

DRAYTON PARISH COUNCIL

Financial/Operational Risk Assessment 2025/2026

Previous Review Date:

May 2024

Updated, Reviewed, Resolved and adopted by Council on:

March 2025

Next Review Date:

May 2026

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Parish Council to identify all potential inherent risks. The Parish Council, based on a recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible.

This document has been produced to enable Stanton St John Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

| FINANCIAL AND MANAGEMENT | | | | | |
|--------------------------|---------------------------------|---------------------------------|--|---|----------------|
| Subject | Area of Risk | Likelihood (1-3) x Impact (1-3) | Management / Control of Risk | Action Required | Review Date |
| 1. Insurance | a. General adequacy | (1 x 1) = 1 | The insurance arrangements are reviewed fully on a three-year basis with interim annual checking. Review of risk and adequacy of cover (loss / damage, public liability, consequential loss and fidelity guarantee) should be conducted annually. Full review of renewal costs currently annual. | Check limits annually and review full policy every three years. | Renewal 1 June |
| | b. Cost | (1 x 1) = 1 | | | |
| | c. Compliance | (1 x 1) = 1 | | | |
| | d. Public Liability (statutory) | (1 x 1) = 1 | Insurance at £10,000,000 | | |

FINANCIAL AND MANAGEMENT

| Subject | Area of Risk | Likelihood (1-3) x Impact (1-3) | Management / Control of Risk | Action Required | Review Date |
|---------|------------------------------------|---------------------------------|--|--|-------------|
| | e. Employers Liability (statutory) | (1 x 1) = 1 | Insurance at £10,000,000 | | |
| | f. Money | (1 x 1) = 1 | Insurance at £250,000 In transit £5,000 Private residence of member or employee £250 In custody or under supervision £5,000 In locked safe or strongroom £5,000 In locked receptacle other than strongroom £250 | | |
| | g. Hiscox Guarantee | (1 x 2) = 2 | Insurance at £250,000 | Internal Auditor recommends increasing to match bank balance which was £337,000 in October 2024. | May 2024 |
| | h. Property | (2 x 2) = 4 | Playground equipment: SEE ATTACHED APPENDIX War Memorials: SEE ATTACHED APPENDIX Street Furniture: SEE ATTACHED APPENDIX | | |
| | i. Libel and Slander | (1 x 2) = 2 | Insurance at £250,000 | | |
| | j. Personal Accident | (1 x 2) = 2 | Insurance at £50,000 (capital sum), £200 (weekly sum). | Loss of sight/limbs only. NOT SUFFICIENT FOR CLERKS SALARY. | |

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| | k. Excess | (1 x 1) = 1 | £250 to be set aside as a Reserve in case of claim. | | |
| 2. Precept | a. Adequacy of precept in order for the Council to carry out its statutory duties | (1 x 2) = 2 | <p>To determine the precept amount required, the Council regularly receives budget update information.</p> <p>At the precept meeting the Council receives a budget report, including actual position and 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. Considering the reserves, income and expenditure, the Council resolves to agree the precept amount to be requested from Vale of Whitehorse District Council. The figure is submitted by the Clerk in writing.</p> <p>The Clerk informs the Council when the monies are received.</p> | <p>Review starting in November with budget process.</p> <p>Confirm precept requirement in January</p> | December / January |
| 3. Budget Provision and Reserves | b. Insufficient available funds | (1 x 2) = 2 | A full budget needs to be submitted prior to the Precept request. This | Review running costs – aim for nearer six | December / January |

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| | | | should include funds placed in reserve for future projects, a contingency fund and three months' running costs. | months reserves than three. | |
| 4. Best Value Accountability | c. Work awarded incorrectly | (1 x 3) = 3 | Normal Parish Council practice would be to seek, if possible, more than one quotation for any substantial work undertaken. For major work competitive tenders must be sought. If problems encountered with a contract, the Clerk would investigate the situation and report to the Council. | Procedure in Financial Regulations | Ongoing |
| | d. Overspend on services | (1 x 2) = 2 | | Procedure in Financial Regulations | Ongoing |
| 5. Contracts and contractors | a. Maintenance contractors | (1 x 2) = 2 | Standing orders for award of contracts and capital expenditure. Initial contracts awarded for 12 months. Subject to satisfactory performance, subsequent contracts are for three years. | Report on performance and review when appropriate | Ongoing |
| 6. Payroll and Salary | a. HMRC RTI Information – submit within time limits | (1 x 1) = 1 | The Clerk's salary payment should be entered on the HMRC PAYE Tools software and uploaded to HMRC on a monthly basis. Clerk adds submission date on salary sheet for inspection at monthly PC meeting. | Current procedure adequate | Monthly |
| | b. HMRC End of Year Submission / P60 | (1 x 1) = 1 | The Council must complete the End of Year Submission online within | Existing procedure adequate. | April |

