FARNHAM TOWN COUNCIL

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Report
Council

23rd January 2020

Risk management Review 2019-20

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 Ellis Whittam 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. In 2018, new areas of activity relating to data protection were introduced nationally and the Council took action to mitigate risks associated with this.

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 authority generally and members individually are responsible for risk management.

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 organization.   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 & Finance 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.

10   During 2019-20, Farnham Town Council has undertaken a number of activities to minimise risk. These include erecting fencing in West Street cemetery, regular inspections of cemeteries and allotments, continuing to invest in pathway repairs, removal of dangerous trees, investment in training and personal protective equipment for staff.

Assessing risks

11   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.

Managing risk

12   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).

13   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, arboricultutal, accountancy, legal etc.).
- Health and safety (Contract with Ellis Whittam for an annual inspection and advice, external training for first aid, evac chair etc;

Workplace Health and Safety

14 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

15 Farnham Town Council has an annual General Risk Assessment Report commissioned from Ellis Whittam. This report is based on a day-long examination of the systems in place at the Council. The key findings of the report after the most recent visit by Jonathan Ely, the Ellis Whittam Safety Advisor, on 27th August 2019 are set out below. They include a SWOT analysis and a Safety Action Plan with suggested completion dates and a named member of staff responsible for completing the item.

The number of 'Actions required' as a result of the eight surveys since 2011/12 is as follows:

	No. of Action Points	No. requiring immediate or short term action.
2011/12	72	5
2012/13	39	2
2013/14	13	0
2014/15	7	1
2015/16	18	1
2016/17	29	5
2017/18	3	0
2018/19	3	2

2019 (Chart below) shows the 3 points from the current inspection. All 3 points have been actioned and are being monitored.

Date	Priority	Sub Point	Comment	Action	Completed date
27/08/2019	Medium	Housekeeping	Removal of waste , debris in office areas around desks	Loft space has been reordered and trip hazards removed. General desk areas have been cleared but need to be monitored	01/11/2019

27/08/2019	Medium	Emergency Lighting inspections	Arrange for an annual inspection and keep records	This has been actioned and records are being kept.	28/08/2019
27/08/2019	Low	Ladder inspections	Ladders and stepladders should be formally inspected each month and records kept	This has been actioned.	01/10/2019

16   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 are due in 2021, Wrecclesham Community Centre, West Street Chapel, Victoria Gardens, Gostrey Meadow toilet block, the Hart toilet block and the Central Car Park toilet block are scheduled to be tested again early in 2020. Portable 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 Wrecclesham 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 December 2011 and subsequently in house.
5. **Legionella** Testing takes place annually
6. **Asbestos.** As required
7. **Risk.** The Council subscribes to the Local Council Risk Service managed by Zurich and officers attend seminars organised by Zurich.

Financial risks and related Issues

17   The new General Data Protection Regulation has brought in new duties on protecting personal data and reporting where lapses occur.

18   The financial risks of the organisation are considered as part of the independent Internal Auditor's work. The most recent visit was in December 2019 with the Internal Auditor's Interim report due following the second visit to Council in January 2020. The Internal Auditor uses as a basis for his work the *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. 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 and Sussex Association of Local Councils.

19   The Financial Regulations were last adopted by Council in April 2018 and will be reviewed in 2020 and Standing Orders were updated in January 2019.

Recommendations to Council
i)   The Risk Management report be welcomed and recommended for adoption;
ii) The work done by the Working Groups in managing risk be noted.

Annexe 1

Farnham Town Council
Organisation Chart for the Management of Health and Safety 2019
(Health and Safety Management Group highlighted)