



JOINT COMMITTEE – 29th June 2012

GOVERNANCE ARRANGEMENTS 2011/2012: APPENDIX A

ANNUAL REVIEW OF RISK MANAGEMENT 2011/2012

REPORT OF THE MUSEUM DIRECTOR AND TREASURER

1. Purpose of the Report

1.1 To carry out a review of the processes for risk management in place during 2011/12 at Beamish, making recommendations for review by the Corporate Governance Steering Group and Members of the Joint Committee.

1.2 The Corporate Steering Group membership is as follows:

- Museum Director;
- Assistant Director Resources;
- Museum Curator;
- Head of Engagement;

2. Key Findings

Risk Management Policy and Strategy

2.1 A Risk Management Policy and Strategy was approved by the Joint Committee in January 2007. The Policy and Strategy have been reviewed and currently there are no suggested amendments. The strategy is attached at Appendix 1.

Risk Profile

2.2 Following comments received from external auditors including the Audit Commission, the Museum provided risk management training to management staff in 2007/8 and developed a corporate risk register together with a plan to embed Risk Management Plans across the whole Museum.

- 2.3 The Museum Risk Profile was initially developed in 2007/8 with support from Sunderland City Council records and tracks major risks across all departments in the Museum.
- 2.4 In future years including 2011/12 the Risk Profile was further developed by managers from all departments, which in 2011/12 included:
- Museum Director;
 - Assistant Director Resources (admin/finance functions);
 - Finance Manager (finance functions);
 - Museum Curator (curatorial and development)
 - Head of Engagement (costumed demonstrators and operations);
 - Head of Learning (education);
 - Keeper of Buildings and Rural Life (Health and Safety co-ordination site wide; rural life operations)
 - Keeper of Transport (site maintenance, industrial and transport systems)
- 2.5 The current Risk Profile dated May 2012 covers a wide range of museum operations and provides a full summary of the risks the Museum faced during the financial year, together with the control measures in place. Individual managers have been assigned risks together with duties to ensure they were controlled. Actions are followed up in weekly operational management meetings.
- 2.6 The Risk Profile was last updated in May 2012. The Executive Assistant of the Director ensures that future reviews at 6 month intervals are placed in the electronic diary system for all managers. The next review is due in October 2012.

Embedding Risk Management in Future Planning & Daily Operations

- 2.7 Risk Management Plans have been embedded across the Museum. The current forward plan for developing the Museum is detailed in the Business and Operational Improvement Plan 2009-2013 (BOIP). The BOIP was approved in March 2009 and includes a programme of revenue and capital projects extended to cover the period to 31st January 2013. The projects aim to both enhance the visitor experience and the financial sustainability of the Museum by increasing visitor numbers and income from trading. The BOIP includes an action plan for delivery together with a risk register for all its capital projects, which are updated in monthly reports. The project reports for capital projects are regularly reported to the Board of BML and the Joint Committee of the Museum. The last report was given in May 2012. In 2011/12 the BOIP continued to be reviewed and updated, together with its risk register, on a monthly basis in the same project reports. The next

review of the capital projects in the BOIP together with their risk register is due in October 2012.

- 2.8 There is also a need to consider longer term risk management beyond the period of the BOIP. This is being considered as part of a long term plan for Beamish, covering the period 2013 – 2025. This important planning document is currently being prepared by the management team and an outline plan will be issued in the summer of 2013 for consultation with stakeholders. The Board of BML and the Joint Committee continue to be consulted on a regular basis as key stakeholders and ‘owners’ of the plan.
- 2.9 Within the context of the BOIP, the Museum has delivered a range of capital improvement projects in the Museum during 2011/12, including in particular the opening of a coal fired fish and chip shop in July 2011. The management team has ensured that risk management procedures embedded into the management of projects to ensure they are delivered on time and within available budgets.
- 2.10 Members will note that risk management procedures and the Corporate Risk Register encompass a wide range of issues including financial, legal, reputational and health and safety risks. A Risk Management Review in 2011/12 found that the Corporate Risk Register included a broad range of risks, as a result of being developed by senior managers across the organisation.
- 2.11 With respect to the management of health and safety at the Museum, the Risk Management Review in 2010/11 recommended that the Museum develop a system for carrying out an annual review of risk assessments in high risk areas of the operation, such as transport operations. This review has been completed in 2011/12 with a new Safety Management System (SMS) introduced site wide, including a new programme of staff training and certification managed by the Transport and Industry Team Leader and the Keeper of Transport. The review in 2011/12 found that the Museum’s Health and Safety Policy need to be revised to take into account changes in the staffing structure during the 2011/12 year with some management staff taking on new/different responsibilities. This review is now underway and a revised policy will be discussed by the Health and Safety Committee to ensure it is scrutinized effectively, at their next meeting in July 2012.
- 2.12 The 2011/12 review found that individual project risk assessments were in place for the capital projects completed in the 2011/12 year. The Keeper of Buildings and Rural Life managed contract works effectively over the year with no reportable accidents or near-misses.
- 2.13 The 2011/12 review found that Risk registers were embedded in planning documents prepared by Museum staff in operational plans. Individual plans were prepared for catering/retail developments as well as events/festivals

in 2011/12. Plans were also prepared for new exhibits opening in 2011 including the fish and chip shop.