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| | – submit within time limits | | the HMRC timeframe. Councillor Responsible for Internal Financial Control to make manual checks. | | |
| | c. Salary paid incorrectly | (1 x 1) = 1 | Salary agreed once NALC briefing has been published; paid by Standing Order. Councillors who authorise payments to sign salary sheet. | Existing procedure adequate | Monthly |
| | d. Unpaid tax to HMRC | (1 x 2) = 2 | Payments are monitored using the HMRC PAYE RTI Tools software. Monthly payment by BACS. Councillor Responsible for internal financial control to include in checks. | Consider Contracting out as HMRC Tools as reliant on the specialized knowledge of the Clerk and the laptop. Software doesn't transfer easily onto another laptop. | Monthly |
| 7. Employees | a. Fraud by staff | (1 x 2) = 2 | Requirements of Hiscox Insurance adhered to with regards to fraud. | Existing procedure adequate | On appointment of new Clerk. |
| | b. Health and safety | (1 x 2) = 2 | All employees (currently the Clerk) to be provided adequate direction and safety equipment needed to undertake their role. | Monitor health and safety requirements and insurance annually | Health and Safety Policy review March 2026 |
| | c. Clerk resignation / sickness | (1 x 2) = 2 | Councillors may act in a temporary capacity at nil pay. Contingency required for advertising, sickness cover etc. | Review contingency in budget annually | Ad-hoc |
| 8. Bank and Banking | a. Inadequate checks | (1 x 2) = 2 | The Council has Financial Regulations which set out banking requirements. | To be Approved March 2025. | |

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| | b. Bank mistakes | (1 x 1) = 1 | Reconciliation is monthly to pick up on any mistakes. | Existing procedure adequate | Monthly |
| | c. Payment mistakes | (1 x 1) = 1 | Online payments should follow the agreed online payment procedure. The Clerk to provide hard copies of all invoices together with a payment schedule for the meeting. Councillor authorisers to check all details prior to authorising payments. | Existing procedure adequate Online Payment Procedure reviewed on a bi-annual basis | May 2024 |
| | d. Signatories | (1 x 1) = 1 | To ensure that payments can be made in a timely manner, Council to confirm bank signatories and electronic banking authorisers (cheque signatories do not necessarily have to be authorisers) are up to date. There should be at least three Councillors capable of authorising online payments. | Need at least one more signatory-plans are in place. | Annually in May |
| | e. Credit references | (1 x 1) = 1 | The Bank performs credit references on signatories. | Existing procedure adequate | Review when adding a new signatory |
| | f. Debit Card Use | (1 x 1) = 1 | No facilities exist for card payments. | The Council has approved a credit/debit card. Clerk to implement ASAP. | May 2025 |
| | g. Non-performance / delivery of third parties | (1 x 1) = 1 | Avoid pre-payments wherever possible. | Existing procedure adequate | |

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| 9. Financial reporting | a. Information communication | (1 x 1) = 1 | Financial information is a regular, monthly, agenda item (Finance Report) and discussed / reviewed and approved at each meeting. | Existing procedure adequate | Monthly |
| | b. Annual accounts | (1 x 1) = 1 | Accounts to be closed at Council Year End 31 March and final Statement submitted to April / May Parish Council meeting for scrutiny and agreement. Clerk / RFO and Chairman to sign off. | Existing procedure adequate | Annually in May |
| 10. Financial Records | a. Inadequate records | (1 x 1) = 1 | The Council has Financial Regulations which set out the requirements. | Existing procedure adequate | January 2025 (2024 revised regulations issued by NALC) |
| | b. Financial irregularities | (1 x 1) = 1 | The Council should have a Councillor responsible for Internal Control who inspects the finance records regularly. Any irregularities should be identified on inspection. | Existing procedure adequate | Appointed in May. Checks four times a year. |
| 11. Grants | a. Receipt of grant | (1 x 1) = 1 | All receipts of grants to be recorded at the following meeting. | Grants Policy needed ASAP. | |

