



Lichfield City Council

Donegal House, Bore Street, Lichfield, Staffordshire, WS13 6LU

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Town Clerk: Anthony Briggs BA (Hons), CILCA

1 June 2023

To: Members of the Audit Committee

Councillor J Marshall (Chair) and Councillors K Farrelly, A Fox, S Hollingsworth, A Lax, P McDermott and M Warfield

Also to: A James (Accounts Officer) & G Keatley (Internal Auditor).

Dear Councillor

Audit Committee

You are invited to attend a meeting of the Audit Committee to be held via Zoom at **4.30pm on Thursday, 8 June 2023** for the transaction of the following business. A link to access the meeting will be provided separately. Any member of the Committee unable to attend should forward their apologies to the Town Clerk. Members of the public can request the link to observe the meeting by contacting the Town Clerk (tony.briggs@lichfield.gov.uk).

Yours sincerely

Tony Briggs
Town Clerk

AGENDA

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST AND REQUESTS FOR DISPENSATION

3 MINUTES AND MATTERS ARISING

To confirm as a correct record the Minutes of the Audit Committee Meeting held on 9 March 2023 **attached**, and any matters arising from those minutes. [*Minutes adopted by the City Council on 13 March 2023*]

4 ASSET REGISTER AND ASSET REGISTER POLICY

To conduct the annual review of the Asset Register and Asset Register Policy. A revised Asset Register and draft Policy was previously placed before this Committee in December 2022 as a result of the External Auditor's minor scope for improvement identified in their 2021/22 Audit:

Minor Scope for Improvement in 2022/23

In undertaking the review of the 2021/22 Annual Governance and Accountability Return it came to our attention that the Council values certain Assets like War Memorials and Donated Assets that do not hold any resale intrinsic value at their estimated value. The

Council is advised to state these fixed assets at £1 i.e. the proxy cost for assets of this nature in accordance with the guidance in part 5 of the 2022 Practitioner's Guide.

The Asset Register Policy sets out more clearly the items included and excluded in the Asset Register, how they are valued, disposed of etc. This document, based on best practice documents available at the time, was adopted by Council in December 2022 following consideration and recommendation of this committee.

For 2023 and future years it would appear logical to review the documents at the June meeting of the Audit Committee; the total asset value is one of the calculations submitted to the External Auditor and is part of the Annual Return to be considered at item 5 of this agenda.

The Asset Register document is provided at **APPENDIX 1** and has been updated to reflect insurance valuations from 1 May 2023 and incorporate those changes to the AGAR agreed by this Committee following the External Auditor's comments detailed above. The associated policy is at **APPENDIX 2**. There are no recommendations for change.

RECOMMENDED: The Committee to consider the Asset Register and Asset Register Policy, and make a recommendation to Council that both documents (as amended) be adopted.

5 OUT-TURN AND STATEMENT OF ACCOUNTS

To consider the Town Clerk's Out-turn Report (**APPENDIX 3**, attached) and draft Annual Return (**ENCLOSURE 1**) for the year ending 31 March 2023, and the recommendations contained in the report as reproduced below.

Please note: the draft Annual Return for 22/23 shows 21/22 figures as 'restated'. This is procedurally required following the External Auditor's comments regarding the value of certain fixed assets (Box 9 of the Annual Return). The restated figure reflects the changes requested by the Auditor for the reasons given at agenda item 4 above, and subsequently incorporated into the revised Asset Register adopted by Council in December 2022.

SUGGESTED RECOMMENDATION TO COUNCIL:

- 1 The Report and Out-Turn Statement 2022/23 be received.***
- 2 The Council, acting in the capacity of sole Trustee of the Johnson Birthplace Charitable Trust, make a payment of £12,333 from the Trust Funds to the City Council as the contribution to the expenditure incurred by the City Council in operating the Museum during the 2022/23 financial year.***
- 3 In respect of the External Auditor Annual Return for the year ending 31 March 2023:***
 - a. The council approve the Annual Governance Statement (Section 1 of the Annual Return) and that this be signed by the Mayor and Town Clerk on behalf of the council.***
 - b. The council note that for the year ending 31 March 2022, Section 2 of the Annual Return has been restated as a result of the External Auditor's minor scope for improvement regarding the council's valuation of certain assets. Accordingly, the council on 12 December 2022 amended the Asset values Box 9 of the AGAR to £7,302,463***

- c. The council approve the Accounting Statements (Section 2 of the Annual Return) and this be signed by the Mayor on behalf of the Council*
- d. The council note the Annual Internal Audit Report section of the Annual Return*
- e. The council note the dates for the exercise of public rights – commencing on 14 June 2023 and ending on 25 July 2023.*

6 RISK MANAGEMENT STRATEGY

At its meeting of 12 December 2022 Members carried out the annual consideration of the City Council's Risk Management Strategy. At that meeting it was resolved that the strategy be put before the committee twice annually (December and June) to ensure it remains up to date and members aware of risks. The document is attached as **APPENDIX 4**. No changes have been made to the document since its consideration by this committee in December 2022.

RECOMMENDED: The Audit Committee to consider the Risk Management Strategy and discuss/agree amendments as it feels appropriate and make a corresponding recommendation to Council.

7 DATE AND TIME OF NEXT MEETING

In the City Council's approved Calendar of Meetings as being Thursday 7 December 2023 at 4pm. The Committee may make a recommendation to council to vary the start time of this meeting, and may also discuss whether it wishes future meetings to be in person or via Zoom.

