



NORTH YORKSHIRE FIRE & RESCUE SERVICE

Risk Management Follow up of previous findings North Yorkshire Fire & Rescue Service Memorandum May 2022

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Introduction and scope

- 1 Effective risk management is critical to the successful operation of an organisation. Working well, risk management will assist management in identifying and mitigating all potential risks, which may affect the ability to deliver services. Risk Management is also one of the three elements (risk management, governance and control) upon which the annual Head of Internal Audit opinion is based.
- 2 At North Yorkshire Fire & Rescue Service (NYFRS), the restructuring of internal governance arrangements in 2020 led to the responsibility of Risk Management being transferred to the Strategic and Tactical Leadership Teams (SLT & TLT). Ownership of Risk Management at the service is now under the Director of Assurance.
- 3 Audit work on Risk Management was last completed in 2020/21. A final report was agreed and issued in March 2021, which highlighted 3 areas for improvement; covering the Risk Management Policy, Corporate Risk Register and action plans to address identified risks. Officers agreed to take appropriate actions to address the areas raised.

Objectives and scope of the audit

- 4 The purpose of this work was to provide assurance to management that the previously identified areas for improvement highlighted in our 2020/21 audit had been sufficiently addressed. Assurance on risk management arrangements and ongoing developments has also been gathered to support our annual Head of Internal Audit opinion.

Key findings

- 5 Work has been undertaken to improve and embed risk management arrangements and effectively align these with new governance structures under the OPFCC in collaboration with enableNY and North Yorkshire Police.
- 6 In respect of the previously reported three findings, 2 have been fully addressed (covering the Risk Management Policy and action plans to address risks) and 1 (on automated audit trails) has not. Some work has been done to progress this finding (finding 2 in the detailed findings) and it is planned that issue will be fully addressed when the service introduces a new risk management software solution.

Findings

- 7 Within the detailed findings below we first outline the issue/findings as reported in the 2020/21 audit. We then provide an explanation of the current position in each area from this audit work undertaken in May 2022.

Finding 1: Risk Management Policy

March 2021 report

- 8 The risk management policy was found to be out of date and did not reflect working practices or governance structures at the service. The policy was due to be reviewed every 2 years, however at the time of the audit this had not taken place.
- 9 Management were aware that a review of the policy was required and actions were agreed to ensure a revised and updated policy was implemented.

May 2022 Update

- 10 Progress has been made to develop risk management arrangements at the service, following governance restructures and the implementation of the enable joint service between NYFRA and North Yorkshire Police. Actions completed include;
- Risk management training has been provided to management via a risk management consultant;
 - A revised suite of risks for the service has been created. Actions to address these risk are currently being developed;
 - A Risk and Assurance Board has been established to oversee risk management. This group is chaired by the Deputy Chief Fire Officer and meets quarterly. Updates are provided to the TLT, SLT, Executive Board and Joint Independent Audit Committee quarterly.
 - Agreed lines of responsibility and accountability with enable for managing the process
- 11 The Risk Management Policy has been revised and this document is currently under review. There have been delays to finalising and implementing this document due to significant changes in the service taking place requiring agreed lines of responsibility and accountability with colleagues in Enable. In main, the approach mirrors the approach used by North Yorkshire Police, which will enable a shared approach to risk management across both services.
- 12 The policy requires approval from SLT before it is implemented and this is due to be completed by July 2022.

Finding 2; Corporate Risk Register

March 2021 report

- 13 The corporate risk register was held as a live excel document which was stored and accessed through the Service's SharePoint system. Due to this, there was no automated audit trail for amendments made to the risk register. There was therefore no independent evidence to confirm that the risk register has been appropriately reviewed and updated. The risk to the system being that amendments to the corporate risk register are not challenged or authorised effectively.
- 14 Management confirmed that a full review of the risk register was due to take place and agreed that the software used to store and manage the risk register was not fit for purpose. Work was ongoing to seek an alternative system in line with the risk register review.

May 2022 update

- 15 The Service is currently in the process of procuring new risk management software, ARM, which is also used by North Yorkshire Police. This should allow for a more automated approach to the management of the system. Licences were due to be delivered by 31st March 2022, however the supplier, SWORD, was bought out in February 2022, which has caused a delay. A new timescale for when any new software system will be introduced is still to be confirmed. Once implemented, this system will include an automated audit trail for amendments to the register.
- 16 In the interim a process has been introduced where changes to the risk register need to be made through the enableNY Risk Manager as a form of quality control. The enableNY Business Insights Team should provide support and guidance to risk owners as well as being responsible for reporting Risk Register activity progress into various governance groups.
- 17 The actions to address the previously reported issue remain 'work in progress' and are planned to be addressed as part of introducing any new risk management software solutions.

Finding 3; Risk Action Plans

March 2021 report

- 18 Work found that some risk action plans were not completed, reviewed or updated consistently. Action plans in place to mitigate identified risks on the corporate risk register were found to be out of date or lacking in sufficient or complete detail. The actions detailed in the risk action plans should have sufficient detail to outline how the action will result in a reduction to the risk score once completed and should be regularly reviewed.

- 19 Management confirmed that in line with ongoing work to improve risk management arrangements and the risk register, risk owners would be required to bring their risk information up to date.

May 2022 update

- 20 All owners are periodically keeping their risks and action plans up to date. The review process is now embedded through the TLT and SLT governance process.
- 21 A Risk and Assurance Board has been created which creates an additional layer of scrutiny and oversight at the highest level of the organisation. This aligns to the Police's approach. The first meeting was held on 22nd March, where terms of reference were agreed.
- 22 As highlighted in point 16, a process has now also been introduced where changes need to be made through the enableNY Risk Manager as a form of quality control.
- 23 The actions to address the previously reported issue have been fully completed.