

# PAROCHIAL CHURCH COUNCIL OF ST MARK'S, BROMLEY

## REPORTING SERIOUS INCIDENTS POLICY AND PROCEDURE (NON-SAFEGUARDING INCIDENTS)

### 1.0 Introduction

All Parochial Church Councils (PCCs) are charities. The members of a PCC are its charity trustees and are responsible for compliance with the law and the Charity Commission's guidance in relation to their charity. One of the responsibilities of charity trustees is to report any "Serious Incidents" occurring within their charity to the Charity Commission and explain how they are being dealt with.

This policy does not cover safeguarding serious incidents. Specific guidance on how to manage and report safeguarding serious incidents can be found in the PCC's safeguarding policy.

This policy explains how to identify when a non-safeguarding Serious Incident has occurred and provides guidance on how it should be reported to the Charity Commission by the PCC. It is important to remember that the requirement to report a Serious Incident to the Charity Commission is in addition to reporting the incident to the Diocesan Secretary or the Diocesan Registrar, as well as any requirement to notify the police, local authority, statutory agency or other relevant authority.

### 2.0 What is a serious incident?

A Serious Incident is an adverse event, whether actual or alleged, which results in or risks significant harm to the charity's beneficiaries, employees, office holders, volunteers or to others who come into contact with the charity through its work, loss of the charity's money or assets, damage to the charity's property or harm to the charity's work or reputation. What is considered to be "significant" is a matter for the trustees to determine, as it will depend on the context of the charity, taking into account its operations, staff, finances and reputation.

Examples include fraud, cyber-crime, theft, significant financial loss, a data protection breach, links to terrorism or extremism, unverifiable or suspicious donations and other significant incidents

Any incident which is connected with the activities of the charity and involves actual or alleged criminal activity should always be reported to the police, Action Fraud or the National Crime Agency, and to the Charity Commission as a Serious Incident. The PCC should not wait until someone has been arrested, charged or convicted, before reporting an incident.

### 3.0 Why do serious incidents need to be reported to the Charity Commission?

The Charity Commission has a limited and very specific regulatory role and will not investigate whether a criminal offence has occurred (that being the role of the police). However, the Charity Commission will scrutinise the conduct of a charity's trustees and the steps they have taken to protect their charity, its beneficiaries, assets, reputation and services. This includes considering whether the trustees have put in place appropriate safeguards to protect their charity and have taken reasonable steps to ensure that their charity is not exposed to undue risk. Such safeguards and steps would include adopting and implementing appropriate policies, procedures and systems.

In addition, the Charity Commission will expect the trustees to be able to demonstrate that they are responding to the incident responsibly, in accordance with their internal policies and

procedures and that they have reported serious incidents, where appropriate, to the police and/or any other relevant agencies.

The Charity Commission will also want to know how the charity's trustees are reducing the risks of such incidents occurring again, so far as is practicable, by making any necessary changes to existing policies, procedures and practice as a result of the serious incident.

When a Serious Incident is reported to it, the Charity Commission considers whether it is appropriate to provide the reporting charity with regulatory advice or guidance. In the most serious cases, the Charity Commission may need to exercise its statutory powers. In addition, the Charity Commission will consider whether it needs to take any steps to protect other charities, for example where the alleged perpetrator of a fraud or theft is also a trustee or office holder, or volunteers at or works in, another charity.

The person who submits the Annual Return to the Charity Commission each year on behalf of the trustees is required to make a declaration that no serious incidents occurred in the charity during the previous financial year that should have been reported but were not. Therefore, unless all serious incidents have been duly reported, the PCC will not be able to make the declaration required in order to submit its Annual Return, as it is an offence to provide false or misleading information to the Charity Commission.