ANY OTHER URGENT BUSINESS AT THE DISCRETION OF THE CHAIR

* * * *

Lichfield City Council

Minutes of the Audit Committee meeting held remotely via 'Zoom' on Tuesday, 9 March 2023 at 4.00pm

Present: Councillors M Warfield (Chair), J Greaves, A Lax and D Robertson.

Apologies: Councillors A Smith and C Spruce.

In Attendance: Mr A Briggs (Town Clerk and RFO), Mr G Keatley (Internal Auditor).

15 MINUTES

RESOLVED: *That the Minutes of the Audit Committee meeting held on 8 December 2022 be confirmed as a correct record. [Minutes adopted by the City Council on 12 December 2022]*

16 INTERNAL AUDIT ANNUAL REPORT 2022-2023

The Internal Auditor presented his Internal Audit Annual Report 2022-2023, (which incorporated the Management Risk Register). Members discussed the detail of the report and the recommendations therein and agreed the management response.

Cllr A Lax asked the Internal Auditor about the performance of the Markets and whether additional financial information and detail could be provided to the Markets Working Group (MWG) to assist in their efforts to improve the market and its offer. The Internal Auditor confirmed that further detail could be provided; Cllr Robertson (as a member of the MWG) agreed that this would be beneficial.

Cllr Robertson asked that the fact that management responses had been agreed and implemented by the Town Clerk in a timely manner be recorded, and stated that it showed a good working relationship between the Internal Auditor and Town Clerk. Cllr Robertson also highlighted the 66% of all invoices being paid within 10 days (96.3% within 30 days) and stated this should be highlighted and recognised.

Cllr A Lax enquired as to cyber security measures. The Town Clerk confirmed that all advice received from the Council's IT consultants had been followed and implemented and that there remains regular contact between the Town Clerk and the IT contractor. Returning to the payment of 66% of all invoices within 10 days, the Town Clerk confirmed that the assistance provided by to the Accounts Officer by the Planning and Finance Officer was contributory to this improvement. Cllr A Lax also highlighted the Planning and Finance officer's positive influence on LCC's Planning function.

RECOMMENDATION TO COUNCIL: *That the Council note the Internal Audit Annual Report 2022-2023, and adopt the recommendations and timescales as contained in that Report.*

17 ANNUAL REVIEW OF EFFECTIVENESS OF SYSTEM OF INTERNAL CONTROL

Members undertook a review of the effectiveness of the System of Internal Control as required by Regulation 5 of the Accounts and Audit Regulations 2015 (Internal Audit). The Town Clerk commended the Internal Auditor for his knowledge, professionalism and commitment.

RECOMMENDATION TO COUNCIL: That the Review findings as contained in Appendix A to these Minutes be adopted.

18 TREASURY MANAGEMENT POLICY AND STRATEGY STATEMENT 2023-2024

Consideration was given to the Treasury Management Policy and Strategy Statement. Cllr D Robertson asked whether there was significant liquidity in the council's funds to meet a large CIL demand; the Town Clerk confirmed that such liquidity remains in place despite the significant amount of council funds currently being in a fixed rate account for a 12 month period.

RECOMMENDATION TO COUNCIL: That the Council adopt the Treasury Management Policy and Strategy Statement 2023-2024, as contained in Appendix B to these Minutes.

19 RESERVES POLICY

Consideration was given to the City Council's Reserves Policy.

RECOMMENDATION TO COUNCIL: That the Council adopt the Reserves Policy as contained in Appendix C to these Minutes.

20 AUDIT PLAN

The Committee considered the Audit Plan which set out the proposed work programme for the Internal Auditor for 2023/24.

RECOMMENDATION TO COUNCIL: That the Council adopt the Audit Plan as contained in Appendix D to these Minutes.

21 DATE AND TIME OF NEXT MEETING

Scheduled in the draft calendar of meetings as Thursday 8 June 2023 at 4pm. The Town Clerk confirmed he would contact the appointed Chair of the Committee after the 2023 local elections and Annual Council to confirm arrangements.

THERE BEING NO FURTHER BUSINESS

THE CHAIR DECLARED THE MEETING CLOSED AT 16.27

THE REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT

Legislative framework

Regulation 4 of the Accounts and Audit Regulations 2015 (Accounting records and control systems) requires the authority's responsible financial officer must determine, on behalf of the authority-

- 1) The form of its accounting records and supporting records ensuring that the authorities accounting records are kept up to date
- 2) Its financial control system including measures to ensure that the financial records are recorded timely and accurately, enable prevention and detection of inaccuracies and fraud, ensure risk is appropriately managed and identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers.

Regulation 5 of the Accounts and Audit Regulation 2015 (Internal Audit) requires that "a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance process, taking into account public sector internal auditing standards or guidance".

The starting point for the review will usually be an assessment against the internal audit standards set out in the guide. These include making an assessment in relation to:

- Scope of internal Audit
- Independence
- Competence
- Relationships
- Audit planning and reporting

A key point is that it is the responsibility of the body to conduct the annual review; it is not a review that will be carried out by the external auditor as part of the annual audit.

Whilst there will usually be input from the internal audit provider, he or she cannot be allowed to influence the direction or extent of the review.

The results of the review are then reported to and considered by a full meeting of the members for consideration. There are no hard and fast rules as to who actually performs the review, but bodies may wish to set up a small working party for this purpose.

What should the review of the system of internal audit cover?

Under the 2015 Regulations a relevant authority must conduct an annual review of the system of internal audit which:

Facilitates the effective exercise of its functions and achievement of its aims and objectives;
Ensures that the financial and operational management of the authority is effective; and
Includes effective arrangements for the management of risk.

