



HOUSE OF LORDS

Management Board

1st Meeting
Monday 16 January 2012

MINUTES

Present:	David Beamish	Clerk of the Parliaments (Chairman)	
	Liz Hallam Smith	Information Services	
	David Leakey	Black Rod's Department	
	Andrew Makower	Financial Resources	
	Joan Miller	Director of Parliamentary ICT	
	Tom Mohan	Human Resources	
	Edward Ollard	Parliamentary Services	
	Rhodri Walters	Corporate Services	
	Carl Woodall	Facilities	
	Malcolm McCaig	Audit Committee Member	
	In attendance:	Kate Lawrence	Clerk of Delegated Legislation
		Isolde Victory	Director of Library Services

1 Oral Updates

1.1 Andrew Makower reported that he had attended the most recent House of Commons Savings Programme Project Board. *[Additional information - Restricted Access]*

1.2 Malcolm McCaig reported that the joint meeting of the Audit Committee and the House of Commons Administration Estimate Committee had been held the previous week, where estates and the Metropolitan Police Contract had been discussed. He noted that value for money, and the need to demonstrate how the Administration was achieving value for money in its expenditure, was increasingly becoming an important focus for the Committee.

2 Corporate Risk Register at 9 January

MB/2012/1

2.1 The Board discussed the increase in the score of the finance risk *[Additional information - Restricted Access]*

2.2 On the Millbank House risk, Carl Woodall reported that the risk score had been escalated to 4 as there were continuing snagging issues. A risk report would be provided at the next meeting.

2.3 The Board **took note** of the Risk Register.

3 Risk management arrangements

MB/2012/2

Kate Lawrence and Isolde Victory attended for this item in their roles as members of the Business Planning Group.

3.1 Rhodri Walters introduced the paper, which was based on the Business Planning Group discussion of risk management and was designed to prompt input from the Board on certain early questions of principle, many of these arising out of the recent Internal Audit report. These included the importance of not cluttering the risk register and other risk management processes, of ensuring compatibility with the Commons' approach to risk management but

only where it made sense for the Lords, and of including consideration of office risk registers in Board level risk reports. The Group had emphasised the importance of ensuring risk reports and registers remained useful tools for management and planning.

3.2 The Board discussed whether it would be helpful to separate inherent and residual risk. Separating the two could be helpful for internal auditors, but it added an additional layer of complexity. However, it was not necessarily appropriate for all Boards to adopt this model as it was important to ensure the risk management process was fit for purpose.

3.3 The Board discussed the proposed approach to risk appetite and target risk as set out in the paper. The importance of the Board taking ownership of risk appetite and target risk was raised. The paper had a sample risk report which referred to risk appetite in the first-person and did not take account of the need for the Board to collectively approve the risk appetite. The Board agreed that guidance on risk appetite should explicitly refer to the Board agreeing and owning the appetite for each risk. The risk owner would propose a risk appetite and target for the Board to agree in the risk report. The following further points were raised:

- Target risk helped the Board align mitigations with their risk appetite.
- Differences in approaches to risk in the two Houses could be managed by ensuring representatives of both Houses sat on Boards which considered areas of joint risk, for example the Parliamentary Estates Board.
- The Internal Audit report had noted the lack of participation of staff at all levels in the risk management system. In adopting risk appetite, the BPG and Board should be wary of further alienating staff from the system. To ensure this did not happen, the system should not be overcomplicated and require a large amount of detail, but rather take a logical approach to identifying a risk appetite and target.

3.4 *[Additional information - Restricted Access]*

3.5 The Board discussed the difference between the risk matrices of the two Houses. *[Additional information - Restricted Access]* The Board agreed that efforts should be made to not diverge from the Commons in the treatment and mitigation of risks because of differences in risk scoring. However, the red, amber and green scorings in the risk register should not change.

3.6 The following further points were raised:

- Good practice in most companies was to review corporate risks and processes every year, rather than every two years as proposed by the paper, and that revisions of risks should be prompted by circumstance rather than process. It was suggested that a significant review could take place every two years, with revisions occurring more frequently as situations demanded.
- The relative simplicity of the Lords risk register and processes made it more useful as a management tool.
- The BPG taking an active role in considering office risk registers and querying risk scores was a good idea, but guidance should be made

clear so as to avoid overlap with risk owners who discussed corporate risks with Heads of Office.

- The Audit Committee would be asked to comment on the revised risk management guidelines and corporate risk register by correspondence.

