



JOINT COMMITTEE – 24<sup>th</sup> June 2011

GOVERNANCE ARRANGEMENTS 2010/2011: APPENDIX A

ANNUAL REVIEW OF RISK MANAGEMENT 2010/2011

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 2010/11 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;
- Special Projects Manager;
- 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 developed in 2007/8 with support from Sunderland City Council records and tracks major risks across all departments in the Museum.
- 2.4 In 2009/10 and 2010/11 the Risk Profile was further developed by managers from all departments including:
- Museum Director;
  - Assistant Director Resources (admin/finance functions);
  - Finance Manager (finance functions);
  - Special Projects Manager (curatorial and development);
  - Head of Engagement (costumed demonstrators and operations);
  - Head of Learning and Access (education and outreach);
  - Facilities Manager.(site maintenance and contract works)
- 2.5 The current Risk Profile dated June 2011 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 June 2011. 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 November 2011.

#### *Embedding Risk Management in Future Planning & Daily Operations*

- 2.7 Risk Management Plans had been embedded across the Museum. The current forward plan for developing the Museum is detailed in the Business and Operational Improvement Plan 2009-2012 (BOIP). The BOIP was approved in March 2009 and includes a programme of revenue and capital projects now extended to cover the period to 31<sup>st</sup> March 2012. 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 projects, which are updated in monthly project 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 April 2011. In 2010/11 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 September 2011.

- 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 2012 – 2025. This important planning document is currently being prepared by the management team and will be ready as a draft for discussion by March 2012. 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 improvement projects in the Museum during 2010/11, including in particular refurbishment works to catering, retail, admissions facilities. The management team has ensured that risk management procedures embedded into the management of projects.
- 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 2010/11 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 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. The annual review will be managed through the Health and Safety Committee to ensure it is scrutinized effectively.
- 2.12 The review found that individual project risk assessments were in place for the capital projects completed in the 2010/11 year. The Facilities Manager continued to manage small contract works effectively over the year.
- 2.13 The review found that Risk registers were embedded in planning documents prepared by Museum staff in operational plans. Individual plans were prepared for catering, retail and event developments in 2010/11. Plans were also prepared for new exhibits opening in 2011 including the introductory exhibition and the fish/chip shop.
- 2.14 Risk management procedures are in place for the Eston Church capital project that begins in spring 2011. Museum managers have enlisted professional support from the Northern Safety Group to assist with construction phase health and safety planning. The Keeper of Buildings has attended a CDM training course.
- 2.15 With respect to the Management of Health and Safety, group 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 is a need to ensure that actions are followed up appropriately by staff, including a review of risk assessments for activities.

- 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 produced 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 had taken measures during the 2010/11 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, including most significantly the need to review the management of high risk activities. The recommendations are summarised in Appendix 2.

**RICHARD EVANS**  
Museum Director

15 June 2011

**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 September 2011	Director to lead worktop with team by 30/09/11.
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 to arrange for 6 month alerts to be in place on ICT system.
3.	Ensure BML Board is able to maintain an effective role monitoring management procedures by providing an annual report on the Museum's Risk Profile by January 2012.	Director to ensure updated Risk Profile (June 2011) is made available to Directors and an annual report issued by January 2012
4.	Ensure a review of the Risk Register included in the BOIP is completed by September 2011	Director to lead workshop with team by 30/09/11.
5.	Develop risk register for long term business planning	Museum Director to embed risk management procedures in long term business plan being developed during 2011/12.
6.	Annual review of new or safety critical operations identified by senior managers to be completed by January 2012, including catering operations and SMS (safety management system) for transport operations.	Museum Director to ensure key areas identified are reviewed.
7.	Risk assessments required for new developments in 2011/12 including Tea Room refurbishment, Entrance Building Refurbishment, Fish and Chip Shop, Christmas at Beamish.	Museum Director and Head of Engagement to prepare operational plans during 2011/12.
8.	Annual review of construction project risk management, with support from the Northern Safety Group, by January 2012.	Museum Director to ensure review completed by 31/01/12.



Ref	Action	Lead / Responsible Officer
9.	Monitor the agreed action of the Health and Safety Committee regarding the reviewing and updating of risk assessments across the museum site, to be completed during 2011/12	Museum Director to continue to chair meetings and monitor progress during 2011/12.

---