The outcome of the review

The review of the effectiveness of the system of internal audit cannot be considered in isolation as it feeds into the review of the wider system of internal control. The report on the review should include an opinion as to whether or not the internal audit system is effective. Any areas for development or change should be identified in the report and an action plan produced, setting out the proposed remedial actions, the people responsible for delivering them, and the deadlines for completion of the actions.

1 Meeting the Standards

Expected Standard	Evidence of Achievement	Response
1. Scope of internal audit	Terms of reference were approved by full Council	Yes, Council adopts the Internal Audit Action Plan and work programme: Internal Auditor in receipt of Council formal engagement letter setting out requirements.
	Scope of audit work takes into account risk management processes and wider internal control	Yes, included in checks undertaken by Internal Auditor
	Terms of reference define audit responsibilities in relation to fraud	Yes, detailed in approved Anti-Fraud manual
2. Independence	Internal Auditor has direct access to those charged with governance.	Yes
	Reports are made in own name to management.	Yes
	Auditor does not have any other role within the council.	Yes
3. Competence	No evidence that internal audit work has not been carried out ethically, with integrity and objectivity.	Yes
4. Relationships	Responsible officers (Town Clerk (RFO), etc) are consulted on the internal audit plan and on the scope of each audit.	Yes
	Responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters.	Yes, defined in approved Standing Orders, Whistle-Blowing Policy
	The responsibilities of board/council members are understood; training of members is carried out as necessary.	Yes. Notably via the City Council's Audit Committee
5 Audit Planning and reporting	The Audit Plan properly takes account of corporate risk.	Yes
	The Audit Plan has been approved by the council	Yes
	Internal Audit has reported in accordance with the Plan	Yes. Report to full Council 13 March 2023

2 Review of Effectiveness

Characteristics of 'effectiveness'	Evidence of Achievement	Suggested Response
Internal audit work is planned	Planned Internal audit work is based on risk assessment and designed to meet the body's governance assurance needs.	Yes
Understanding the whole organisation its needs and objectives	The annual audit plan demonstrates how audit work will provide assurance in relation to the body's annual governance statement.	Yes
Add value and assist the organisation in achieving its objectives	Demonstrated through positive management responses to recommendations and follow up action where called for.	Yes
Be forward looking	When identifying risks and in formulating the annual audit plan, changes on national agenda are considered. Internal audit maintains awareness of new developments in the services, risk management and corporate governance.	Yes
Be challenging	Internal audit focuses on risks and encourages managers/members to develop their own responses to risks, rather than relying solely on audit recommendations. The aim of this is to encourage greater ownership of the control environment.	Yes
Ensure the right resources are available	Adequate resource is made available for internal audit to complete its work.	Yes
	Internal auditor understands the body and the legal and corporate framework in which it operates.	Yes. Internal Auditor has worked for the City Council/Charter Trustees continuously since 1974.

Lichfield City Council

TREASURY MANAGEMENT POLICY AND STRATEGY STATEMENT 2023-24

Treasury management covers the borrowing, investment and cash flow of the Council and the effective management of risks in relation to these activities. Treasury management is an important element in the overall management of the Council's financial affairs.

THE POLICY

That the Council adopts the CIPFA Treasury Management Code modified to the Council's requirements.

Treasury Management is defined as *"the management of the local authority's cash flow, its borrowing and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks"*. (CIPFA)

The Council's treasury activities are for debt and investment management, and the Council will not take up speculative positions which may be interpreted as trading activities.

The purpose of this statement is to establish how the authority will manage its activities in relation to borrowing and investments.

Borrowing

Local council borrowing is governed by Schedule I of the Local Government Act 2003. Parish and town councils in England have to apply and receive permission from the Ministry of Housing, Communities & Local Government before taking any borrowing. Temporary borrowing (i.e. up to 364 days) does not require such approval.

The authority will review its borrowing requirements annually when formulating its annual budget. The Council currently has no borrowing, and no borrowing requirement has been identified for the forthcoming year.

Investments

The Council adopts the guidance under section 15(1)(a) of the Local Government Act 2003.

The authority will review its Investment Strategy annually (see investment Policy below).

Treasury Management Practices

The Council has adopted the Treasury Management Practices (TMP) which set out the manner in which the authority will seek to achieve its treasury management policies and objectives and how it will manage and control those activities.

The Treasury Management Strategy Statement 2023-24

The Treasury Management Strategy details the expected activities of the treasury function.

Borrowing - there is not anticipated to be any borrowing requirement for the year.

Investments - to be in accordance with the approved Investment Strategy

INVESTMENT POLICY

With reference to Secretary of State's Guidance under section 15 (1)(a) of the Local government Act 2003 and the CIPFA Code of Practice for Treasury Management in the Public Services.

ANNUAL INVESTMENT STRATEGY

Definition of Treasury Management in the Public Services: *"The management of the organisation's cash flow, its banking, money market and capital transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks"*.

Strategy Guidelines

The main principles governing the Council's investment criteria are the security and liquidity of its investments before yield, although the yield or return on the investment will be a consideration, subject to adequate security and liquidity.

The Council will ensure it has sufficient liquidity in its investments. This is set out in liquidity investments below.

The RFO will maintain a counterpart list in compliance with these criteria and will revise and submit to Council for approval as necessary.

Liquidity of Investments

The Council will carefully balance the use of short term or specified investments and non-specified investments. All the core investment balance and any cash flow investments will be maintained as short term or specified investments.

