within FES) is now up and running with current information being available on appliance MDT's. Hydrant tech's now moved over to Toughbook's for hydrant management and reporting of defects. We have Strategic Hydrants (those with a flow rate of above 1,500 litres per minute), then Risk Category 1, 2 and 3. Strategic are tested annually, Risk 1 annually, Risk 2 every two years, and Risk 3 every three years. Defects are repaired either in-house by the Hydrant Technicians, or reported to United Utilities (Strategic being marked urgent). Strategic Hydrants are always flow tested and this is recorded on the hydrant asset in SSI. Other hydrants are dry tested. Increased use of HVP for larger incidents.</p>	2	3	6	Discharged				

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5	The increasing age profile of operational staff could adversely affect our ability to deliver effective emergency response.	Fitness Assessments introduced and included as part of the Crew Training as of 1st April 14. Remedial action to ensure that acceptable levels of fitness are developed and maintained. Provision of facilities for physical exercise and training on operational stations. Currently staff are timetabled to take a fitness test, are subject to health monitoring and managers can refer staff to OHU if they have concerns. The Service provides a physiotherapy service, critical incident debriefing and counselling if needed.	3	2	6	Discharged				
6	Operational staff do not have the required skills to operate safely at an incident with the potential to result in F/F injuries or fatalities.	Recruitment of Wholtime and RDS staff is undertaken against national standards. Initial and Continuation training delivery is based on National Occupational Standards (NOS), National Operational Guidance (NOG) and Training Specifications. Role related competencies have been identified and recorded within the PDR Pro system with appropriate retraining frequencies identified. Initial and Refresher training delivered to cover a wide range of specialist skills. Particularly risk Critical areas such as Breathing Apparatus are centrally assessed to ensure uniformity. An Operational Assurance policy is in place delivered through a dedicated Operational Assurance Team that continually assesses operational readiness through station visits, incident / exercise monitoring and debriefing. The team publishes a quarterly performance report to promote staff awareness of key operational performance issues. As well as internal learning sources, the team receives National Operational Learning (NOL) in relation to nationwide incidents, Rule 43 Letters and Joint Operational Learning from other blue light Services and Resilience Forum Partners. Such learning results in a range of actions including REC1 safety bulletins, changes to operational policy and training content (both courses and e-learning) and thus constant evolution/improvement in safety and effectiveness. A dedicated Incident Command Training team has been established recognising the vital importance of this skill to safe and effective operations. Retained Support Officers have been appointed and their responsibilities include recruitment and training. The Service continues to invest in training props to ensure realistic hot fire training conditions. Through the Operational Assurance Group, Prevention, Protection and Response Task and Strategic Groups along with the Health, Safety and Environment Advisory Groups, internal and external learning are monitored and fed into the Training and Operational Review department to influence operational training.	3	3	9	Embed new arrangements. Monitor effectiveness of Operational Assurance Performance Report in disseminating information	31/03/2019	HoTOR	DoSD	Serv Delivery

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7 Failure of key ICT systems resulting in disruption to services.	Separate BCP plans developed, including backup and recovery procedures, desktop exercise completed. Asset replacement policy in place, regularly reviewed. IT Firewall to prevent inappropriate access, moisture detection loop installed in SHQ plant room to identify any early threat of flooding Secondary ICT site constructed at STC to provide enhanced resilience, implementation of Active Directory to enhance security and control of user access, improved virus protection. Strategy to control use of USB devices implemented. Patch and update policy place to ensure servers and workstations are up to date with latest security developments. Wide Area Network (WAN) to all administrative and operations site. New Storage Area Network (SAN) to replicate all essential servers and data to the disaster recovery site at STC. Installed resilient link from STC to County Hall in order to maintain LCC/OCL supplied services in the event of a failure at SHQ or the link to County and also have extended the network to include the new control facility in Warrington.	3	3	9	We will be further developing NWFC as part of the WAN replacement this year, in order to make use of the intrinsic resilience built into the comm's and the building there, as a possible alternative to STC. It would also add further geographical separation to the sites and additional working space for us in the event of an incident	30/06/2018	HoICT	HoICT	Strategy & Planning
8 Loss of corporate reputation through negative publicity.	Emergency communication plan and toolkit covers all aspects of risk including business continuity issues, emergencies and broader reputational risk, and fulfils requirements of the Lancashire Resilience Forum emergency communications plan. Plan regularly tested, including exercises. Effective reactive press office and proactive media activity to build positive reputation including on-call arrangements for out-of-hours cover. Media training updated in December 2017 and forms part of middle manager development programme. Communication plans for all corporate projects include internal communication to ensure staff are well informed to reduce risk of misinformation. Corporate use of social media is embedded in communication plans with policy and guidance in place. Social media training forms part of middle manager development programme and is delivered to individuals and teams as required throughout the year. Scanning and planning function helps anticipate and plan for specific reputational risks.	3	3	9	Social media policy and guidance requires review to ensure it keeps pace with issues and trends. Updated media training to be offered to managers outside of middle manager development programme. GDPR compliant guidelines on use of personal data in the form of images to be issued to all staff.	31/12/2018	HoCC	HoCC	People & Development

