



## Sutton Courtenay Parish Council

### Risk management

Sutton Courtenay Parish Council is committed to identifying and managing risks, using the following procedures, and to ensuring that risks are maintained at an acceptable level. Any action that is felt necessary will be taken by the Council.

The Clerk will review risks on a regular basis, including any newly identified risks, and will report to the Council. The review will include identification of any unacceptable levels of risk.

The Local Councils' Governance and Accountability Guidance makes the following observations regarding risk management:

- Risk management is not just about financial management: it is about setting objectives and achieving them in order to deliver high quality public services.
- The new approach places emphasis on local councils strengthening their own corporate governance arrangements, improving their stewardship of public funds and providing assurance to taxpayers.

It goes on to make the point that Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. Members should therefore:

- take steps to identify key risks facing the Council
- evaluate the potential consequences to the Council if an event identified as a risk takes place
- decide upon appropriate measures to avoid, reduce or control the risk or its consequences

1. Finance				
Risk	Probability	Impact	Risk Management / Mitigation	Residual Risk
Inadequacy of precept	LOW	MED	To determine the precept amount required, the Council will meet and consider a budget report, including actual position, projected position to the end of year and indicative figures or costings obtained by the Clerk. With this information the Council maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which (plus any additions to reserves) is resolved to be the precept amount to be requested.	LOW Existing procedures adequate – review annually
Precept requirements not submitted to District Council	LOW	MED	With the above information the Council maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept amount to be requested from the District Council. The figure is submitted to the District Council by the Clerk in writing before the end of January.	LOW Existing procedures adequate – review annually
Precept not received from District Council	LOW	HIGH	Payments are made via electronic bank transfer. The Clerk informs Council when the monies are received (normally May and October). General reserve of at least 50% precept would assist with any short-term delay.	MEDIUM Currently general reserve is less than 50% of precept.
Inadequate records / financial irregularities	LOW	MED	Established recording process in accordance with Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide, available from NALC. The records are subject to a detailed internal audit and overseen by an external audit.	LOW Existing procedures adequate – review annually

1. Finance				
Risk	Probability	Impact	Risk Management / Mitigation	Residual Risk
Inadequate banking checks & reconciliation	LOW	LOW	The Council has Financial Regulations which set out the requirements for banking, payments and reconciliation of accounts. Quarterly bank reconciliations are presented to Council. Financial regulations reviewed each year.	LOW Existing procedures adequate. Review bank signatory list when necessary, especially after an election. Monitor the bank statements monthly.
Banking errors (caused by bank)	LOW	LOW	If the bank makes errors in processing payments or receipts this would be discovered when the Clerk reconciles the bank accounts once a month. Errors would be dealt with immediately by informing the bank and awaiting their correction.	LOW Existing procedures adequate – review annually
Bank or building society closure	LOW	MED	The Council is covered under the Financial Services Compensation Scheme (FSCS) as long as the funds held with a single bank/building society does not exceed £85k.	MEDIUM The Unity account sometimes runs at over £85k but this is normally under £100k. The Council should look to open an account with another provider.
Fraudulent / incorrect payment of invoices – Unity account	LOW	MED	The Council has Financial Regulations, which set out the requirements for invoice payment. At each Council meeting the list of invoices paid is distributed to Councillors, and considered. A copy of all invoices to be paid is sent electronically to all Councillors. Unity bank holds the main account with online banking, payments are setup by the Clerk and authorised by 2 Councillors. Each Councillor who authorises the payment, also checks the details against each invoice.	LOW Existing procedures adequate. Review the Financial Regulations when necessary. Review bank signatory list when necessary, especially after an election.

1. Finance				
Risk	Probability	Impact	Risk Management / Mitigation	Residual Risk
Fraudulent / incorrect payment of invoices – Santander accounts	LOW	HIGH	The Council has 2 accounts with Santander, a current account and a savings account. The Clerk has online access to the accounts, this is now view only but previously the Clerk could make transfers. Payments can be made from the current account by cheque and from the savings account by a letter, with 2 Councillors signing. Santander do not offer dual authorisation. Due to the lack of activity on the accounts bank statements are infrequently received but electronic versions can be downloaded.	MEDIUM The Council's current procedures protect the Council, particular attention should be paid to the quarterly bank reconciliations to ensure no fraudulent activity.  Long term the Santander accounts should be moved to a provider with dual online authorisation.
Charges – cemetery fees	MED	MED	Funeral directors, stonemasons and private individuals are invoiced for cemetery fees. Sometimes there is a delay in providing payment. ERoB transfers and memorials are only completed once payment is received. Funeral directors normally pay after the interment.	LOW Currently the Clerk chases for payment, debts of more than 3 months would be reported to the Council.
Charges – memorials (not cemetery)	LOW	MED	A new policy introduced in 2023 includes a charge for memorials in public spaces. The application would not be processed without payment.	LOW Existing procedures adequate – review annually
Fraudulent / incorrect payment of grants - payable	LOW	HIGH	All such expenditure goes through the required Council process of approval, minutes and listed accordingly. A list of grants awarded can be found on the Council's website.	LOW Existing procedure OK – Clerk should ask for confirmation that funds have been received.
Fraudulent / mismanagement of grants – receivable (inc S106 & CIL)	LOW	MED	Funds are ringfenced for specific projects. Updates are sent to awarding authorities. Annual CIL report submitted to District Council and published on website.	LOW Existing procedures adequate – review annually

