



JOINT COMMITTEE – 28th June 2013

GOVERNANCE ARRANGEMENTS 2012/2013: APPENDIX A

ANNUAL REVIEW OF RISK MANAGEMENT 2012/2013

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 2012/13 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;
- Assistant Director Development;
- Assistant Director 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 document 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 2012/13 the Risk Profile has been further developed by managers from all departments, which in 2012/13 included:
- Museum Director;
 - Assistant Director Resources (HR/admin/finance functions);
 - Finance Manager (finance functions);
 - Assistant Director Development (curatorial and development)
 - Assistant Director Engagement (costumed demonstrators and operations);
 - Head of Learning (education; training and skills);
 - Head of Rural Life (Health and Safety co-ordination site wide; rural life operations)
 - Head of Transport and Industry (site maintenance, industrial and transport systems)
 - Head of Social History and Collections Administration (collections management)
 - Head of Operations (engagement team co-ordination; security)
- 2.5 The current Risk Profile dated February 2013 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 February 2013. 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 August 2013.

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 Beamish's Future Plan 2013-2025. The Future Plan was approved in January 2013 and includes a programme of revenue and capital projects and a detailed financial forecast to cover the period to 31st January 2019. The projects aim to both enhance the visitor experience and the financial sustainability of the Museum by investing in new attractions and the diversity of the museum's income. The plan includes an engagement action plan for delivery together with a detailed risk register, which is to be updated in six-monthly reviews. 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 April 2013. During 2013/14 the future plan will continued to be reviewed and updated together with its risk register, to take into account changes in external capital funding that will affect the programme of its delivery. The next review of the capital projects in the plan is due in July 2013.

- 2.8 Within the context of the previous business plan that was delivered in the period to March 2013, the Museum has delivered a range of capital improvement projects during the financial year 2012/13, helping to sustain visitor numbers at close to 0.5 million/year. 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.
- 2.9 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 2012/13 found that the Corporate Risk Register included a broad range of risks, as a result of being developed by senior managers across the organisation.
- 2.10 With respect to the management of health and safety at the Museum, the Risk Management Review in 2012/13 recommended that the Museum review the risk assessments in place across all areas of the operation, and ensure these risk assessments are being reviewed and updated appropriately in line with museum policies. The review found that the Museum's Health and Safety Policy had been revised to take into account changes in the staffing structure during the 2012/13 year including management staff taking on new/different responsibilities. A review of management training was recommended to ensure relevant staff have the necessary IOSH/NEBOSH qualification.
- 2.11 The 2012/13 review found that individual project risk assessments were in place for the capital projects completed in the 2012/13 year. The Assistant Director Development managed contract works effectively over the year with no reportable accidents or near-misses.
- 2.12 The 2012/13 review found that risk assessments were embedded in operational plans. Individual plans were prepared for new catering/retail developments as well as events/festivals in 2012/13.
- 2.13 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 as well as a representative from Durham County Council. 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 Head of 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 July 2013.

- 2.14 The Museum Director continues to see copies of all incident/accident report forms completed on site, to help improve management knowledge and effectiveness. The Head of Operations 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. An incident group was formed to manage a major accident in July 2012. This group, chaired by the Museum Director, continued to work with HSE officers and legal advisors in the following weeks and months to review road steam operations and safety systems in place. The museum met the conditions of an HSE Improvement Notice relating to road steam operations in September 2013 and this allowed operations to resume. Senior managers continue to work with the HSE to support the investigation into the accident, which is ongoing.

3. Conclusion & Recommendations

- 3.1 In conclusion, the Risk Management Review found that Museum staff continued to take measures during the 2012/13 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

**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 (next update due August 2013)	Museum Director.
2.	Update Risk Register to take into account decisions on funding bids due in 2013/14 that will affect programme/ability to deliver capital works	Museum Director
3.	Ensure BML Board is able to maintain an effective role monitoring management procedures by providing an annual review of the Museum's Risk Profile by 31 st January 2014.	Museum Director
4.	Review policies in place to ensure protection of children and vulnerable adults	Assistant Director Resources
5.	Review safety systems in place to manage construction projects across the museum and training of staff involved	Assistant Director Development
6.	Annual review of new or safety critical operations identified by senior managers to be completed by October 2013, including catering operations and SMS (safety management system) for transport.	Assistant Director Engagement with Head of Transport and Industry
7.	Risk assessments required for new developments in 2013/14 including Bakery and Pit Pony Stables	Head of Engagement to update operational plan.
8.	Monitor the agreed actions of the Health and Safety Committee and provide an annual review of risk assessments across site by end October 2013	Head of Rural Life
9.	Review management training in health and safety	Head of Rural Life