#### **4.0 What are the main types of serious incident?**

##### **4.1 Financial crimes:**

- Theft and fraud of money and/or other financial assets;
- Cyber-crime – any criminal act involving computers and networks;
- Theft of “intangible” assets, such as databases and confidential or sensitive information, which can cause not only financial loss, but can also damage a charity's reputation with donors, beneficiaries and the general public;
- Dishonesty and false representation, such as identity fraud;
- Money laundering;
- Donations from unusual sources and one-off significant donations (or a series of smaller donations) from a previously unknown donor or an unverified source, should be considered carefully. Unverified or suspicious donations from a single source exceeding £25k should be reported to the Charity Commission. Trustees should also consider whether such donations below £25k need to be reported, once other factors relating to the donation are considered;
- Other suspicious financial activity which may need to be reported includes requests to cash cheques for large sums of money, to convert quantities of cash into another currency, or to pay a fee to release funds for donation to the charity and
- A loss of funds or property totalling over £25,000 or, if the loss is valued at below £25,000, if the loss exceeds 20% of the charity's income, should generally be reported as a serious incident. If the amount lost is lower, it should only be reported if the loss is significant, taking the charity's income, work and other factors into account. Examples of such losses may include; significant fire, flood or storm damage destroying or seriously damaging the charity's main premises; having to abandon property; losing a court case and having to pay substantial legal fees or damages out of charity funds (unless costs are incurred through routine litigation, undertaken in line with charitable aims and on behalf of beneficiaries); significant financial penalties for breaches or non-compliance imposed by regulators including HMRC, the Financial Conduct Authority, the Health and Safety Executive, the Information Commissioners Office and the Fundraising Regulator. Financial losses such as a decrease in the value of investment funds, asset write-downs, pension deficits and bad debts do not need to be reported, unless they pose a significant threat to the solvency of the charity.

## **4.2 Other significant incidents:**

- A trustee is disqualified in law from acting as a trustee, for example due to an unspent conviction for fraud or theft, being an undischarged bankrupt, or being disqualified as a director under company law;
- A data protection breach which is notified to the Information Commissioner's Office (ICO), or an investigation into the charity being launched by the ICO (e.g. an Information Notice is received by the charity), must be reported to the Charity Commission as a serious incident;
- The charity is subject to a police investigation or a significant investigation by another agency or regulator, including the Fundraising Regulator and UK Visas and Immigration. Routine inspections by a regulator do not need to be reported unless the inspection resulted in significant adverse findings or is likely to attract negative media attention;
- Major governance events rendering the charity unable to operate, such as mass resignations of staff or trustees;
- The charity's trustees or employees are the subject of criminal proceedings in connection with the charity or their role in it;
- Insolvency, forced withdrawal of banking services or actual or suspected criminal activity;
- Links to terrorism or extremism, including to 'proscribed' organisations, or individuals subject to an asset freeze and
- Incidents involving partner charities or organisations that materially affect the charity, its reputation, staff, finances or operations.

## **5.0 What factors may indicate that an incident is serious and should be reported?**

### **5.1 Level of financial loss**

There is no minimum loss figure for an incident to be classified as a "serious" as this will, in part, depend on the income and context of each charity. The higher the value of the loss however, the more likely it is to be a serious incident. Repeated or frequent "low value" incidents of fraud or theft in a charity may indicate that individuals are trying to avoid detection and so should be reported.

### **5.2 Identity of the accused**

Where the person accused of theft or fraud is involved in the charity, particularly if the person holds a senior position or has responsibility for financial management, the incident should be reported. Also where the person accused is involved with other charities.

It should be noted that if a charity takes serious action against an individual, such as disciplinary procedures or suspension, the action triggering the disciplinary procedures may be a serious incident.

### **5.3 Regularity of incidents or an apparent connection between them**

Numerous small incidents that appear connected, or take place over a relatively short period, should be considered together when deciding whether an incident is "serious". If a single incident has been committed over a long period of time, it is also more likely to be considered to be "serious".

## **5.4 Publicity (actual or potential)**

If the funds lost or at risk were raised from a public appeal or collection, or were provided by a grant, it may indicate that the loss is “serious”. If there is public interest in the incident, such as significant media reporting, it is likely to be considered “serious”.

If the PCC is uncertain as to whether an incident is sufficiently “serious” to be reported, or if PCC members require further assistance in preparing the report for the Charity Commission, advice should be sought from the Diocesan Secretary, or from the Diocesan Registrar.

If the PCC decides that an incident is not “Serious” and so does not need to be reported, it is still important to handle the situation appropriately and take reasonable steps to ensure it does not happen again.

## **6.0 What is not a serious incident?**

If an incident is not serious, or it is not connected with the charity’s activities, it does not need to be reported. Examples of incidents which do not need to be reported to the Charity Commission as serious incidents are:

- Health and safety type accidents, which do not result from a failure of governance or the following of proper procedures, do not need to be reported as a serious incident. For example, if the PCC’s minibus crashed on a children’s outing, with no serious injuries, because another driver drove into it, it does not need to be reported. However, if it crashed because the minibus was in poor state of repair and had not been serviced, and/or any of those on the bus were killed or were seriously injured, it would need to be reported as a serious incident.
- Beneficiaries fighting on the premises which did not result in any serious injuries, or beneficiaries behaving in an aggressive manner to office holders, employees or volunteers, do not need to be reported as a serious incident.