3.7 The Board **agreed**:

- That separate scores for inherent and residual risk should not be recorded in the risk register.
- That the approach to risk appetite set out in the paper should be adopted, but incorporating the requirements for Board ownership and sign-off of risk appetite for each risk.
- That the Commons Risk Facilitation Team should not be invited to play a role in the day-to-day running of the risk management system, but could have a role in training.
- That there should be no change to the risk matrix.
- That the BPG should consider the importance of engagement of staff in the risk system in revising the risk guidance and the guidance should draw attention to the importance of risk owners referring to office risk registers in their risk reports.

3.8 The Board **agreed** the change to the second bullet of the BPG's terms of reference:

“To draft, for submission to the Board, the annual House business plan; to keep the House strategic plan ~~and corporate risks~~ under review; and to **review the corporate risks at least every two years; and to make recommendations thereon to the Board.**”

4 **Risk report: staffing**

MB/2012/3

4.1 Tom Mohan spoke to the risk report. The report did not cover the possibility of restructuring in the Human Resources Office (HRO) or the transfer of responsibility for Health and Safety to Facilities. Progress was being made on the staff handbook. The HRO intranet pages were now being updated, though this would take some time to complete. *[Additional information - Restricted Access]*

4.2 The Board noted that the Administration had a ratio of one HR member of staff for every fifty employees. The Civil Service “Next Generation HR” initiative was moving to ratios of about 1:100, backed up by centralised help with complex cases. Board members commented that the most important goal for the HRO should be ensuring that it worked effectively in terms of basic processes, providing guidance and keeping accurate records. Progress had been made. The new staff handbook would be published on 30 January and the revised format of the Mid-Year (formerly Autumn Development) Review had been popular, but there was much work still to be done.

4.3 The Board discussed recruitment and the strategy for advertising vacancies. It was suggested that the expertise of Heads of Office should be used to ensure vacancies were advertised cost effectively and in appropriate locations to ensure a wide field of applicants. Other Board members noted HRO was taking a more pragmatic approach to filling vacancies, including using agencies, which had improved the recruitment process. Tom Mohan asked

Board members to contribute any further suggestions for improving the recruitment process to him bilaterally.

4.4 *[Additional information - Restricted Access]*

4.5 *[Additional information - Restricted Access]*

4.6 *[Additional information - Restricted Access]*

4.7 The Board **agreed** that a workshop should be held with Heads of Offices on their responsibilities in relation to HR. Tom Mohan agreed to propose terms of reference and membership for a reconstituted Human Resources Steering Group at a future meeting. It was suggested that the Group should take less of a strategic role, instead focusing on the operation of core HR functions.

4.8 The Board **took note** of the paper.

5 Draft Minutes of the meeting on 19 December

5.1 The Board **approved** the draft minutes.

6 Parliamentary Security Board terms of reference

MB/2012/4

6.1 David Beamish reported that the House of Commons Management Board had made a number of drafting changes to the terms of reference. Consideration of the paper was **deferred to the next meeting** in order that the terms of reference as amended could be considered.

7 Minutes of House Committee on 13 December

7.1 The Board **took note** of the minutes.

8 Draft minutes of Business Planning Group on 6 and 14 December

8.1 The Board **took note** of the minutes.

9 Minutes of PICTAB meeting on 5 December

9.1 The Board **took note** of the minutes.

10 SPIRE implementation update

MB/2012/5

10.1 The Board **took note** of the update.

11 Any Other Business

11.1 There was no other business.

Next Meeting: Friday 3 February at 10 am

Secretary to the Management Board
19 January 2012

ACTION PLAN

Date	Minute item	Action	Responsible	Deadline/Status
July 2009	18	Arrange training on communications for all managers	TVM	October 2010
Nov 2010	5	Report on cloud-based services feasibility study	JM	July 2011
May 2011	1	Interim report from modernisation of Palace of Westminster pre-feasibility study group	CVW	March 2012
July 2011	6	Report on success of PICTAB governance arrangements (1 year review)	JM	July 2012
July 2011	1	Report on review of Information Office	EHS	March 2012
Dec 2011	4	Report on findings of audit of space	CVW	March 2012
Dec 2011	4	Report on fire safety decant requirements	CVW	March 2012
Jan 2012	4	Propose a terms of reference and membership for a reconstituted Human Resources Steering Group.	TM	March 2012
Jan 2012	4	Report on non-consolidated payment systems used in House of Commons and elsewhere in public sector.	TM	April 2012