Specified Investments

These investments are sterling investments of not more than one-year maturity. These are low risk assets where the possibility of loss of principle or investment income is low. These would include investment with:

- The UK government (such as the Debt Management Office, UK Treasury Bills or a Gilt with less than one year to maturity)
- A Local authority, parish or community council
- An investment scheme that has been awarded a high credit rating by a credit rating agency
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society).

Credit Rating Agency - Standards & Poor's, Moody's or Fitch rating agencies. Within these bodies, and in accordance with the Code, the Council has set additional criteria to say the time and amount of monies which will be invested in these bodies. These criteria are:

Security	Limit
Marketable securities issued or guaranteed by the UK Government i.e., UK Treasury bills or a gilt with less than one year to mature	The authority has no plans to invest in such securities and would require specialist advice in order to do so.
Other Local authorities, parish councils or community councils.	The authority has no plans to invest in these institutions.
Fixed Term Time deposits	Approve – UK clearing Banks (currently, but not restricted to, Nat West) to a maximum limit of £4,000,000
Money Market Funds	The authority currently has no plans to invest in these funds. Any change to this policy would require approval by full Council

Non-Specified Investments

Non-specified investments are any other type of investment (i.e. not defined as specified above). These investments have a greater potential risk.

These would include sterling investments with:

- Securities admitted to the Official List of the Stock Exchange which are guaranteed by the UK Government (such as supranational bonds). These are fixed income bonds although the value of the bond may rise or fall before maturity. The bond may be sold before maturity.
- Gilt edged securities with a maturity of greater than one year
- Institutions not meeting the basic security of greater than one year
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society) for deposits with a majority of greater than one year

Security	Limit
Security issued or guaranteed by non-UK EU governments and Supranational securities	The authority has no plans to invest in such securities and would require specialist financial advice in order to do so.
Gilt edge securities	The authority has no plans to invest in such securities and would require specialist financial advice in order to do so.
Securities issued by corporate, banks and building societies, including floating rate notes, commercial paper, assets backed securities and certificates of deposits longer than 1 year.	The authority has no plans to invest in such securities and would require specialist financial advice in order to do so.

LICHFIELD CITY COUNCIL

RESERVES POLICY

1. Introduction

The Council is required, under statute, to maintain adequate financial reserves in order to meet the needs of the organisation. Section 50 of the Local Government Act 1992 requires that local precepting authorities have regard to the level of reserves needed to meet estimated future expenditure when calculating the budget requirement.

The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered annually.

The Council will hold reserves for these three purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing-this forms part of the general reserves
- A contingency to cushion the impact of unexpected events or emergencies - this also forms part of general reserves
- A means of building up funds often referred to as earmarked reserves, to meet known or predicted requirements.

2. General Fund Balance

The general fund balance, commonly termed the 'working balance' is a balance on the council's revenue account which is not held for any specific purpose other than to cushion the council's finances against any unexpected short term cash flow problems.

The general fund balance is to be maintained at a level based upon a risk assessment carried out by the Responsible Finance Officer (RFO). The working balance to be maintained at a minimum level approximately seven months of costs (currently approximately £600,000).

When setting the budget for the forthcoming year, any surplus on the reserve above the required balance may be used to fund capital expenditure, be appropriated to earmarked reserves or used to limit any increase in the precept.

3. Financial Risk Management

In order to assess the adequacy of the general fund when setting the annual budget, the RFO will take account of the strategic, operational and financial risks facing the council. The requirement of the level of the general fund balance for the forthcoming year will therefore be based upon a risk assessment of the council's main areas of income and expenditure and take into account provisions and contingencies that may be required.

The main items to be considered are:

Financial Risk	Analysis of risk
Inflation assumptions	Inflation increases at a higher rate than assumed for items such as Pay Awards, Utilities and Supplies and Service Costs.
Insurance	To enable the Council to meet the excesses of claims not covered by insurance
Collection of Income	There is a reduction in collection performance for Guildhall and Markets.
Elections/referendum	insufficient resources to meet Parish elections/referendum costs
Grounds Maintenance costs	Impact of unexpected increase in costs
Impact of Vat Tribunal Decisions	Impact of back dated VAT liability
Contingencies	To meet unexpected events or emergencies
Pandemic/Emergency	To meet the impact on Services

4. Statutory Reserves

Local Authorities also hold reserves that arise out of the interaction of legislation and proper accounting practices.

- Section 106 agreements with Developer
- Community Infrastructure Levy (CIL)

5. Earmarked Reserves

Earmarked Reserves represent amounts that are generally built up over a period of time which are earmarked for specific items of expenditure to meet known or anticipated liabilities or projects. The 'setting aside' of funds to meet known future expenditure reduces the impact of meeting the full expenditure in one year. The Council, when establishing an earmarked reserve, will set out:

- The reason/purpose of the reserve;
- How and when the reserve can be used;
- Procedures for the management and control of the reserve; a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

The following earmarked reserves will be held by the council;