## **7.0 Who should make the serious incident report?**

Although the responsibility for making a serious incident report in a timely manner rests with the PCC, this responsibility can be delegated. The PCC should delegate the responsibility for submitting a serious incident report to the Charity Commission to an appropriate trustee or employee, based on the nature and context of the incident.

It is important that this delegation sets out clearly what the parameters of the delegated responsibility are and includes a requirement for reports to be made to the PCC on any serious incidents reported pursuant to the delegated powers. The PCC should ensure that it is informed about all serious incidents whether they are considered reportable or not.

## **8.0 When should a serious incident be reported to the Charity Commission?**

The Charity Commission expects that serious incidents are reported to it “promptly”, i.e. as soon as is reasonably possible after it happens, or immediately after the PCC becomes aware of it.

In practice, a report should be made once sufficient information has been gathered for the report to be meaningful. There may be occasions however, where it is appropriate for a brief initial report to be made, with an indication that a follow-up report will be made once additional information has been obtained.

It is important to report serious incidents in a timely manner, as a failure to report a serious incident that subsequently comes to light may be considered by the Charity Commission to be mismanagement, or a serious governance failure. This could result in the Charity Commission

taking regulatory action, particularly if further loss has been suffered by the charity following the initial serious incident that was not reported.

## **9.0 When should a serious incident in a partner entity be reported to the Charity Commission?**

The Charity Commission expects the PCC to demonstrate that it has suitable governance structures in place to provide an appropriate level of oversight in relation to incidents which materially affect our operations, finances, people or reputation and that these incidents are being properly managed by the PCC. This includes consequences and risks which result from serious incidents that take place in partner organisations.

A serious incident report should be made to the Charity Commission if the PCC becomes aware that a serious incident has occurred involving one of our partners, which materially affects St Mark's, its staff, operations, finances and/or reputation.

The PCC needs to consider whether an incident in a partner organisation should be reported, taking into account our activities, size, funding and the nature of our relationship with the partner, as well as the nature and severity of the incident.

When deciding whether or not a report needs to be made, the following guiding principles should be used. These principles should help the PCC to assess whether it needs to report an incident occurring in a partner organisation as a serious incident. The PCC's assessment should take into account the specific circumstances of the event or incident, the actual or likely impact on St Mark's and the likely risk to our organisation.

### **9.1 Incidents which are most likely to need to be reported**

**The incident involves St Mark's funds or its staff/ volunteers; or it occurred during a St Mark's activity or programme; or St Mark's has the same branding as the partner.**

This is considered to be the highest risk category due to the close links between St Mark's and the serious Incident. Whether a serious incident in this category will need to be reported by the PCC as a serious incident however, will depend on how serious the incident is and how significant an impact the incident is likely to have on St Mark's, its operations, finances, people and/or reputation.

Where St Mark's has the same branding as the partner, so that the public may identify St Mark's as being part of the same entity as the partner, there may be a significant impact on the reputation of our organisation, or on public trust and confidence in St Mark's. This is because the public may not distinguish between the two organisations. This may mean that the PCC also needs to report the incident as a serious incident, even if there is little or no impact on St Mark's activities, finances or people.

The PCC should consider whether it needs to report any incidents involving partner organisations which fall into this category. When deciding whether an incident is serious enough to be reported by the PCC, the starting point should be whether the incident would have been reported as a serious incident if it had happened in our organisation.

### **9.2 Incidents which may need to be reported**

**The incident does not involve St Mark's funds, brand or people but could have an impact on our organisation.**

Serious Incidents in a partner organisation are less likely to need to be reported to the Charity Commission when St Mark's does not have close links to the partner in which the serious

incident happened. The PCC may still need to make a report however, where the particular incident causes or is likely to cause material reputational damage to St Mark's and / or it raises or is likely to raise material issues around due diligence in terms of whether the partner concerned remains capable of delivering services to St Mark's or continues to be a suitable partner for St Mark's to work with.

### **9.3 Incidents which are least likely to need to be reported**

**The incident does not involve St Mark's funds, brand or people and is sufficiently remote from our work that it has little or no impact on St Mark's reputation or the partner's ability to deliver its services to us.**

This type of incident would not usually need to be reported to the Charity Commission.

