

Enterprise Risk Management Health Check – Report Summary

Tonbridge and Malling Borough Council



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1. Executive summary

The key findings are:

- There is a mature and comprehensive risk management framework in place, with acknowledgment of risk management as an important aspect of decision making. The consistency of the leadership team was evident in the messaging and perceptions of stakeholders but also came with the realisation that there is a threat of complacency that should be addressed through strategic discussions of the needs and capabilities of the Council.
- Leadership in risk management was seen to be a shared responsibility amongst senior leaders. It was rightly acknowledged that there is a threat of risk management not being picked up and driven by any one individual. There could be clearer focus on the messaging around risk management in the organisation, including being more specific about the objectives defined in the strategy document.
- Risk appetite is a well understood concept and there is broad agreement on the current approach of being averse to taking on risk. It was acknowledged that circumstances might result in needing to review this approach and conversations could be had around future adjustments of risk appetite and what that would mean for the risk management strategy in general.
- As a process, governance arrangements are seen to be well established and working well. Documentation and risk management reports are provided with complete information. There is more uncertainty around the effectiveness of challenge and review at both management and audit committee level. Beyond documentation and compliance, the process could be improved through reduction of strategic risks and training provided to both members, senior leaders and managers.
- The risk management methodology is following best practice and contains the elements you would expect to see. However, there are doubts about the application of these. In particular, there should be an increased focus on dedicated risk identification and establishing effective controls with reviews focussed on establishing accountability for risk owners.
- There is a need for further training to bolster risk management knowledge at both manager and member level. There is currently a training programme underway to boost capabilities on operational risk management and it would be beneficial to also strengthen the knowledge around strategic risk management especially in the light of not having a dedicated risk management resource in house.
- In the council's work with procurement, contracts and partnerships, there should be increased focus on establishing risk management procedures and escalation points. Policy documents should reflect the requirements around risk management that is necessary for the award of contracts and there should be an increased awareness of dedicating resources to monitor compliance with these terms throughout the life of the contract.

In summary, Leadership training on risk management will be a valuable first step in reviewing and possibly redefining how risk management is applied within the Council. This includes acknowledgment of the changing political and financial circumstances that might necessitate a change in approach regarding risk appetite. There should also be a focus on ownership of risk management as there is a threat that the joint approach of the present leads to a lack of direction and communication around objectives and how risk management is to be embedded.

List of recommendations

Culture and Leadership

1. Consider assigning a corporate risk champion who will drive risk management conversations, set the tone and be the example to follow for both fellow senior level managers and officers at all levels.
2. Clarify risk management roles and responsibilities, in particular to separate officers and members' roles. This should include not just what is expected, but also how responsibilities should be carried out.
3. Review the level of engagement that is possible from senior officers within current workloads to ensure that risk management responsibilities and objectives are realistic.

Risk Appetite & Strategy

4. Define risk appetite levels and statements across different risk categories. This will provide an organisational approach and align thinking across officer and members while providing officers practical guidance at key decision points.
5. Revisit the risk management strategy and its place among other frameworks. Determine if there are opportunities to include risk management as an integrated part of working rather than an add-on requiring specific resources.

Governance

6. Consider a process for increasing visibility of risks across services, this could be either at management level through a management board or more informally through risk champion officers from each service that take on responsibilities for both risk updates within services but also meet to share practices and discuss emerging risks.
7. Ensure that members, and audit committee representatives in particular, receive risk management training that include clear descriptions of their remit and responsibilities.

Methodology

8. Initiate dedicated risk identification sessions at both service- and corporate level to increase proactive risk identification and expand the timeline available to manage risks by being proactive rather than reactive.
9. Ensure controls are SMART and that risk owners complete follow-ups. Risk should have practical roadmaps to desired risk score.

People & Training

10. Mandate training sessions for elected members, senior leadership, service heads and possibly also third tier managers.
11. Consider if there are officers within teams that could have capacity to receive extra training and be integrated risk champions in each service.

Projects, Partnerships, Contracts & Supply Chain

12. Review procurement and contract policies and ensure that a defined risk management approach is included. Ensure training is supplied to increase the skills and confidence of officers managing contracts and partner relationships.

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Appendix 1. List of interviewees and documents reviewed

Name	Title	Date
Julie Beilby	• Chief Executive	23/10/2023
Adrian Stanfield	• Director of Central Services and Deputy Chief Executive	23/10/2023
Sharon Shelton	• Director of Finance and Transformation	25/10/2023
Robert Styles	• Director of Street Scene, Leisure and Technical Services	27/10/2023
Eleanor Hoyle	• Director of Planning, Housing and Environmental Health	19/10/2023
Sally Rollings	• Health and Safety Officer	19/10/2023
Paul Worden	• Chief Financial Services Officer	19/10/2023

Documents

Risk Management Annex 1 Strategy

Risk Management Annex 1a (Risk Register)

Risk Management Annex 2 Guidance

Risk Management Annex 2

Risk Management report AUDIT COMMITTEE 25 September 2023

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