Budget description	Use	Total Reserve 2021/22 £	Total Reserve 2022/23 £	Total Reserve 2023/24 £	
Repairs and Renewal-Buildings					
Dr Johnson Birthplace Listed Building No 1292492 Grade I	To provide for future capital works and maintenance as outlined in Capital Reserve -Analysis of Funding Requirements 2021/22 to 2031/32.Council 27/02/2020	£477,785	£386,085	£328,085	
Guildhall Listed Building No 1187740 Grade II		£362,233	£349,233	£349,233	
Donegal House Listed Building No 1209722 Grade II*		£15,000	£15,000	£15,000	
Cruck House Listed Building No 1194899 Grade II*		£8,000	-	-	
Friary Clock Tower Listed Building No 1218909 Grade II		£30,000	£30,000	£30,000	
War Memorial and Garden Wall, Balustrade and Gate Listed Building No 1187733 Grade II*		-	-	-	
Boswell Statute Listed Building No 1187726 Grade: II		-	-	-	
Dr Johnson Statute Listed Building No 1217846 Grade: II*		-	-	-	
Stafford Road ,Pinfold Listed Building No 1194898 Grade: II		-	-	-	
Borrowcop Pavilion Listed Building No 1187718 Grade: II		-	-	-	
Prince Rupert's Mound Listed Building No 1021362 Ancient monument		-	-	-	
Grey Friars Listed Building No 1008544 Ancient Monument		-	-	-	
Community Centres -Curborough, -Boley Hall, -Darwin Hall.		£403,000	£352,000	£72,000	
Market Square and Toilet Block		-	-	-	
Closed Churchyards		-	-	-	
Open spaces- footpath resurfacing		-	-	-	
Open spaces-updating/replacement of Bus Shelters		£15,000	£15,000	£15,000	
Christmas Lights-replacement		-	-	-	
Street Lighting (Approx.. 20-year lifespan)		To provide for replacement and updating of Street Lighting	-	-	-
Open Spaces-Street Furniture		To provide for replacement and updating of Street Furniture	£16,900	-	-
Capital Grants		£40,000	£40,000	£40,000	
All Properties Contingency Administration costs		£213,734	£189,624	£165,044	
Capital Reserve	Total	£1,581,652	£1,376,942	£1,014,362	
Grant Aid Reserve	In accordance with Council Minute 2 March 2020 any underspending of grant allocation to be carried forward.	£11,570	£6,570	£6,570	
Election Reserve	To build up the reserve over to fund the local elections and any ad hoc by-elections	£55,000	£55,000	-	
Dr Samuel Johnson Birthplace Grant	Grant Aid	£792	-	-	
Community Infrastructure Levy (CIL) Neighbourhood Plan-Meaningful Proportion	In accordance with the requirements of CIL legislation	£106,057	£188,459	£171,154	
Total Earmarked Reserves		£1,755,071	£1,626,971	£1,192,086	

6. Review of adequacy of balances and reserves

In assessing the adequacy of reserves the strategic, operational and financial risks facing the authority will be taken into account. The level of earmarked reserves will be reviewed as part of the annual budget preparation.

The Joint Panel on Accountability and Governance (JPAG) Practitioner's Guide now provides full guidance on the generally accepted recommendation with regards to the appropriate minimal level of a smaller Authority's General Reserve. They state this reserve should be maintained between three months and twelve months of Net Revenue Expenditure (NRE).

NRE is effectively Precept/Levy less any loan repayment and/or amounts included in Precept for Capital Projects and transfer to earmarked Reserves. The City Council's status against this guidance is set out below:

	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Estimated
General Reserve	£689,373	£743,080	£727,988	£704,712	£704,712
NRE	£757,180	£871,597	£801,308	£855,814	£835,450
Months	11	10	11	10	10

LICHFIELD CITY COUNCIL

AUDIT PLAN

1. Purpose of the Report

To consider the work programme for the Internal Auditor for the year 2023-24.

2. Statement of Reasons

The Internal Auditor must ensure that all activities of the Council are subject to an internal audit review in accordance with the Accounts and Audit (England) Regulations 2011

The identification of these activities has been agreed with the Town Clerk, considering perceived priorities and risks, which cumulates in the production of a strategic plan.

The Audit Plan has been compiled and is set out below.

The plan is based upon the following principles:

- An attempt has been made, based upon the Internal Auditor's experience, to target areas that are known to be high risk
- Based on information available, to include those areas which have not been subject to a recent audit review

By achieving the Audit Plan, the Internal Auditor will be providing the Town Clerk and councillors with the necessary assurance that the internal controls are in place and are operating effectively.

At the end of each year, an audit report will be issued detailing the findings of the reviews together with any recommendations required to be implemented in order to achieve the required level of control.

3. Recommendation

To approve the Audit Plan

AUDIT PLAN

1. Financial Services

- 1.1. Fraud and Corruption Checklist
- 1.2. Main Accounting System
- 1.3. Creditors
- 1.4. Sundry Debtors
- 1.5. Payroll
- 1.6. Management of VAT
- 1.7. Banking Arrangements
- 1.8. Petty Cash
- 1.9. Income Monitoring
- 1.10. Budgetary Controls
- 1.11. End of year closedown
- 1.12. Statement of Account

2. Strategic Policies

- 2.1 Treasury Management Policy and Strategy Statement
- 2.2 Investment Policy
- 2.3 Treasury Management Practices

3. Specific Reviews

- 3.1 Financial Regulations and procedures
- 3.2 Contract Standing Orders
- 3.3 Review Internal Audit Recommendations
- 3.4 Capital Works
- 3.5 Local Government Transparency Code 2015
- 3.6 Insurance
- 3.7 Members Code of Conduct and Disclosure of Interests
- 3.8 The Samuel Johnson Birthplace Museum
- 3.9 Policy and Procedure Documentation-Employees
- 3.10 Further Developments
- 3.11 Review of Corporate Governance
- 3.12 Any other areas Identified during the year of Audit

4. Management and Insurance Risk Register

Lichfield City Council - Asset Register Policy

1 Background

Local Councils must maintain an Asset Register to ensure fixed assets are appropriately safeguarded. This includes items of a capital nature where values tend to be high and which have a useful life of more than one-year (Governance and Accountability for Local Councils: A Practitioner's Guide (England) 2022, Section 5).