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9 Retention and recruitment of RDS staff impacts on RDS appliance availability.	RDS recruitment and retention working group established. Increased RDS basic recruits course population from 12 to 24. Quicker access to BA course on completion of recruit training. TOR support throughout the RDS probationary period. Retained salary scheme introduced and reviewed regularly. The service allows shorter RDS contracts to improve appliance availability. Encourages dual contract staff to contribute to the RDS. RDS availability targets now reduced to 95%. Proactive recruitment by SDM's. Joint working between HR and service delivery to enhance current recruitment processes. RDS Strengthening & Improving programme in place for 2 years now with the focus on supporting staff through their developmental stages and improving efficiency and effectiveness of recruitment work. A new Recruitment Vehicle has been established and its being piloted across the Service with good levels of utilisation and improved visibility reported by those staff engaged in recruitment activity. RSO activity around both development and recruitment are paying off with improved levels of support being given across all required skill sets to those in the Service and those looking to join us.	3	3	9	RDS Pay review implemented during 2017 after Union consultation. Retained Support Officers implemented and now established across the county and the benefits of these roles starting to show through in the distance travelled amongst firefighters in the development stages of their careers. RSO's also focusing upon strengthening Incident Command skills amongst RDS staff to improve competency as well as their sense of feeling valued. On-going activity around RDS recruitment campaigns is starting to show benefits with successful completion of recruits courses in 2017 now running at between 85-95% (was at 50% in 2015). For those who fail the RDS course the RSO's maintain contact and developmental work with a view to attendance on subsequent courses.	31/12/2018	HoSD	HoSD	Serv Delivery

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10	Lack of workforce planning resulting in significant over/under provision of staff and resulting impact on service and finances.	A mechanism of workforce planning has now been agreed and this will be reviewed on annual basis. As part of the development of the workforce plan a review of retirement profile is considered which is the main reason for turnover for those staff on grey book terms and conditions, this information is used to plan recruitment and enables us to plan effectively ensuring enough staff. Further to the turnover last year, an internal recruitment campaign and associated recruitment resulted in recruitment to 27 posts. A further recruitment campaign is being conducted for 2017/18 which will be completed by mid-May. Our approach to training and organisational development ensures that staff have the necessary ability, skills and training in order to able to undertake the job role. In terms of managing the risks associated with over establishment, all posts are checked against the post book prior to advertising. Where a post is not established it needs to go through specific authorisation and establishment process which ensures that we control the number of posts we recruit.	2	3	6	Discharged				
11	Lack of compliance with legislation resulting in prosecution or compliance order.	Clerk of Authority reviews all Committee reports for legality and advises CFA. Clerk and Solicitor review new legislation. Government notify of all new requirements Horizon scanning.	2	2	4	Discharged				
12	Ineffective Health and Safety in the workplace, resulting in prosecution, intervention fees etc.	Health and Safety Management System (HSMS) in place. HSA3 – workplace inspection programme. Internal Audit Framework (replace with SHE Annual Review and Station Audit Programme). HSMS developed and re-certificated to OHSAS 18001 H&S standard. SHE department plan to develop, maintain and continuously improve the HSMS. Publication of risk information – GRA's, service orders etc. External audit and scrutiny through VCA External Auditors, Audit and review arrangements in place through SHE Department audit programme. Health, Safety and Environment Advisory Group monitor performance.	3	3	9	Following the independent audit of Health and Safety and Environmental Management Systems carried out as part of our OHSAS 18001 and ISO 14001 certification process non-conformances and opportunities for improvement are collated together into the SHE Audit Improvement Action Plan and monitored to conclusion through the Health, Safety and Environment Advisory Group.	31/12/2018	HoSHE	HoSHE	People & Development



