

Regulatory and Audit Committee

Title:	Risk Management Group - Update
Date:	12 th March 2013
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Local members affected:	None

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

This report summarises the discussions at the Risk Management Group held on 15th February 2013 to discuss the Risk Management processes and specifically the management of financial risks for the Energy from Waste (EfW) project.

Recommendation

Members are asked to note the report.

Summary

1. The Risk Management Group met on 15th February 2013. The meeting was attended by:
 - Zahir Mohammed (Chairman)
 - Niknam Hussain (in place of Mary Baldwin)
 - Timothy Butcher (member of Regulatory and Audit Committee)
 - Steve Kennell (member of Regulatory and Audit Committee)
 - Netta Glover (member of Regulatory and Audit Committee)
 - Ian Dyson (Chief Internal Auditor)
 - Anne Davies (Service Director (Legal and Democratic))
 - Richard Ambrose (Service Director (Finance and Commercial Services))
 - Maggie Gibb (Risk and Insurance Manager)
 - Martin Dickman (EfW Project Manager)
 - Olly Cass (Ernst and Young – consultant for EfW project)
 - Deborah Andrews (Finance lead EfW project)
 - Helen Wailing (Democratic Services Officer)



INVESTOR IN PEOPLE



Although Richard Ambrose and Anne Davies are named officers in the membership of the Risk Management Group as set out in the terms of reference, on this occasion they were attending as members of the EfW Project Board reporting to the Risk Management Group, not as members of the Group.

2. The Chairman highlighted that the Energy from Waste is a very large project for the Council, and inevitably there would be large risks involved. The Risk Management Group would be looking at the key risks to gain assurance that they are being managed appropriately.

3. The Risk Management Group heard a presentation from the EfW Project Team which detailed the background to the project, the current status and the risk management processes in place for the project.

4. It was confirmed that risks had been identified at various stages of the project and workshops had been held to establish the risk register. Those risks with the highest score (those scoring over 16) were escalated to the Project Board as required. Risks have been reviewed regularly by the Project Group and the risk register was updated regularly.

5. There had been two gateway reviews – both had found the risk management process to be robust. Maggie Gibb, Risk and Insurance Manager confirmed that she had also spent some time looking at the risk processes in place for the project and found them to be effective.

6. Each of the key financial risks were presented in detail and challenged by members of the Risk Management Group. The Group were satisfied with the explanations provided by the Project Manager and concluded that the risks were being well managed.

7. The Risk Management Group highlighted the importance of continuing to monitor the key risks during the contract mobilisation phase and as part of ongoing contract management processes.

8. A concern was raised by the Group over the clarity of resourcing for the next phase of the project, and agreed that the Regulatory and Audit Committee need to keep a watching brief as the project transitions to the contract mobilisation and monitoring phase to be satisfied that the processes in place are robust.

9. The Group proceeded to discuss the responses to Dr Evershed's letters which had been received by the Chairman of the Regulatory and Audit Committee. The Group were satisfied with the responses provided by officers and agreed that the issues raised by Dr Evershed were not a cause for concern.

10. It was agreed that the Risk Management Group will receive a further update on the EfW project in November, and will specifically review the next phase of activity to mobilise the contract to gain assurance that the risk management processes in place continue to be robust.

Background Papers

Risk Management Group Minutes
