

Regulatory and Audit Committee

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| Title: | Risk Management Strategy - Update |
| Date: | 19 th November 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 11th November 2013 to review progress of the Council's Risk Management framework.

Recommendation

Members are asked to note the report.

Summary

1. The Risk Management Group (RMG) met on 11th November 2013. The meeting was attended by:

- Zahir Mohammed (Chairman)
- David Martin (Member of Regulatory and Audit Committee)
- Ian Dyson (Chief Internal Auditor)
- Maggie Gibb (Risk and Insurance Manager)
- Andrew Capjon (Performance and Risk Officer)
- Amy Wadsworth (Risk and Insurance Officer)
- Helen Wailling (Democratic Services Officer)

2. Graeme Finch, Contracts Manager for AFW Commissioning and Service Improvement attended the meeting to update the RMG on the processes in place to manage risks relating to the Local Authority Trading Company (LATC), which went live as Buckinghamshire Care on 1 October 2013.



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The RMG heard a presentation from the AFW Contracts Manager which detailed the status of the project and the risk management processes in place.

There is a risk register in place which specifically covers the risks faced by Buckinghamshire Care, and these are being managed through the newly formed governance structure of the company. A Board has been formed and a Chair is in place. The Non-Executive Directors are being recruited. A process to appoint the Managing Director and Finance Director has been carried out, and interim directors are currently carrying out these roles. A Shareholder Scrutiny Group has been set up and will meet on a quarterly basis. This group includes has a Terms of Reference which includes the requirement to review the risk register.

The RMG received an update on the status of each of the risks contained within the Buckinghamshire Care Risk Register, including the progress of any ongoing actions. The RMG asked a number of questions of the Contracts Manager relating to the risks listed, and were given assurance that the processes in place to manage the risks are robust.

However, one area of concern for the RMG which requires development is the need to identify and document risks faced by BCC as a result of using this new model to deliver services, and in particular the contract risks. The RMG were advised that the first contract management meeting will take place with Buckinghamshire Care this month, and that a contract risk register will be developed following this meeting. Whilst the Contracts Manager gave some assurance that a number of key risks had been considered, there is nothing in place to evidence this and no formal process for escalation of key contract risks at present. The RMG requested that the Contracts Manager attends the meeting in March 2014 to present the contract risk register and discuss the contract management process and contract risk escalation process which should have been embedded for a few months at that time.

The RMG were advised that, through the Contract Management Framework Group, the Corporate Risk Team is working with Platinum Contract Managers to develop risk registers and progress will be closely monitored.

3. The Risk Management Group heard a presentation from Martin Dickman, Senior Manager in PLACE which detailed the progress of the EfW project, the current risk register status and the contract management arrangements in place now that construction phase has started.

There is an EfW Programme Risk Register and each of the 25 projects within the programme has a risk register. There are currently 61 risks in total for the programme and associated projects of which 13 are amber and 48 are green. The RMG were satisfied that the processes in place to identify, monitor and manage the EfW risks continued to be robust.

The EfW contract management structure is in place as follows:

- Senior Contract Manager – Martin Dickman
- Contract Manager – Roger Seed
- Shadow Contract Manager - Gurbaksh Badhan
- Contract Specialist (Finance) – Deborah Andrews
- Contract Specialist (Construction) – Steve Davis

Monthly contract management meetings are scheduled during the construction phase, which will feed into the wider governance framework for the contract.

A number of other internal and external resources to support the contract management structure have been identified. Various training and knowledge transfer sessions have been carried out, and a Contract Management Manual is being produced, all to provide additional resilience and to enable robust succession planning.

The RMG felt assured that the contract management arrangements in place for the construction phase and the governance framework for the EfW project were adequate and a number of areas of good practice were noted.

4. The Risk and Insurance Manager updated the RMG on the programme of work developed to support the Risk Management Strategy and further embed a robust Risk Management process across the organisation. This included the Risk Team having attended a number of Senior Management Team meetings including Finance and Commercial Services (FCS), HR, ICT and PLACE during the period to discuss new and emerging concerns as well as reviewing current risks. The review process is on-going, and any significant, unmitigated risks will be reported to Strategic Directors as necessary.

The risks registers for key projects such as the Museum Trust and AIS have also been subject to review by the Risk Team to ensure the process of identifying project risks and management of those risks is in place.

The Risk and Insurance Manager has recently met with the Programme Manager for the Future Shape Programme and will be involved in reviewing risk registers/challenging governance processes for both the overarching programme and the different project work streams. Regular updates will be provided to the RMG, and the Programme Risk Register will be presented to the next RMG meeting.

The RMG were advised that, as part of the Contract Management Framework, initial risk management training has been provided to all Platinum Contract Managers with follow up workshop sessions currently in progress. A training programme for Gold Contract Managers is currently being developed.

Contract risks will be managed through the new Contract Management Application which is due to go live in November.

5. The RMG received an update on the project to replace the current Risk Management System, Performance Plus (due to expire March 2014) and noted that we are required to implement an interim Risk Management solution due to the Integrated Reporting Project (IRP) being temporarily put on hold.

An options appraisal was carried out by ICT and concluded that use of Excel spreadsheets would be the most appropriate, minimal cost option for the short term. Impact on current users would also be minimal. The RMG supported this option.

A project to implement the interim spreadsheet solution is underway to enable the continued recording, monitoring and reporting of key risk information. This project will also include an interim solution for audit action tracking. Progress will be reported to the next RMG meeting.

Background Papers

BCC Risk Management Strategy (BCC Intranet)