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KEY RISKS	RISK MITIGATION/CONTROLS IN PLACE	LIKELIHOOD	IMPACT	RESIDUAL RISK	ACTIONS RECOMMENDED	BY WHEN	BY WHOM	RISK OWNER	DIRECTORATE
13 Lack of effective Information management impacting on service delivery and support or leading to a breach of data protection/freedom of information or a loss of sensitive/personal information.	A revised structure to deliver Information Management has been implemented. Nominated Data Protection and Freedom of Information Lead Officers to ensure legal obligations met. All freedom of information requests considered by Exec Board. Performance indicators reported on a regular basis. Location Hub managed centrally allow greater integration of data. performance management software(CORVU) implemented. Data encryption in place.Information Management related projects are progressing as scheduled with governance from Programme Board and DCFO as Sponsor. Compliance with the Data Protection Act (DPA) and the forthcoming General Data Protection Regulation (GDPR) in May 2018 remains a priority.	3	3	9	This workstream will be supported by the recent appointment of our Knowledge Information Officer. This post holder will ensure that Information Sharing Agreements and Information Management Systems are managed to be both efficient and compliant with the forthcoming Date Protection (GDPR) legislative changes. This work is a formal project managed at Group Manager level and has dedicated Terms of reference and work plans. Work remains ongoing in order to deliver performance management integration within our District Plans. Post Incident Activity Logs are now automated and work continues to automate the wider District Plan Key Performance Indicators (KPI's).	31/12/2018	HoServ Develop	DoSP	Strategy & Planning
14 Delayed mobilisation, impacting on service delivery.	System uses AVLS to locate the nearest available pump, based on anticipated 'run time'. 2014 saw the implementation of a new Global ITN road speed setting developed from historical evidence provided by Cheshire FRS. This implementation along with changes to Station geographical locations, the removal of road restrictions (imposed on the ITN by the developers) and the development of new response plans has seen an improvement in mobilising with appliances arriving with greater accuracy between the proposed and actual run times. Restrictions have been imposed on the system to ensure non critical incidents are attended by the host station whilst preventing a lengthy run time and/or a slow response time. This restriction ensures both the spread of resources is maintain and the continued use of RDS whilst preventing Whole time appliances being taken out of higher risk areas, this also reduces the need for standby/closing in moves.	3	3	9	Work is ongoing on a regional footprint to ensure that the data utilised is accurate, therefore leading to the most effective 'time in attendance' for all appliances. The initial review of anticipated time in attendance when compared to the actual time in attendance is providing evidence that further changes are not required. Evaluation work is ongoing and it is anticipated that this workstream will close in early 2018.	31/12/2018	HoServ Develop	DoSP	Strategy & Planning
15 High levels of staff absence due to outbreak of Ebola.	On-going liaison with LCC Emergency Planning Dept and LRF. Separate BCP plans developed re large scale staff absence. Enhanced sickness and absence policy implemented. OHU department to provide advice to managers/staff.	1	4	4	Discharged				