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| | b. Payment of Grants and Power to pay using S137 | (1 x 1) = 1 | Ensure that grants are acceptable to pay for under current legislation. All expenditure goes through the required Council process of approval, minuting and listing accordingly. | | |
| 12. Charges – rents receivable | a. Payment of rents | (1 x 1) = 1 | Allotments: managed by the Clerk/Deputy Clerk. Part Access Allotments managed by the Clerk. | Review existing procedure ASAP, possibly bring onto Alpha for better management and reconciliations. | N/A |
| 13. VAT | a. Reclaiming | (1 x 1) = 1 | The Council will make at two reclaims using the 126 form annually after the close of the year end. The order must have been placed by the Council, the invoice made out to the Council and the payment made from Council funds. | Existing procedure adequate | Every six months or sooner if required. |
| | b. Charging | (1 x 1) = 1 | The Council is not currently registered for VAT. | | |
| 14. Audit | a. Annual Return - complete and | (1 x 1) = 1 | External Audit Annual Governance and Accountability Return (AGAR) | Existing procedure adequate | Annually before 30 June |

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| | publish within time limits | | to be completed and signed by the Internal Auditor and then completed and signed by the Chairman and Clerk / RFO at a full Council meeting before 30 June and published on the website. | | |
| | b. Public inspection of documents | (1 x 1) = 1 | By request only. Annual Inspection Notice must cover the first 10 working days of July. | Existing procedure adequate | Annually – inspection dates to be agreed at full Council. |
| | c. Internal Audit | (1 x 1) = 1 | Appoint an independent Internal Audit. | Existing procedure adequate | Annually in July |
| | d. Review of Effectiveness of Audit | (1 x 1) = 1 | The Council must review its requirements of the internal Audit including scope, independence, competence, relationships and planning following the completion of the Internal Audit. | Reviewed by the Finance Committee in May/June/July. | Annually following receipt of the Internal Audit no later than August. |
| 15. Legal Powers | a. Illegal activity or payments | (1 x 1) = 1 | All activity and payments within the powers of the Parish Council to be resolved at full Council Meetings, including reference to the power used under the Finance section of Agenda and Finance Report. | Existing procedure adequate | Monthly |

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| 16. Minutes / agenda / Notices and Statutory Documents | a. Accuracy and legality | (1 x 1) = 1 | <p>Minutes and agenda are produced in the prescribed manner by the Clerk and adhere to the legal requirements including publishing on the Agenda and Minutes section of the Parish Council website.</p> <p>While not a requirement of Councils over £25,000, draft Minutes are published within one month of the meeting, circulated in advance of the next meeting, and approved and signed by the Chair of the meeting at the full Council meeting.</p> | Existing procedure adequate | Monthly |
| | b. Standing Orders | (1 x 1) = 1 | Originally adopted in June 2018 Reviewed and updated in May 2024. | Need to be updated and approved in May 2025 | May 2025 |
| | c. Financial Regulations | (1 x 1) = 1 | Adopted in December 2019, Reviewed in March 2024. | Updated and awaiting Approval in March 2025 meeting. | ASAP |
| | d. Business conduct | (1 x 1) = 1 | <p>Agenda displayed according to legal requirements.</p> <p>Business conducted at Council meetings should be managed by the Chairman.</p> | Existing procedure adequate | Ongoing |

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| 17. Council Records | a. Paper | (1 x 2) = 2 | Loss through fire, theft, damage. The Parish Council records are stored at the home of the Clerk, and in the Chairs house. Records include historical correspondences, minutes, insurance, bank records. | Damage (apart from fire or flood) and theft is unlikely and so provision is adequate. Clerk needs to archive the records held with the Chair in Oxfordshire records Office. Ensure that minute books are archived in a timely manner. | Ongoing |
| | a. Electronic | (1 x 2) = 2 | The Parish Council electronic records are stored on the Microshade Servers. | Council have agreed to change to MS365 with Microshade for better accessibility. | Annually |
| 18. Data Protection | a. Policy provision | (1 x 1) = 1 | The Parish Council is registered with the ICO and has a Publications Scheme. Annual Direct Debit inplace. | | |
| | b. Data Protection Officer | | Clerk is the Data Protection Officer. | Review if necessary | |