- 2.14 Risk management procedures are in place for the Eston Church restoration project that continues in the Georgian North landscape. The Keeper of Buildings and Rural Life has received professional support from the Northern Safety Group to assist with construction phase health and safety planning. The Keeper of Buildings and Rural Life has attended a CDM training course and is now an IOSH trained manager.
- 2.15 With respect to the Management of Health and Safety, committee meetings were held quarterly during the year and included consultation with representatives from all areas of the Museum. Agenda items include a review of accidents, training, new activities and review of risk assessments in all areas by managers/supervisors. There continues to be a need to ensure that actions are followed up appropriately by staff, including a review of risk assessments for activities. The Keeper of Buildings and Rural Life has taken over responsibility for co-ordinating health and safety site wide, since the Facilities Manager retired in May 2012. The next Committee meeting is due in June 2012.
- 2.16 The Museum Director continues to see copies of all incident/accident report forms completed on site, to help improve management knowledge and effectiveness. The Attendant Team Leader produces a quarterly analysis of accidents on site for managers and members of the Health and Safety Committee, showing location and type of accident/near miss.

3. Conclusion & Recommendations

- 3.1 In conclusion, the Risk Management Review found that Museum staff continued to take measures during the 2011/12 year to strengthen the Museum's management of risk and the Museum continues to have robust and effective procedures in place.
- 3.2 A number of recommendations to further strengthen risk management procedures are made and are summarised in Appendix 2.

RICHARD EVANS
Museum Director

24th June 2012

**JOINT COMMITTEE OF BEAMISH, THE NORTH OF ENGLAND OPEN AIR MUSEUM
RISK MANAGEMENT POLICY STATEMENT – ADOPTED JANUARY 2007**

Beamish Joint Committee recognises that Risk Management is one of the principal elements of Corporate Governance and a key contributor to ensuring a sound internal control environment. Risk Management can be defined as the culture, process and structure that are directed towards effective management of potential opportunities and threats to the organisation achieving its objectives. The Joint Committee will establish and maintain a systematic framework and process for managing strategic, operational, and partnership risks and review its Policy and Strategy regularly.

All members, employees, service providers, partners and stakeholders, are expected to play a positive role in embedding the culture, ethos and practice of good Risk Management in all activities.

RISK MANAGEMENT STRATEGY

Purpose

The purpose of the strategy is to provide a clear corporate framework and management arrangements to achieve the Joint Committee's objectives in relation to Risk Management.

Objectives

- Embed Risk Management into the culture and practices of the organisation.
- Ensure the organisation successfully identifies and manages risks and opportunities at all levels.
- Ensure the organisation meets all statutory and best practice arrangements in relation to Risk Management.
- Ensure Risk Management is a key and effective contributor to the organisation's Corporate Governance arrangements.
- Ensure that roles and responsibilities have been clearly identified.

Framework

In order to achieve the above objectives, the following structures, processes and procedures, will be introduced or actioned.

- A commitment to Risk Management will be included in the Constitution.
- A Corporate Risk Profile will be produced and updated on a regular basis.
- The Director will produce a report annually on Risk Management and the Corporate Risk Profile.

- An internal Risk Management Officer Group will be established to review the Risk Management arrangements and activities, update the Corporate Risk Profile and report to the Director.
- Annual Service / Business Plans will identify risks (barriers / issues).
- Reports to the Joint Committee will include a Risk Analysis.
- Risk Management to become a standing item on team meeting agendas.
- Risk Registers for Partnerships will be developed.
- A training programme is to be developed and implemented appropriate to the seniority and role of staff.

ROLES AND RESPONSIBILITIES

Joint Committee

Members' role is to:

- Ensure that an effective strategy is in place to manage risks throughout the organisation.
- Be aware of the Risk Management implications of decisions.

Director

Director's role is:

- To report annually to the Joint Committee on Risk Management within the organisation and on the Corporate Risk Profile.
- Establish an effective Risk Management Officer Group and receive reports quarterly.
- Ensure Risk Management is embedded throughout the organisation.
- Advise the Joint Committee on the risk management implications of decisions.

Risk Management Officer Group

The above group is made up of senior managers from the organisation to oversee the Risk Management process and procedures. The group has responsibility for:

- The production of the Corporate Risk Profile.
- Developing, implementing, monitoring and reviewing an action plan to minimise corporate risks identified in the Profile.
- Reporting quarterly to the Director.
- Reviewing training needs and programmes in relation to Corporate Risk Management.
- Co-ordinating risk management activity.

Senior Managers

- Assist in ensuring a Risk Management culture is embedded throughout the organisation.
- Ensure reports contain an appropriate Risk Analysis.
- Implement recommendations of the Risk Management Officers Group.
- Ensure Risk Management is a standing item on team agendas.

Employees

- To understand their role in the risk management process with regard to:
 - (a) Risk identification
 - (b) Risk analysis
 - (c) Risk control
 - (d) Risk management action plans

- To manage risk effectively in their job.

Ref	Action	Lead / Responsible Officer
1.	Ensure that the Corporate Risk Profile for the Museum is regularly updated and monitored effectively by arranging a dedicated workshop with the strategic management team in October 2012	Museum Director.
2.	Put measures in place to ensure that future reviews of Risk Profile take place every 6 months, using electronic diary systems	Executive Assistant to the Director
3.	Ensure BML Board is able to maintain an effective role monitoring management procedures by providing an annual review on the Museum's Risk Profile by 31 st January 2013.	Museum Director
4.	Ensure a review of the Risk Register included in the BOIP is completed by end October 2012.	Museum Director
5.	Develop risk register for long term business planning	Museum Director
6.	Annual review of new or safety critical operations identified by senior managers to be completed by October 2012, including catering operations and SMS (safety management system) for transport.	Museum Director with Keeper of Transport
7.	Risk assessments required for new developments in 2012/13 including Bakery	Head of Engagement to prepare operational plan.
8.	Annual review of construction project risk management, with support from the Northern Safety Group, by October 2012.	Keeper of Buildings and Rural Life
9.	Monitor the agreed actions of the Health and Safety Committee and provide an annual review of risk assessments across site by end October 2012	Keeper of Buildings and Rural Life