



January 2025

Risk Management Review 2025-26

Introduction

- 1 As part of the Accounts & Audit Regulations and Health & Safety At Work Legislation, the Town Council is required to maintain an effective programme of risk management and ensure that all policies and procedures in place are subject to regular review
- 2 Each year, the Council reviews a range of risks affecting the organisation in each of the service areas and as a corporate body. It is assisted in its task by a number of advisors including the Internal and External Auditor and by WorkNest the Council's HR and Health and Safety advisors. This report deals with the whole range of risks and builds on work already undertaken by the individual Working Groups in the autumn cycle.

Background

- 3 Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of an authority's objectives. Risk management is the process whereby authorities methodically address the risks associated with what they do and the services which they provide. The focus of risk management is to identify what can go wrong and take proportionate steps to avoid this or successfully manage the consequences. Good risk management allows stakeholders to have increased confidence in the authority's corporate governance arrangements and its ability to deliver its priorities.
- 4 Risk management is not just about financial management; it is about protecting the achievement of objectives set by the authority to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, and can impact on the ability to achieve desired outcomes. The Council generally and members individually are responsible for risk management alongside the Town Clerk and staff.
- 5 Risk management is an ongoing activity that comprises four elements:
 - identifying risks;
 - assessing risks;
 - addressing risks; and
 - reviewing and reporting.

Identifying risks

- 6 In order to manage risk, an authority needs to know what risks it faces. Identifying risks is therefore the first step in the risk management process.
- 7 The specific risks which individual authorities and service areas face varies in accordance with the range, nature, complexity and scale of the organisation. For this reason, each Working Group reviews its own risks in the autumn cycle of meetings to identify any key risks to achieving successfully priorities and service objectives.

- 8 There are some overall categories of risks which are covered by Strategy & Resources and Council as a whole.
- financial – loss of money;
 - security – fraud, theft, embezzlement;
 - property – damage to property;
 - legal – breaking the law or being sued;
 - IT – failure of IT systems or misuse; and
 - reputational – actions taken could harm the authority's public reputation.

Addressing risks

- 9 Risk is unavoidable, and every organisation needs to take action to manage risk in a way which it can justify to a level which is tolerable. The response to risk within the organisation, is called internal control and may involve one or more of the following standard responses:
- **Tolerate** the risk - for risks where the downside is containable with appropriate contingency plans; for some where the possible controls cannot be justified (e.g. because they would be disproportionate); and for unavoidable risks, e.g. terrorism.
 - **Treat** the risk - a common response which can mean imposing controls so that the organisation can continue to operate; or setting up prevention techniques.
 - **Transfer** the risk – buying in a service from a specialist external body or taking out insurance. Some risks cannot be transferred, especially reputational risk.
 - **Terminate** the activity giving rise to the risk - it may be best to stop (or not to start) activities which involve intolerable risks or those where no response can bring the risk to a tolerable level.

Assessing risks

- 10 Through the Working Groups the potential consequences of a risk occurring (the impact) and the likelihood are reviewed in a matrix with a Scoring range 1-3 (Low, medium, high). The two factors are multiplied to create a combined risk value and specific attention is given to any risk scoring six or above. There are no matters of concern to bring to Council but further details are available upon request as discussed at each Working Group.

Managing risk

- 11 Some risks are managed through the Council's Insurance policies:
- The protection of physical assets owned by the authority – buildings, furniture, equipment, etc. (loss or damage).
 - The risk of damage to third party property or individuals as a consequence of the authority providing services or amenities to the public (public liability).
 - The risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss).
 - Loss of cash through theft or dishonesty (fidelity guarantee).
 - Legal liability as a consequence of asset ownership (public liability).
- 12 Areas where risk is managed by working with third parties include the following:
- Security for vulnerable buildings, amenities or equipment (eg Shield Security).
 - Maintenance of buildings, amenities or equipment.
 - The provision of services being carried out under agency/partnership agreements with principal authorities.
 - Banking and investment arrangements.
 - Ad hoc provision of amenities/ facilities for events to local community groups.
 - Equipment lease or hire where needed.
 - Professional services (planning, surveying, arboricultural, accountancy, legal etc.).
 - Health and safety (Contract with Worknest (formerly Ellis Whittam) for an annual inspection and advice, external training for first aid, evac chair etc;