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16 Lack of clarity on future of FRS, leading to inertia.	<p>The Sir Ken Knight review highlighted a need to review governance arrangements relating to FRAs identified several potential governance models, regional, national, mergers, ambulance, police etc. responsibility for Fire Service has transferred from CLG to Home Office</p> <p>The Policing and Crime Bill (which is currently going through Parliament) introduces measures which require the police, fire and rescue, and ambulance services to collaborate with one another.</p> <p>As a minimum, the legislation requires PCCs to be represented on the relevant fire and rescue authority (FRA) (or its committees) with full voting rights, subject to the consent of the FRA. Alternatively, PCCs have the option of putting forward a business case which may include arrangements to take on responsibility for the governance of fire and rescue; or to become the single employer for fire and police, to deliver greater improvements through the integration of back office functions and maximise the benefits of workforce flexibility. As such future options now appear to be:-</p> <ul style="list-style-type: none"> <li>• remain as we are</li> <li>• move towards a PCC</li> </ul>	2	3	6	Discharged				
17 Failure of ESMCP to deliver a viable communication facility.	<p>Emergency Services Mobile Communication Programme (ESMCP) is a national project which will deliver a replacement communications and data service using 4G technology. The new broadband data services will replace the existing private mobile radio system provided by Airwave. Main contracts awarded to EE and Motorola for the network and network equipment respectively. Since the signing of the contract, there has been considerable work done by the suppliers, central programme team and emergency services in the regions. However there are still some areas that need to be resolved, and therefore the original go live for the North West (the first region go-live) September 2017, has moved on 6 months to April 2018. The current Airwave contract has been extended until 2019, in order to ensure that the roll out of the new system is complete before the existing contract ends.</p>	3	3	9	<p>Work is ongoing at both a service and regional level in order to prepare for transition to ESMCP. This is focussed upon coverage, transition planning, device support requirements and evaluation of Home Office (HO) documentation such as the vehicle mounted device specifications. The Programme has reported to the Parliamentary Advisory Committee and prioritised work with both key contractors, these being EE and Motorola. At this time LFRS is managing the project with business as usual resources following the secondment of our Project Manager to HO, a replacement has been identified and will start in role in April 2018. Significant progress cannot be achieved until after the HO issue the revised National Transition Plan which is expected by April 2018.</p>	31/12/2018	HoServ Develop	DoSP	Strategy & Planning

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18	Inability to maintain service provision in spate conditions	<p>Robust Business Continuity arrangements The published 2017-2022 LFRS Integrated Risk Management Plan recognises the impacts of wide area flooding (P2 increasing weather related events) as does our SOR for 2017. Ensure ESMCP specification recognises communication needs identified Training for LFRS FDOs regarding National Resilience Asset mobilisation and associated Command Support has been delivered, testing via an exercise to be completed</p> <p>LFRS vehicle fleet amended with multi-purpose (4x4) vehicles suitable for use in wide area flooding placed within the fleet, further purchases to follow in 2017/18 to extend the provision to 10.</p> <p>The enhancement of staff PPE with provision of flood suits and associated training is complete.</p> <p>The Lancaster accommodation side (not appliance bay etc.) has been built with flood defences and other mitigation works as per flood risk assessment. Other works include elevating all Station Mobilisation Cabinets that are in Flood risk areas.</p>	3	2	6	Discharged				
19	Failure to maximise the opportunities that technological advances present due to a lack of capacity within the ICT department, and an inability of staff to keep pace with new development that are implemented	<p>ICT Asset Mgt Plan in place, which identifies replacement timeframes for existing systems.</p> <p>Revised ICT Strategy presented to Resources Committee in March 2018 and includes work stream to improve user experience.</p> <p>BPIP consider all new ICT systems/developments, as part of this consideration is given to capacity planning in terms of ICT resource and impact on end users</p> <p>CPB consider outcomes from BPIP</p> <p>Additional Systems Engineering posts are now filled with the individuals already having a positive impact on the back log of work.</p>	3	3	9	<p>ICT are still carrying vacancies however work continues on filling these, with ICT working with HR to explore options to attract skilled staff such as telecommuting in addition to Apprentice/Graduate programmes. The introduction of Apprentice roles should allow additional capacity to build.</p> <p>Existing capacity has enabled ICT to start looking at new projects that they have been unable to support in previous years.</p>	31/03/2019	HoICT	DoSP	Strategy & Planning