### **10.0 What should you do if a serious incident is identified?**

If a serious incident occurs, the PCC should take immediate action, following any policies and procedures in place, to:

- prevent or minimise any further harm, loss or damage;
- report it to the police, if appropriate, and to any other regulators to which the PCC is accountable (fraud and cyber-crime should be reported to Action Fraud);
- report it to the Charity Commission as a serious incident using the Charity Commission's online form at <https://ccforms.charitycommission.gov.uk/> ;
- plan what to say to staff, volunteers, the congregation, the general public and the media (where appropriate) and
- review what happened and prevent it from happening again - this may include strengthening internal controls and procedures, and/or seeking appropriate help from the Diocesan Secretary, the Diocesan Registrar and/or professional advisers, as appropriate.

### **11.0 What do you need to include in a serious incident report?**

Serious Incident reports should state what happened, the nature of the risk to St Mark's and the steps that the PCC is taking to deal with the incident. It is important that the PCC provides the Charity Commission with enough information in its report to present a clear picture of what happened and when, the extent of any loss or harm to St Mark's, how the PCC is dealing with it and what steps it may be planning to take as a result of the incident.

In order to complete the Charity Commission's online form, the individual with delegated responsibility from the PCC to report the incident, will need the following information:

#### **11.1 General details**

- the individual's contact details;
- St Mark's charity name and registration number – **The Parochial Church Council of St Mark's Bromley. Charity Registration Number – 1163095;**
- the individual's connection to the charity (i.e. the capacity in which they are submitting the report);
- reference numbers and contact details if the incident has been reported to other organisations, like the police and
- names and registration numbers of other charities involved in the incident, if relevant.

#### **11.2 Details of the incident**

- date of the incident;
- what happened;

- date the PCC found out about the incident;
- how the PCC found out about the incident;
- what impact the incident has had on St Mark's beneficiaries, finances, staff, operations or reputation and
- whether all or only some of the trustees are aware of the incident (for example only some of the trustees may be aware where the serious incident involves a trustee, someone connected to a trustee, or senior member of staff).

### **11.3 How the PCC is handling the incident**

- which of St Mark's policies or procedures relate to the incident and whether they were followed;
- what steps the PCC has taken to deal with the incident;
- what steps the PCC has taken to prevent similar incidents and
- where applicable, the PCC's media handling or press lines, including a link to a press release if available.

Although the initial report to the Charity Commission should be anonymised, the Charity Commission may require further details and information in relation to any serious incident reported to it. Therefore, the person submitting the report should provide a named contact to the Charity Commission, should it have any follow-up queries or require further information. Where follow-up queries are received, any assistance needed should be sought from the Diocesan Secretary and/or the Diocesan Registrar, as appropriate. Where a serious incident reported relates to an allegation against a parish priest whose stipend is paid by the Diocesan Board of Finance, the PCC should inform the Diocesan Secretary that it has made a serious incident report in relation to that priest (unless instructed not to do so by the police).

### **12.0 Next steps – what happens once a serious incident has been reported?**

When a serious incident is reported to the Charity Commission, they will reply with a confirmatory email, including an incident reference number. The Charity Commission may, on receipt of a Serious Incident report:

- request further information on the incident from the PCC;
- give regulatory advice or guidance to the PCC;
- take such steps as it considers necessary to protect other charities, for example where the alleged perpetrator is also a trustee, or volunteers or works in another charity or
- require the PCC to provide it with regular updates in relation to any on-going investigation.

A record of all Serious Incident reports, as well as any follow-up correspondence and copies of any papers sent to the Charity Commission, must be retained and stored securely, so that they can be referred to at a later date if necessary.

### **13.0 What if the PCC needs to update a serious incident report?**

If, after the Serious Incident has been reported, the PCC becomes aware of any material changes to the facts reported to the Charity Commission or further significant developments occur, the PCC should update its report of the serious incident to the Charity Commission.

If an individual against whom allegations were made and which were reported to the Charity Commission as a serious incident is subsequently exonerated, or the allegations were found to be false or groundless following further investigation by the PCC, police or other agency, the PCC should also update its report to the Charity Commission.

In order to update the report, the individual with delegated responsibility from the PCC to report the incident, will need the incident reference number sent to them by the Charity Commission in the email confirming receipt of the original report. They can then update the report at <https://ccforms.charitycommission.gov.uk/> .

**PCC of St Mark's Bromley**  
**Charity Registration Number 1163095**  
**31<sup>st</sup> July 2024**