Workplace Health and Safety

- 13 Health & Safety risk assessments are an examination of anything in the workplace that could cause people to suffer injury or ill health whilst they are at work. Staff and councillors have individual responsibility to avoid risk and report matters or unsafe practices that may give cause to a risk.

All employers have a legal obligation to carry out risk assessments under *The Management of Health & Safety at Work Regulations 1999*. As well as complying with the legal requirement and having the potential to save money, risk assessments are useful in determining:

1. training programmes
2. the adequacy of information available
3. personal protective equipment needs
4. health surveillance levels

- 14 Farnham Town Council has an annual General Risk Assessment Report commissioned from Worknest (Ellis Whittam). The latest Inspection was undertaken on the 19th December 2024 and a report based on the day-long examination of the systems in place at the Council is available for review. There were no specific actions raised in this Assessment.

The number of 'Actions required' as a result of the last six surveys are set out below:

2018/19	3	2
2020/21	1	1
2021/22	6	0
2022/23	4	0
2023/24	3	0
2024/25	0	0

- 15 External contractors undertake the following on behalf of the Council:
1. **Electrical Installations** – All buildings are tested every five years for the condition of its fixed electrical wiring. The Council Offices and the Depot were tested in early 2022, Wrecclisham Community Centre, West Street Chapel, Victoria Gardens, Gostrey Meadow toilet block, the Hart toilet block and the Central Car Park toilet block were tested in 2021 and are due again in 2026. Electrical Appliance Testing is undertaken annually for those items that require testing and periodically in accordance with the type of item as required.
 2. **Gas Installations** – the boilers at the Council Offices and Wrecclisham Community Centre are safety-checked every year.
 3. **The Lift** at the Council offices is inspected quarterly in accordance with insurance requirements.
 4. **Fire** – A fire risk assessment was undertaken by an external consultant in 2024 and subsequently in house. There are no changes that have taken place that cause concern.
 5. **Legionella** Testing takes place annually by an external contractor.
 6. **Asbestos**. As required. Relevant items are marked to identify any asbestos risk.
 7. **Risk**. The Council reviews risks regularly with its insurers (Zurich) when new areas/activities are introduced or taken on (eg supporting vaccination testing and the new playground inherited from WBC).

Financial risks and related Issues

- 16 The new General Data Protection Regulation has brought in new duties on protecting personal data and reporting where lapses occur. Any such breach is reported to Council and if required, the Information Commissioner.
- 17 The financial risks of the organisation are considered as part of the independent Internal Auditor's work. The most recent visit was in December 2024 with the Internal Auditor's Interim report reported to Council in January 2025. The Internal Auditor uses as a basis for his work the latest edition of *Governance and Accountability – a Practitioners' Guide to proper practices*, and the related checklists therein. Potential loss of income is managed by having adequate reserves in accordance with audit guidelines and effective fidelity insurance cover. The current fidelity insurance cover was raised in 2024, at the suggestion of the Internal Auditor, to £5,000,000.