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	KEY RISKS	RISK MITIGATION/CONTROLS IN PLACE	LIKELIHOOD	IMPACT	RESIDUAL RISK	ACTIONS RECOMMENDED	BY WHEN	BY WHOM	RISK OWNER	DIRECTORATE
20	Loss of support for Vector Incident Command product with the product name Command Support System (CSS) leading to ineffective command function at large incidents	The CSS software application we currently run on our command units to manage the incident command system, has gone into administration and will no longer be able to support the software system. However we can still use on each Command unit, there will not be any support should this cease to operate. If that was the case we would need to utilise an alternative means of incident command, i.e. white board and pen. The Intellectual Property Rights (IPR) for the Vector software were bought at auction by Telent, who are the prime contractor for the NWFC ICT mobilising and communication. They have presented to say they will ensure that the original Vector developments as promised under the NWFC contract will be delivered.	3	3	9	Trials of the updated software upon the live system identified a number of errors. Therefore the updates were removed and the previous version of the Vector software remains in use and fit for purpose. Development work to fix the issues is ongoing whilst evaluations of a replacement product are scheduled for January 2018.	31/12/2018	HoServ Develop	DoSP	Strategy & Planning
21	Risk of rapid external fire spread in high rise premise resulting in a major incident	All high rise residential premises have been audited, in conjunction with relevant Local Authority. Only one building found with ACM cladding panel, this was on a 6 storey section of building (top section), which is being managed locally to limit the risk this presents. An on-going risk based inspection plan has been agreed based on following priority order: -High rise Purpose flats -High rise sleeping -High rise hospitals -High rise schools -High rise commercials -Hospital non- high rise -School non-high rise -other Community reassurance visits undertaken. Temporarily amend PDA to high rise to include an ALP	2	5	10	Complete inspection programme Update relevant SSRIs. Review amendment to PDA in light of further information from the Grenfell Inquiry	31/12/2018	HoServ Develop	DoSP	Strategy & Planning
22	Failure to maximise collaborative opportunities presented by Policing and Crime Act 2017	Well-developed relationships with Lancashire Constabulary and NWS Regular meetings to discuss issues/opportunities Collaboration already taking place i.e. EMR, Gaining Entry, Missing Persons, Air Support (Drone), Site Sharing etc.	3	3	9	Statement of Intent to be agreed between LFRS and Lancashire Constabulary Areas for further review to be agreed Further roll out of EMR is dependent upon outcome of national pay negotiations	30/09/2018	HoSD	DoSP	Strategy & Planning

**CORPORATE RISK REGISTER**

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KEY RISKS	RISK MITIGATION/CONTROLS IN PLACE	LIKELIHOOD	IMPACT	RESIDUAL RISK	ACTIONS RECOMMENDED	BY WHEN	BY WHOM	RISK OWNER	DIRECTORATE
23 Lack of leadership capacity impacting on delivery of services	Workforce plan agreed and implemented which clearly identifies our challenges and workforce profile Recruitment policy in place which reviews the success of recruitment campaigns against the knowledge and skills gap Appraisal system in place, to establish opportunities for development feedback, identification of training needs, development opportunities and talent Leadership Development programmes in place, including in house leadership development, ILM (Institute of Leadership and Management) ELP (Executive Leadership Programme), Leading into the Future (A cross sectoral leadership programme) etc. Coaching and mentoring system introduced Action Learning Sets introduced Leadership Conferences delivered April 2017 with the second being planned for October 2017 Promotion Board in place with clear development and promotion pathways established for operational staff	3	3	9	Deliver second leadership conference Deliver a leadership development programme to operational and support managers Develop and deliver an apprentice strategy	30/09/2018	HoHR	DoPD	People & Development
24 Insufficient preparation for inspection programme leading to opportunities being lost in terms of national learning and Lancashire's ability to effectively communicate its progress and awareness	Team established to undertake internal review, Draft inspection criteria produced by HMICFRS and being reviewed by team and departments	3	3	9	First draft of internal reviews being considered at end of January and action plan to address issues will be implemented Need to manage expectations both internally and externally	30/06/2018	HoSD	DoSP	Strategy & Planning

HIGH	0
MEDIUM	16
MEDIUM/LOW	5
LOW	3
	<u>24</u>

- Scores**
- |                               |                              |
|-------------------------------|------------------------------|
| <b>Likelihood</b>             | <b>Impact</b>                |
| 5 Certain, see next sheet     | Minor, see next sheet        |
| 4 Very Likely, see next sheet | Noticeable, see next sheet   |
| 3 Likely, see next sheet      | Significant, see next sheet  |
| 2 Unlikely, see next sheet    | Critical, see next sheet     |
| 1 Rare, see next sheet        | Catastrophic, see next sheet |

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**Lancashire Combined Fire Authority**  
**Internal Audit Service Charter**  
**February 2018**

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**Appendix C**

**1 Introduction**

- 1.1 This charter establishes the framework within which Lancashire County Council's Internal Audit Service operates to best serve the Combined Fire Authority and to meet its professional obligations under applicable professional standards. It defines the purpose, authority and responsibility of internal audit activity, establishes the Internal Audit Service's position in relation to the Combined Fire Authority; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.
- 1.2 It will be subject to periodic review by the head of internal audit and presented to the Audit Committee for approval.

