



Meeting Note

Client: **Institute of Risk Management - South Wales & South West of England** Meeting Date: 16th May 2005
Subject: **Regional Group Meeting** Location: MOD, Bristol
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Notes

The Chairman of the Group, Jonathan Blackhurst of Marlborough Stirling, provided a brief introduction and background to the Regional Institute of Risk Management and welcomed new members attending.

Neil Davidson, who works for WPA Health Insurer and specialises in fraud, undertook the first presentation. ND provided background into types of frauds, the difficulty in conviction and prevention and the lack of clear evidence.

Generally the frauds have typically high investigating costs but the industry is co-operating with the NHS etc. The approach to fraud detection is required and strong management support. The WPA has a clear policy and resource to tackle this issue and a national fraud group has put together a fraud prevention policy, which was circulated to the group.

The next speaker was Mr Peter Campbell, Risk Analyst of the Pricing and Forecasting Group, which is within Project Management for major projects at the Ministry of Defence in Bristol. PC is co-author of a booklet on Project Management on Risk Management and Project Management.

At the end of the day each project goes through various consideration stages before go ahead and one of these requirements is that of adequate risk analysis data. PC referred to the McDonald report which identified flaws - over 60% of projects overran their budget and timescales were far too ambitious etc. The Pricing and Forecasting Group was within one of these sets and are modelled on forecasting for the future, which is difficult to estimate and needs careful statistical risk consultation. There is a traditional overspend due to lack of consideration of risks developing over time. MOD seeks realism and valuation of projects and there is a much stronger move to quantity of analytical data. PC's team also works on mitigation costs and a budget for such.

The results produced are the total cost of the risks and total risks which create a risk based forecast, an agreed cost benefit, an agreed mitigation plan through this and in management risk a more accurate picture of the project's implementation life is created.

It is most likely this quantification by risk analysis will improve efficiency over time, although accurate statistics to prove this are not available as yet.

The chairman thanked the members for attendance and suggested that the next meeting would be held in September 2005.