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| | c. GDPR | (1 x 1) = 1 | Data Protection Policy Data and Documentation Retention Policy | | |
| 19. Freedom of Information and Environmental Information Regulations | a. Policy | (1 x 1) = 1 | Publication and Information request forms are on the website. | | |
| | b. Provision | (1 x 2) = 2 | The Parish Council is aware that if a substantial request came in it could create several additional hours' work. | | |
| 20. Councillors | a. Losing a Councillor | (1 x 1) = 1 | When a vacancy arises there is a legal process to follow which leads to either a by-election or a co-option process. The more usual is a co-option which starts with an advert, acceptance of applications, consideration of applicants and co-option. | Co-option policy needs to be formalized and published on the website. Vacancy process is not transparent enough for residents. | May 2025 |
| | b. Losing more than three Councillors to make the Council inquorate | (1 x 3) = 3 | If there are less than three councillors at any one time, the Council becomes inquorate and the District Council will take over the running of the Council (at the Parish's expense). | Procedures of VOWHDC. | Not applicable |

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| 21. Election Costs | a. Risk of an election cost | (1 x 2) = 2 | Risk is higher in an election year. The cost of a bi-election is estimated to be approximately £3,000. A need to build up reserve to ensure costs of the election in 2028 are covered. | Existing procedure is adequate | Annually in conjunction with VOWHDC. |
| 22. Members' Interests and Code of Conduct | a. Conflict of interests | (1 x 1) = 1 | Declarations of interest by members at Council meetings. Legally Councillors need only declare 'pecuniary interests', but many choose to declare other interests and withdraw from discussion if necessary. All interests are recorded. | Existing procedure adequate | Monthly |
| | b. Code of Conduct | (1 x 1) = 1 | Code issued by SODC September 2022. | Need to adopt updated Code of Conduct and implement training | |
| | c. Register of members' interests | (1 x 1) = 1 | Councillors must complete a form on election which must be sent to VOWHDC for publication on their website. Councillors are responsible for ensuring that their own register of members interests is kept up to date. | Review Annually | Councillors |
| 23. Council Meetings | a. Recording of meetings | (1 x 1) = 1 | While it is legal for recordings to be made of meetings, out of courtesy, and in accordance with the Recording of Meetings Policy, members of the public are requested to inform the Chairman if they wish to record the meeting. The Parish Council will also make a recording if necessary. | Existing procedure adequate | Chairman |

The table below is recommended in the Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide

Risk prioritization is an assessment of the severity of impact if something were to happen and how likely it is to happen

Likelihood x Impact = Risk Priority

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| How Likely | Highly likely | 3 (3x1) | 6 (3x2) | 9 (3x3) |
| | Possible | 2 (2x1) | 4 (2x2) | 6 (2x3) |
| | Unlikely | 1 (1x1) | 2 (1x2) | 3 (1x3) |
| | | Negligible | Moderate | Severe |
| | Impact | | | |

Taken from the JPAG 2024 from Section 5.97

Addressing risks:

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, which is initiated 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 somewhere 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.

Areas where there may be scope to use insurance to help manage risk include the following:

- 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 because 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 because of asset ownership (public liability).

The limited nature of internal resources in most authorities means that those wishing to provide services often buy them in from specialist external bodies. Areas where there may be scope to work with others to help manage risk include the following:

- Security for vulnerable buildings, amenities or equipment.
- Maintenance for vulnerable buildings, amenities or equipment.
- The provision of services being carried out under agency/partnership agreements with principal authorities.
- Banking arrangements, including borrowing or lending.
- Ad hoc provision of amenities/ facilities for events to local community groups.
- Markets management.
- Vehicle or equipment lease or hire.
- Trading units (leisure centres, playing fields, burial grounds, etc.).
- Professional services (planning, architects, accountancy, design, etc.).

This risk assessment was reviewed and adopted on 20 March 2025 minute ref 306 II.