- 18 There is effective separation of duties to ensure that more than one person is involved in financial transactions to minimise the potential risk for fraud. Risks of absence of key personnel for an extended period are covered by the creation of process manuals on main areas of activity and work shadowing so other staff are aware of work requirements wherever possible and some key personnel insurance cover. In the event of an extended absence of the Town Clerk, locum support is available through the Surrey Association of Local Councils and elsewhere.
- 19 The Financial Regulations were last reviewed in 2023 with a review due in 2025 and Standing Orders in March 2023 due for review in March 2027.
- 20 In underpinning the Council's approach, Farnham Town Council has the following policies attached at Annex 2:
- Health and Safety Policy Statement
 - Fire Safety Management Policy Statement
 - Environmental Policy Statement

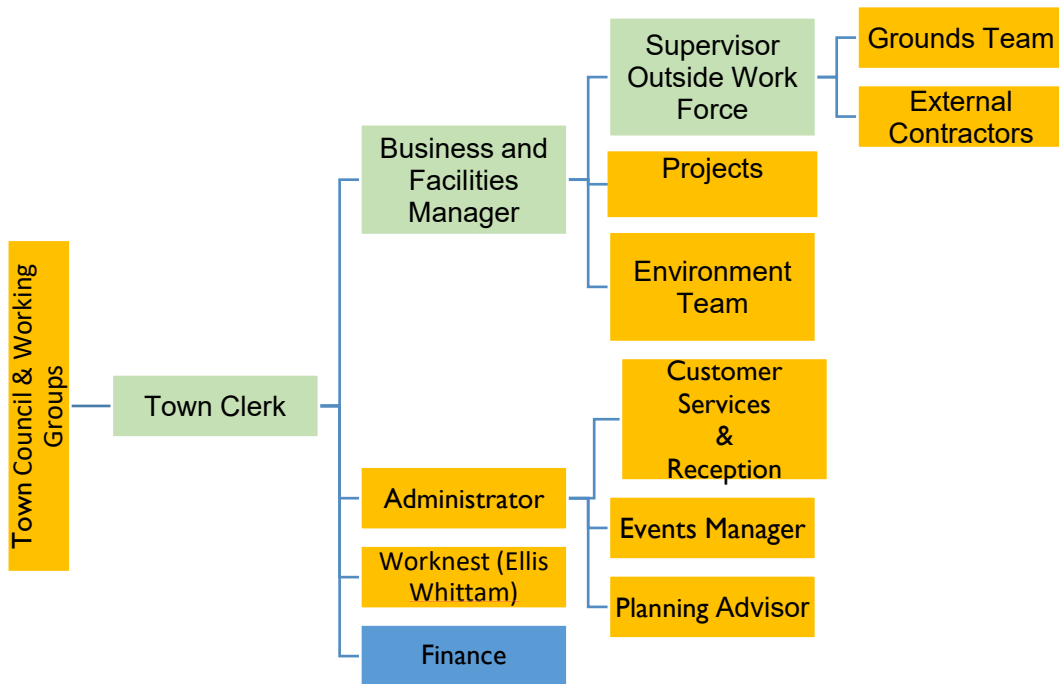
Recommendation

It is recommended that:

- i) The Risk Management report be welcomed and adopted;**
- ii) The work done by the Working Groups in managing risk be noted**
- iii) The Fire Safety, Health and Safety and Environmental policies endorsed.**

Annex I (Appendix L)

Farnham Town Council
Organisation Chart for the Management of
Health and Safety 2024
 (Health and Safety Management Leads highlighted)



Farnham Town Council Health & Safety Policy Statement

Farnham Town Council recognises that it has a legal duty of care towards protecting the health and safety of its employees and others who may be affected by the Council's activities, and that managing health and safety is a business critical function.

In order to discharge its responsibilities Farnham Town Council will:

- bring this Policy Statement to the attention of all employees;
- carry out and regularly review risk assessments to identify proportionate and pragmatic solutions to reducing risk;
- communicate and consult with employees on matters affecting their health and safety;
- comply fully with all relevant legal requirements, codes of practice and regulations at International, National and Local levels;
- eliminate risks to health and safety, where possible, through selection and design of materials, buildings, facilities, equipment and processes;
- encourage staff to identify and report hazards so that all contribute towards improving safety;
- ensure that emergency procedures are in place at all locations for dealing with health and safety issues;
- maintain premises, provide and maintain safe plant and equipment;
- only engage contractors who are able to demonstrate due regard to health & safety matters;
- provide adequate resources to control the health and safety risks arising from work activities;
- provide adequate training and ensure that all employees are competent to do their tasks;
- provide an organisational structure that defines the responsibilities for health and safety
- provide information, instruction and supervision for employees;
- regularly monitor performance and revise policies and procedures to pursue a programme of continuous improvement;
- where risks cannot be eliminated they will be minimised by substitution, the use of physical controls or, use of personal protective equipment or, as a last resort, through safe systems of work