The Council's Financial Regulations (Duties of the RFO): To maintain the Council's register of property and assets as required by the Accounts and Audit Regulations 2015 (regulation 4(3)(b)).

2 Scope of Asset Register

2.1 To ensure transparency and reasonableness, the following items are **included** in the Council's Asset Register, whether purchased, gifted or otherwise acquired, together with their holding location

- Land and buildings held freehold or on long term lease in the name of the Council
- Community assets
- Vehicles, plant and machinery
- Assets considered to be portable, attractive or of community significance
- Other assets estimated or known to have a minimum purchase or resale value of £10,000
- Long term investments, shares and loans made by the Council
- assets held on trust

2.2 The values indicated in the Asset Register will inform the 'total fixed assets' section of the Annual Return with the exception of assets held on trust.

2.3 The following items fall outside the definition for inclusion and are therefore excluded from the Council's Asset Register:

- Land and buildings held on short term lease or rented
- Land and buildings maintained or serviced, but not owned by the Council
- Assets rented by or loaned to the Council
- Stock items intended for resale
- Stationery and other consumable items
- Boundaries of land owned
- Floor or land surfaces and drainage
- Plants and trees
- Assets with a purchase or resale value of less than £10,000 (other than items listed as for inclusion in the asset register)
- Repairs
- Cash, short term investments and other current assets
- Intangible assets (e.g. Trademarks, internet domain names, contingent assets, broadcast rights)
- 'negative' assets (e.g., Provisions, borrowings, creditors and contingent liabilities)

2.4 A separate section of the asset register will contain a schedule of disposals.

3 Valuation of Assets

3.1 Once recorded on the asset Register, the value must not change from year to year until disposal. *Concepts of depreciation and impairment adjustments are not appropriate for local councils* (Governance and Accountability for Local Councils: A Practitioners Guide 2022-Section 5).

- 3.2 Assets must be valued by one of the following means based on available information.
- Ideally, apply the purchase price (net of VAT if VAT has been reclaimed)
 - Otherwise, apply the purchase price (gross of VAT if VAT has not been reclaimed or where the VAT status of the purchase is unclear)
- 3.3 When it is not possible to trace the purchase price of the asset the insurance valuation should be applied. As a last resort, a nominal value of £1 may be applied. The £1 valuation should also be used for assets gifted to the Council
- 3.4 There is no guidance where land or buildings have been subject to substantial renovation and improvement to such an extent that the new market value bears no relation to the original purchase cost. To avoid renovation and improvement work being separately recorded on the asset register and in these exceptional circumstances only, a market value supplied by a qualified surveyor may be entered

4 Procedure for updating the Asset Register

- 4.1 The start point is the Asset Register that has been agreed for the end of the previous financial year. The financial ledger should be reviewed for all purchases made during the year. A discussion should be held to identify any assets that have been gifted to the Council. Any new assets which fall in the categories stated at 2.1 above should be added to the Asset Register, with their values recorded at the purchase price (net of VAT if VAT is being reclaimed) or at £1 if gifted to the Council.
- 4.2 The financial accounts should also be reviewed for all assets sales
- 4.3 A 'stock take' of Asset Register items should occur to ensure they can be physically verified. Any asset which cannot be located should be removed from the Asset Register and recorded in the schedule of disposals.
- 4.4 The Asset Register, schedule of disposals and this policy will be reviewed annually by the Audit Committee and approved by Council.

5 The Asset Register and Insurance

- 5.1 For insurance purposes, the Asset Register includes a column to record the replacement value of each asset.
- 5.2 The Asset Register will be used to inform the insurers of Council assets. For the purposes of insurance, the value to be used is the replacement value of items and not the purchase price as per the asset register. The Council should ensure land and buildings are valued accurately for insurance purposes. Buildings should therefore be valued every five years (**last valuation October 2021**) to ensure the appropriate insurance is held.

6 Asset Disposal Procedure

- 6.1 Financial Regulations - In accordance with Financial Regulation 15.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, save where the estimated value does not exceed £1,000
- 6.2 Value for money - The best value outcome to the Council must be a major consideration when disposing of assets. Disposal should be based on a fair market value for each item.
The price established should be based on:
- Current market value
 - Condition of the item
 - Age of the item

- An assessment of the item.
 - N.B. All data storage devices must be reformatted prior to disposal to delete any data they may contain.
- 6.3 Reasons for disposal - Items can be available for disposal because they are:
- Required to be disposed of under a particular policy
 - No longer required due to changed procedures, functions or usage patterns
 - Occupying storage space and not being needed in the foreseeable future
 - No longer complying with health and safety standards
 - Beyond repair but able to be scrapped
- There should be a written reason for disposal to be considered by Town Clerk/Council. Special consideration should be given to items of potentially hazardous or pollutant items which are likely to have an impact on the environment.
- 6.4 Options for Disposal of Assets - Assets identified for disposal may be dispensed with using the following procedures listed below
- Sale by public tender
 - Donated to a community service or organisation
 - Scrap
- Choice of the most appropriate disposal option will normally be influenced by the nature of the goods for disposal and market value.
- 6.5 Sale by tender - External tenders should be advertised using the appropriate channels and sealed bids sought. assets should be sold as seen and no warranty should be given or implied. and subject to the tenders opening committee procedures. Payment should be received in full prior to the equipment being released
- 6.6 Sale to staff - Items cannot be purchased by staff/Councillors for the purpose of managing conflict of interest and fair offering.
- 6.7 Donations - Where the Council has determined the goods have no residual value, and where their disposal is therefore unlikely to produce sufficient revenue, it may authorise the donation of the goods to another organisation.
- 6.8 Scrap - Where items have negligible value or where the cost and time involved in managing the sale process would exceed the financial benefit, the equipment may be scrapped
- 6.9 Asset disposal and Asset Register - It is important that any asset disposals are correctly handled to ensure transparency and accountability. The Town Clerk/RFO is responsible for updating Council's asset register following the appropriately authorised asset disposal. All asset disposals will be recorded in the Asset Disposal Register for audit purposes.