1. Finance				
Risk	Probability	Impact	Risk Management / Mitigation	Residual Risk
Failure to achieve Value for Money: contracts awarded incorrectly, and /or overspend on services	MED	MED	The Council has Financial Regulations, which set out the requirements for obtaining quotes. For major contract services (above £25,000), formal competitive tenders would be sought using the Government Contracts Finder website. This process would be administered independently by the Clerk. If a problem were encountered with a contract the Clerk would investigate the situation, check the quotation/tender, research the problem and report to Council.	LOW  Existing procedure adequate. Include when reviewing Financial Regulations.
Salary, NI, tax and pension contributions reported or paid incorrectly	MED	LOW	Payment of salary and pension contribution is normally by standing order. HMRC's 'Basic PAYE Tools' software is used to calculate and submit payroll data, the software creates payslips and reports to assist with making payments. Oxfordshire Pension Fund provides a website for reporting amounts and generating a report.  Payslips, HMRC reports and Pension reports need to be submitted with invoices to confirm correct amounts are being paid.  All is subject to the internal audit.	LOW  Existing reporting and payment system is adequate.
VAT incorrectly claimed	LOW	MED	The Council reclaims VAT under the 125 scheme. It is not registered for VAT. VAT is normally reclaimed in February unless there is exceptional expenditure and then it can be reclaimed more frequently.	LOW  Existing reporting and payment system is adequate.
Financial fraud by Officers	LOW	MED	Sufficient fidelity guarantee in insurance cover. Annual insurance review by Clerk.	LOW

1. Finance				
Risk	Probability	Impact	Risk Management / Mitigation	Residual Risk
Loss to third party following actions / advice provided by Councillors and/or Officers	LOW	HIGH	<p>Sufficient Councillors and Officers indemnity included in insurance cover.</p> <p>The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role. Membership of Oxfordshire ALC and Society of Local Council Clerks is paid for by the Council.</p> <p>Councillors should receive induction training in accordance with OALC guidance.</p> <p>Annual insurance review by Clerk and Council.</p>	<p>LOW</p> <p>Existing procedures adequate – review annually</p>
Loss to third party / employees on Council property / in execution of Council business	LOW	HIGH	<p>Sufficient Public Liability indemnity (no less than £10 million) included in insurance cover.</p> <p>Annual insurance review by Clerk and Council.</p>	<p>LOW</p> <p>Existing procedures adequate – review annually</p>

2. Constitutional / Operating Risk				
Risk	Probability	Impact	Risk Management / Mitigation	Residual Risk
Unexpected Parish Council Election	LOW	MED	<p>Accept risk - hold reserves to cover the likely cost based upon the estimated cost supplied by the District Council from time to time.</p>	<p>LOW</p> <p>Existing procedure adequate</p>
Meeting venue	MED	MED	<p>The normal meeting venue, the Village Hall, has suitable facilities for a meeting open to the public. If it was not available then there are other possible venues in the village (school hall, Scout hut).</p>	<p>LOW</p>

2. Constitutional / Operating Risk				
Risk	Probability	Impact	Risk Management / Mitigation	Residual Risk
Inadequate / inaccurate Minutes, Agendas, Notices, Statutory Documents	LOW	LOW	Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements. Minutes are approved and signed at the next Council meeting. Minutes and agenda are displayed according to the legal requirements. Business conducted at Council meetings managed by the Chair in accordance with Council Standing Orders.	LOW Existing procedure adequate
Annual return - AGAR	LOW	MED	The AGAR is completed by the Clerk, submitted to the internal auditor and then presented to the Council. Once signed it must be published and sent to the external auditor.	LOW External auditor provides specific advice on timescales
Annual return - HMRC	LOW	MED	The employers annual return is submitted at end of March/early April. This process must be completed before entering the payroll data for the new financial year.	LOW Existing procedure adequate
Councillors' conflict of interests	MED	LOW	Register of Member's Interest forms reviewed annually by Councillors. Declaration of interests standing agenda item in all Council meetings.	LOW Existing procedure adequate
Damage to assets / items under the Council's care, e.g. noticeboards, bus shelters, defibs etc.	MED	MED	Annual review of asset register, prepared by Clerk and presented to Council. Periodic inspections of assets by the Clerk or reported to the Clerk. Annual insurance review by Clerk and Council.	LOW Existing procedure adequate
Asset register - failure to accurately record the Council's assets	MED	HIGH	During 2023 the Clerk has realised not all items are correctly recorded on the asset register. These are mainly low value items such as benches and gifted assets. The Clerk has since updated the register although there might be items missed.	<b>MEDIUM</b> The asset register needs to be carefully reviewed and locations recorded for all assets.