**2 Relevant regulations and interpretation**

- 2.1 The requirement for an internal audit function in local government is set out in the Accounts and Audit Regulations 2015 ('the Regulations').

"Internal audit: A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance." *Regulation 5. (1)*

*Accounts and Audit Regulations 2015*

- 2.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) is the relevant standard setter for internal audit in local government in the United Kingdom. CIPFA has published *Public Sector Internal Audit Standards ('PSIAS')*, which encompass the *Mission of Internal Audit* and the mandatory elements of the Global Institute of Internal Auditors' International Professional Practices Framework (the *Core Principles for the Professional Practice of Internal Auditing*, the *Code of Ethics*, the *Standards* and the *Definition of Internal Auditing*). These documents are therefore mandatory for internal audit in local government in the United Kingdom, and they are supplemented within *PSIAS* by additional public sector interpretation and guidance. CIPFA has also published a *Local Government Advisory Note* setting out sector-specific requirements for local government within the United Kingdom.
- 2.3 Lancashire County Council's Internal Audit Service therefore operates in accordance with this mandatory definition, code, standards and advice.
- 2.4 Section 151 of the Local Government Act 1972 states that every local authority in England and Wales, which includes Combined Fire Authorities should "make arrangements for the proper administration of

their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". In its *Statement on the Role of the Chief Financial Officer in Local Government* CIPFA has defined 'proper administration' as including compliance with the statutory requirements for accounting and internal audit. It also requires the Chief Finance Officer to ensure an effective internal audit function is resourced and maintained.

### **3 Definitions**

- 3.1 Both the Global Institute of Internal Auditors and *PSIAS* set out the following definition of internal auditing:

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

*Global Institute of Internal Auditors, and  
Public Sector Internal Audit Standards, 2017*

- 3.2 The Global Institute of Internal Auditors and *PSIAS* also refer to the 'board' and 'senior management' and *PSIAS* recognise that these terms need to be interpreted in the context of the Combined Fire Authority's own governance arrangements.

- 3.3 *PSIAS* defines the board as:

"The highest level of governing body charged with the responsibility to direct and/ or oversee the activities and management of the organisation. [...] 'Board' may refer to an audit committee to which the governing body has delegated certain functions."

*Public Sector Internal Audit Standards, 2017*

- 3.4 In relation to the Combined Fire Authority, the board is defined as the Audit Committee.
- 3.5 Senior management is represented by the Executive Board which consists of the Chief Fire Officer, the Deputy and Assistant Chief Fire Officers, the Director of Corporate Services and the Director of People and Development.
- 3.6 *PSIAS* also refers to the 'chief audit executive' who is deemed to be the head of internal audit.

### **4 Responsibilities**

- 4.1 The Regulations set out that the Combined Fire Authority must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that financial and operational management is effective; and includes effective arrangements for the management of risk.