Adopted: December 2022

Suggestions Revisions June 2023: None

LICHFIELD CITY COUNCIL RISK MANAGEMENT STRATEGY 2023

1. Introduction

- 1.1 This document forms Lichfield City Council's Risk Management Strategy. It sets out:
- What risk management is
 - Why the City Council needs a risk management strategy
 - The City Council's philosophy on risk management
 - The risk management process
 - Roles and responsibilities
 - Future monitoring
- 1.2 The objectives of this strategy are to:
- Further develop risk management and raise its profile across the City Council
 - Integrate risk management into the culture of the organisation
 - Embed risk management through the ownership and management of risk as part of all decision making processes; and
 - Manage risk in accordance with best practice

2. What Risk Management is

- 2.1 *'Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.'* Audit Commission, *Worth the Risk: Improving Risk Management in Local Government*, (2001: 5)
- 2.2 Risk management is an essential feature of good governance. An organisation that manages risk well is more likely to achieve its objectives. It is vital to recognise that risk management is not simply about health and safety but applies to all aspects of the City Council's work.
- 2.3 Risks can be classified into various types, but it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption of normal working. The examples below are not exhaustive:

Strategic Risk – Long-term adverse impacts from poor decision-making or poor implementation. Risks damage to the reputation of the City Council, loss of public confidence and, in a worst-case scenario, Government intervention.

Compliance Risk – Failure to comply with legislation, laid down procedures or the lack of documentation to prove compliance. Risks exposure to prosecution, judicial review, employment tribunals and the inability to enforce contracts.

Financial Risk – Fraud and corruption, waste, excess demand for services, bad debts. Risk of additional audit investigation, objection to accounts, reduced service delivery, dramatically increased Council Tax levels/impact on City Council reserves.

Operating Risk – Failure to deliver services effectively, malfunctioning equipment, hazards to service users, the general public or staff, damage to property. Risk of insurance claims, higher insurance premiums, lengthy recovery processes.

2.4 These risks can be broken down further into specific areas which could impact on the achievement of the City Council's strategic objectives and day-to-day delivery of services:

Political – Those associated with the failure to deliver local, regional or national policy

Financial – Those affecting the ability of the City Council to meet its financial commitments; failure of major projects; internal and external audit requirements; failure to prioritise and allocate resources effectively; poor contract management; initiative overload

Social – Those relating to the effects of changes in demographic, residential, or socio-economic trends on the City Council's ability to deliver its strategic priorities

Technological – Those associated with the capacity of the City Council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands. This includes the consequences of internal failures on the City Council's ability to deliver its objectives

Legal – The ability of the City Council to meet legislative demands affecting breaches of legislation

Environmental – Those relating to the environmental consequences of progressing the City Council's objectives in terms of climate change, energy-efficiency, pollution, recycling, emissions etc

Partnership/Contractual – Those associated with the failure of partners/contractors to deliver services to an agreed cost and specification and similarly failure of the City Council to deliver services to an agreed cost and specification; compliance with procurement policies (internal/external); ensuring open and fair competition

Human Resources – Those associated with the professional competence of staff; training and development; over-reliance on key personnel; ineffective project management; recruitment and selection issues

Organisational – Those associated with the review of services and delivering continuous improvement

Health & Safety/Physical – Those related to fire, safety, accident prevention and health & safety which pose a risk to both staff and the public; safeguarding and accounting of physical assets

Reputational – Those associated with the changing needs of customers and the electorate; ensuring appropriate consultation; avoiding poor public and media relations.

Not all these risks are insurable and for some the premiums may not be cost effective. Even where insurance is available, a monetary consideration might not be an adequate recompense. The emphasis should always be on eliminating or reducing risk before costly steps to transfer risk to another party are considered.

- 2.5 Risk is not restricted to potential threats but can relate to missed opportunities. Good risk management can facilitate proactive, rather than merely defensive responses. Measures to manage adverse risks are likely to help with managing positive ones.

3. Why the City Council needs a Risk Management Strategy

- 3.1 Risk management will strengthen the ability of the City Council to achieve its objectives and enhance the value of services provided.
- 3.2 The Risk Management Strategy will help to ensure that Councillors and employees understand risk and that the City Council adopts a uniform approach to identifying and prioritising risks. This should in turn lead to conscious choices as to the most appropriate method of dealing with each risk, be it elimination, reduction, transfer or acceptance.
- 3.3 Strategic risk management is an important element in demonstrating continuous service improvement.
- 3.4 There is a requirement under the Accounts and Audit Regulations 2015 to establish and maintain a systematic strategy, framework and process for managing risk.

4. Risk Management Policy Statement

Lichfield City Council recognises that it has a responsibility to manage risks effectively to protect its employees, assets, liabilities and community against potential losses, to minimise uncertainty in achieving its aims and objectives and to maximise the opportunities to achieve its vision.