This Health and Safety Policy will be reviewed at least annually and revised as necessary to reflect changes to the business activities and any changes to legislation. Any changes to the Policy will be brought to the attention of all employees.

Signed:

Dated: 30 January 2025

Position: Town Clerk

Farnham Town Council
Fire Safety Management Policy Statement

It is the policy of Farnham Town Council to ensure, so far as is reasonably practicable, that the Council provides and maintains safe and healthy working conditions and protects employees, visitors and others so far as is reasonably practicable against the risk of fire within our premises.

We believe that this document when combined with individual fire risk assessments, emergency plans and evacuation procedures sets out best practice standards for an organisation such as ours.

Although the ultimate responsibility for fire safety management rests with the Council's Leader and the Town Clerk, the Organisation's Health and Safety Adviser provides competent advice to the managers of operating units who are responsible for the implementation and day to day fire safety management of operations within the premises under their control.

Advice on any fire safety management matters can be sought from the Safety Adviser, who can also be consulted in the event of an employee being faced with a conflict between the demands of fire safety and commercial or operational demands. If such a conflict cannot be resolved by agreement the final decision will rest with the Town Clerk.

All employees, volunteers and contractors are reminded that they have a personal responsibility for ensuring that fire safety procedures are followed and not to obstruct fire exit routes or fire equipment at any time. They must therefore adhere to the fire safety practices of the organisation and co-operate fully with any appropriate instructions on any matter relating to fire safety management in the workplace.

This policy statement is reviewed annually.

Signed:

Town Clerk

Date: 30 January 2025

Farnham Town Council

Environmental Policy Statement

Farnham Town Council recognises that the day-to-day operations can impact both directly and indirectly on the environment. The Council aims to protect and improve the environment through good management and by adopting best practice wherever possible. Farnham Town Council will work to integrate environmental considerations into its business decisions and adopt greener alternatives wherever possible, throughout its operations.

In order to discharge its responsibilities the Council will:

- bring this Environmental Policy Statement to the attention of all stakeholders • carry out regular audits of the environmental management system
- comply fully with all relevant legal requirements, codes of practice and regulations at international, national and local levels
- eliminate risks to the environment, where possible, through selection and design of materials, buildings, facilities, equipment and processes
- ensure that emergency procedures are in place at all locations for dealing with environmental issues
- establish targets to measure the continuous improvement in the Council's environmental performance
- identify and manage environmental risks and hazards
- improve the environmental efficiency of the Council's transport and travel
- involve customers, partners, clients, suppliers and subcontractors in the implementation of these objectives
- minimise waste and increase recycling within the framework of the Council's waste management procedures
- only engage contractors who are able to demonstrate due regard to environmental matters
- prevent pollution to land, air and water
- promote environmentally responsible purchasing
- provide adequate resources to control environmental risks arising from work activities
- provide suitable training to enable employees to deal with their specific areas of environmental control
- reduce the use of water, energy and any other natural resources
- source materials from sustainable supply when practicable
- where risks cannot be eliminated they will be minimised by substitution, use of physical controls or, as a last resort, through systems of work

This Environmental Policy will be reviewed at least annually and revised as necessary to reflect changes to the business activities and any changes to legislation. Any changes to the Policy will be brought to the attention of stakeholders.

Signed:

Dated: 30 January 2025

Position: Town Clerk