- 4.2 The Combined Fire Authority has taken the decision to outsource internal audit provision to Lancashire County Council's Internal Audit Service. However responsibility for maintaining an adequate and effective system of internal audit remains with the Combined Fire Authority.
- 4.3 It is the role of the Internal Audit Service to provide independent assurance that these risk management, control and governance processes are adequately designed and effectively operated. *PSIAS* make clear that the provision of this assurance is internal audit's primary role and that this requires the head of internal audit to provide an annual opinion based on an objective assessment of the framework of governance, risk management and control.
- 4.4 This assessment will be supported by the identification, analysis, evaluation and documentation of sufficient information on each individual audit assignment, and the completion of sufficient assignments to support an overall opinion for the organisation as a whole. The scope of internal audit's work therefore encompasses all of the functions, services and activities of the Combined Fire Authority.
- 4.5 The requirement to be independent and objective means that the Internal Audit Service cannot assume management responsibility for risk management, control or governance processes. However the Internal Audit Service may support management by providing consultancy services. These are advisory in nature and are generally performed at the specific request of the organisation, with the aim of improving governance, risk management and control. They will also contribute to the overall assurance opinion.
- 4.6 Accountability for responses to the Internal Audit Service's advice and recommendations for action lies with senior management, which either accept the advice or accept the risks associated with not taking action. Audit advice, including where the Internal Audit Service has been consulted about significant changes to internal control systems, is given without prejudice to the right of the Internal Audit Service to review and recommend further action on the relevant policies, procedures, controls and operations at a later date.
- 4.7 The head of internal audit will provide an annual report incorporating an overall opinion, a summary of the work that supports that opinion, and a statement of conformity with *PSIAS* and the results of the quality assurance and improvement programme.
- 4.8 A note of the responsibilities of senior management and the Audit Committee ('the board') in relation to the internal audit function are set out in the appendix to this charter. The Internal Audit Service's responsibilities are set out in *PSIAS*, and these are supported by detailed operational policies and procedures that are regularly reviewed and updated as necessary.

## **5 Independence, objectivity and integrity**

- 5.1 The Internal Audit Service remains independent of the other functions of the Combined Fire Authority and no member of the Internal Audit Service has any executive or operational responsibilities. Auditors are expected to deploy impartial and objective professional judgement in all their work.
- 5.2 The Internal Audit Service's work programme and priorities are determined in consultation with senior management and the Audit Committee but remain a decision for the head of internal audit. The head of internal audit has direct access to and freedom to report in her own name and without fear or favour to all officers and members, and specifically the Audit Committee. She has the formal opportunity prior to each committee meeting to meet with the chair of the Audit Committee.
- 5.3 All auditors make an annual declaration of their interests and update this during the year as necessary, and where any auditor has a real or perceived conflict of interest this is managed to maintain the operational independence of the service as a whole. If independence or objectivity are impaired in fact or appearance, then the nature of the impairment is disclosed as appropriate. The head of internal audit makes an annual declaration that the internal audit function is operationally independent.

## **6 Reporting lines and relationships**

- 6.1 The head of internal audit reports functionally to the Audit Committee and has direct access to senior management of Lancashire Fire and Rescue Service.
- 6.2 The head of internal audit has, in addition, access to the chair of the Audit Committee which meets at least four times each year, and the head of internal audit or her delegate reports to each meeting of that committee under its terms of reference. The Audit Committee is responsible for approving the annual audit plan.
- 6.3 The head of internal audit and, the Internal Audit Service as a whole, adhere to the requirements of CIPFA's *Statement on the Role of the Head of Internal Audit*.
- 6.4 The Internal Audit Service and the external auditor of the Combined Fire Authority operate to a protocol which sets out the relationship between internal and external audit, and supports regular liaison between the two services, leading to more effective performance of both and avoiding duplication of work.

## **7 Access to information**

- 7.1 The Internal Audit Service has the right of unrestricted and direct access to the records (however held), assets, premises and officers of Lancashire Fire and Rescue Service. The Internal Audit Service has the authority to obtain all such information and explanations as it considers necessary to fulfil its responsibilities.

- 7.2 Internal auditors respect the value and ownership of information they receive and the reports they produce, and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so. They are prudent in the use and protection of information acquired in the course of their duties and shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the Combined Fire Authority's legitimate and ethical objectives.

## **8 Internal audit resources**

- 8.1 The Chief Finance Officer of the Combined Fire Authority is responsible for ensuring that internal audit resources are sufficient to meet their responsibilities and achieve their objectives. If the head of internal audit or the Audit Committee considers that the level of audit resources or the terms of reference in any way limits the scope of internal audit, or prejudices the ability of the Internal Audit Service to deliver a service consistent with its statutory and related requirements, they will advise the Combined Fire Authority accordingly.
- 8.2 The Combined Fire Authority determines through its budget the number of audit days in the annual audit plan. The Internal Audit Service's resources are therefore deployed to meet an annual audit plan that pays regard to the relative risks accepted, and levels of assurance required, by the Combined Fire Authority and the Audit Committee.