2. Constitutional / Operating Risk				
Risk	Probability	Impact	Risk Management / Mitigation	Residual Risk
Maintenance of assets	MED	MED	Due to the asset register previously lacking location information for all street furniture and a lack of records of previous inspections, it is unclear whether all items have been checked on a regular basis. The Clerk has checked items up to April 2024.	MEDIUM All street furniture must be inspected annually and a record of condition created.
Legal powers	LOW	HIGH	All activity and payments within the powers of the Council to be resolved at a Council meeting. The Clerk must try to ensure their knowledge is updated and seek external guidance when undertaking new projects.	LOW Clerk is CiLCA qualified and a member of SLCC. The Council is a member of OALC and NALC.
Loss of key personnel (Clerk to the Council)	MED	HIGH	The Clerk's role would be advertised and another appointment made. In the meantime, the assistance of a temporary Clerk and/or neighbouring Clerks would be sought.  Alternatively, a Councillor would be seconded into the Clerk's role (unpaid). If the Chairman took on the duties of the Clerk or the Responsible Financial Officer then they would resign their position as Chairman to ensure separation of powers.  Approach OALC for advertising and/or SLCC for a locum.	MEDIUM (Worst case scenario – the Clerk's relatives would need to arrange for Council equipment and records to be recovered. The Clerk should give the Chairman a record of where items are kept in their home.)
Business continuity: Loss of Council files - electronic	LOW	HIGH	Currently all electronic files-are stored on the Council's laptop with an automatic backup to Google Drive.  Emails retained for 12 months online, if required beyond that point the email should be saved as a PDF on the laptop.	LOW Existing procedure adequate



2. Constitutional / Operating Risk				
Risk	Probability	Impact	Risk Management / Mitigation	Residual Risk
Business continuity: Loss of Council files - hard copy	LOW	HIGH	<p>The following documents are stored in a cupboard at the Clerk's home:</p> <ul style="list-style-type: none"> <li>-Financial information for current and previous year.</li> <li>-Minutes – inc. bound volumes.</li> <li>-Working notes relevant to current enquiries and projects.</li> </ul> <p>The following documents are stored in a filing cabinet at the Clerk's home:</p> <ul style="list-style-type: none"> <li>-Financial information for past 3-7 years.</li> <li>-Cemetery: plans x 2, burial register, EROB grant register, interment and memorial applications (the applications should be scanned and the hard copy destroyed).</li> <li>-The cemetery registers are kept in a fireproof bag.</li> <li>-Original land registry titles and associated documents for land owned by the Parish Council.</li> </ul>	MEDIUM Where possible documents should be held electronically and the original sent to the Oxfordshire History Centre, Cowley.
Data protection	MED	MED	<p>The Council is registered with the Information Commissioner's Office (ICO) and has appropriate policies in place. Councillors have dedicated Council email addresses which must be used for all Council business.</p> <p>Emails retained for 12 months online, if required beyond that point the email should be saved as a PDF on the Council laptop.</p>	LOW Councillors must ensure any email received on their personal accounts are forwarded to their Council account before replying.
Freedom of Information	LOW	MED	<p>The Council has a Publication scheme in place.</p> <p>The Council can ask for assistance from the ICO.</p> <p>Emails retained for 12 months online, if required beyond that point the email should be saved as a PDF on the laptop.</p>	LOW Councillors must ensure any email received on their personal accounts are forwarded to their Council account before replying.

2. Constitutional / Operating Risk				
Risk	Probability	Impact	Risk Management / Mitigation	Residual Risk
Web accessibility	LOW	LOW	<p>Since September 2020, all parish councils must have a website that complies with Website Content Accessibility Guidelines (WCAG) 2.1 AA rating so that it meets Accessibility Guidelines as set in the Public Sector Bodies Accessibility regulations.</p> <p>When producing PDFs for the website the document must also be compliant or an explanation provided.</p>	<p>MEDIUM</p> <p>The AGAR is not available in an accessible format due to a third party. The matter has been raised with the Smaller Authorities' Audit Appointments.</p>
Cyber threat	LOW	HIGH	<p>The Clerk is the only person with access to the Council's laptop which has anti-virus and security software installed. The website and email systems are held by a third party supplier. Very little of the Council's documents are in anyway confidential so there is a limited risk of being held to ransom.</p> <p>The Clerk setups payments with Unity bank which checks that the account details match the account name, the Clerk make changes on receipt of proof of the account details.</p>	<p>MEDIUM</p> <p>The Council considered whether to add cyber insurance to its policy in 2023 and decided the cost was too high when considering the risk to the Council.</p>