## **9 Competency**

- 9.1 The head of internal audit and audit managers are required to hold appropriate professional audit qualifications. These are defined as full membership of one of the institutes of the Consultative Committee of Accountancy Bodies or full professional membership of the Chartered Institute of Internal Auditors. It is expected that senior auditors will either hold, or be close to and actively working towards, full professional qualification but, exceptionally, they may be qualified by experience at a demonstrably professional level.
- 9.2 The county council's performance and development review scheme is applicable to all staff within the Internal Audit Service, which supports continuous staff performance appraisal and development.

## **10 Quality assurance and improvement**

- 10.1 The head of internal audit operates a quality assurance and improvement programme that both monitors the on-going performance of internal audit activity and periodically assesses the Internal Audit Service's compliance with *PSIAS*. This includes both internal and external assessments and is set out in a separate *Quality Assurance and Improvement Programme*.
- 10.2 The results of the quality assurance and improvement programme including any areas of non-conformance with *PSIAS* are reported

annually to senior management and the Audit Committee. This report will include information regarding:

- The scope and frequency of both the internal and external assessments.
- The qualifications and independence of the assessor(s) or assessment team, including potential conflicts of interest.
- Conclusions of assessors.
- Corrective action plans.

## **11 Non-audit work**

- 11.1 *PSIAS* recognises that the Internal Audit Service may go beyond the work needed to meet its assurance responsibilities and provide services to support management, including consultancy services. Such services apply the professional skills of internal audit and contribute to the overall assurance opinion.
- 11.2 Lancashire Combined Fire Authority operate a whistle-blowing policy and, where appropriate investigates instances of suspected or actual fraud, corruption or impropriety.
- 11.3 Lancashire County Council's Internal Audit Service facilitates the Combined Fire Authority's participation in the National Fraud Initiative, which matches data from Lancashire Fire and Rescue Service's information systems with information held by other bodies to identify potentially fraudulent activity.
- 11.4 The Internal Audit Service is not responsible for the prevention or detection of fraud and corruption. Managing the risk of fraud and corruption is the responsibility of management. Internal auditors will, however, be alert in all their work to risks and exposures that could allow fraud or corruption and to any indications that fraud and corruption may have occurred. Internal audit procedures alone, even when performed with due professional care, cannot guarantee that fraud or corruption will be detected.
- 11.5 The head of internal audit should be informed of all suspected or detected fraud, corruption or impropriety and will consider the implications for her opinion on the adequacy and effectiveness of the relevant controls, and the overall internal control environment.

## **Responsibilities in relation to the internal audit function**

### **The Executive Board ('senior management') of Lancashire Fire and Rescue Service will:**

- Consider the Internal Audit Charter, including the internal audit function's purpose and authority, the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework.
- Consider, and contribute to the development of the risk-based internal audit plan, supporting its completion within the organisation.
- Make appropriate enquiries to determine whether there are inappropriate scope and/ or resource limitations to the internal audit function.
- Receive and consider the results of the quality assurance and improvement programme, including areas of non-conformance with *PSIAS*.

### **The Audit Committee ('the board') will:**

- Consider and approve the Internal Audit Charter.
- Consider and approve the risk-based internal audit plan, including the Internal Audit Service's approach to using other sources of assurance and any work required to place reliance upon those other sources.
- Approve significant interim changes to the risk-based internal audit plan.
- Make appropriate enquiries of senior management and the head of internal audit to determine whether there are inappropriate scope and/ or resource limitations to the internal audit function.
- Receive reports from the head of internal audit on the Internal Audit Service's performance and audit findings, including the head of internal audit's annual report and overall opinion for the year.
- Receive and consider the results of the quality assurance and improvement programme, including areas of non-conformance with *PSIAS*.
- Receive and consider reports on instances where the Internal Audit Service does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the annual governance statement.
- Consider and approve any significant consulting services not already included in the audit plan, in light of any potential impairments to the auditors' independence or objectivity.

**Lancashire County Council's Audit, Risk and Governance Committee**  
will:

- Consider and approve the scope and form of the external assessments undertaken as part of the quality assurance and improvement programme.