The City Council is aware that some risks can never be eliminated fully, and it has in place a strategy that provides a structured, systematic and focussed approach to managing risk.

Risk management is an integral part of the City Council's management processes.

5. Implementing the Strategy

5.1 Risk Control

Risk control is the process of acting to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. Typically, risk control requires the identification and implementation of revised operating procedures, but in exceptional cases more drastic action may be required to reduce the risk to an acceptable level.

Options for control include:

Elimination – The circumstances from which the risk arises are removed so that the risk no longer exists

Reduction – Loss control measures are implemented to reduce the impact/likelihood of the risk occurring

Transfer – The financial impact is passed to others e.g. by revising contractual terms;

Sharing – The risk is shared with another party

Insuring – Insure against some or all the risk to mitigate financial impact; and

Acceptance – Documenting a conscious decision after assessment of areas where the City Council accepts or tolerates risk.

5.2 Risk Register

The Strategic Risk Register (*Appendix A*) will be regularly refined and updated as part of this Risk Management Strategy.

5.3 Risk Monitoring

The risk management process does not finish with putting risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of any risk has changed over time. The Risk Management Plan will be reviewed at least annually by the Town Clerk and the Audit Committee.

The information generated from applying the risk management process will help to ensure that risks can be avoided or minimised in the future. It will also inform judgements on the nature and extent of insurance cover and the balance to be reached between self-insurance and external protection.

5.4 Risk Management System

Risk Identification – Identifying and understanding the hazards and risks facing the City Council is crucial if informed decisions are to be made about policies or

service delivery methods. The risks associated with these decisions can then be effectively managed.

Risk Analysis – Once risks have been identified they need to be systematically and accurately assessed using proven techniques. Analysis should make full use of any available data on the potential frequency of events and their consequences. If a risk is seen to be unacceptable, then steps need to be taken to control or respond to the risk.

Risk Prioritisation - An assessment should be undertaken of the impact and likelihood of risks occurring, with impact and likelihood being scored Negligible (1), Low (2), Medium (3) and High (4)

		Impact			
		Negligible (1)	Low (2)	Medium (3)	High (4)
Likelihood	High (4)	4	8	12	16
	Medium (3)	3	6	9	12
	Low (2)	2	4	6	8
	Negligible (1)	1	2	3	4

The scores for impact and likelihood are scored as above. Risks scoring 12 and above will be subject to detailed consideration and preparation of a contingency/action plan to appropriately control the risk.

6. Roles and Responsibilities

6.1 It is important that risk management becomes embedded into the everyday culture and performance management process of the City Council. The roles and responsibilities set out below are designed to ensure that risk is managed effectively right across the Council and its operations, and responsibility for risk is located in the right place. The process must be driven from the top but must also involve staff throughout the organisation.

6.2 **Councillors** – Risk management is seen as a key part of Councillors' stewardship role and there is an expectation that Councillors will lead and monitor the approach adopted, including:

- i) Approval of the Risk Management Strategy
- ii) Analysis of key risks in reports on major projects, ensuring that all future projects and services undertaken are adequately risk managed
- iii) Consideration, and if appropriate, endorsement of the Annual Governance Statement
- iv) Assessment of risks whilst setting the budget, including any bids for resources to tackle specific issues

6.3 **Employees** – will undertake their job within risk management guidelines ensuring that their skills, experience and knowledge are used effectively. All employees will maintain an awareness of the impact and costs of risks and how to feed

information into the formal process. They will work to control risks or threats within their roles, monitor progress and report on task related risks to the Deputy Town Clerk or Town Clerk.

6.4 **Town Clerk** – will act as the lead officer on risk management and be responsible for overseeing the implementation of the Risk Management Strategy. The Town Clerk will:

- i) Provide advice as to the legality of policy and service delivery options
- ii) Provide advice on the implications for service areas of the City Council's strategic aims and objectives
- iii) Update the City Council on the implications of new or revised legislation
- iv) Assist in handling any litigation claims
- v) In consultation with the City Council's external advisors as necessary, provide advice on any human resource issues relating to strategic policy options or the risks associated with operational decisions and assist in handling cases of work-related illness or injury
- vi) In consultation with the City Council's external advisors as necessary, advise on any health and safety implications of the chosen or proposed arrangements for service delivery
- vii) Assess and implement the City Council's insurance requirements
- viii) Assess the financial implications of strategic policy options
- ix) Provide advice on budgetary planning and control
- x) Ensure that the financial information systems and processes allow effective budgetary control
- xi) Ensure the City Council's Risk Register is maintained
- xii) Effectively manage the City Council's investment and loan portfolio.

6.5 **Role of Internal Audit** – Internal Audit provides an important scrutiny role by carrying out audits to provide independent assurance to the City Council that the necessary risk management systems are in place and all significant business risks are being managed effectively.

Internal Audit assists the City Council in identifying both its financial and operational risks and seeks to assist the City Council in developing and implementing proper arrangements to manage them, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud.

Internal Audit reports, and any recommendations contained within, will help to shape the Annual Governance and Accountability Return.

6.6 **Audit Committee** – Review and future development of the Risk Management Policy and Strategy will be overseen by the Audit Committee.

6.7 **Training** – The aim will be to ensure that both Staff and Councillors have the skills necessary to identify, evaluate and control the risks associated with the services they provide. Risk Management training and development can be provided through a range of methods such as workshops, literature and in-house service familiarisation.

- 6.8 In addition to the roles and responsibilities set out above, the City Council is keen to promote an environment within which individuals and groups are encouraged to report adverse incidents promptly and openly.

7. Future Monitoring

- 7.1 **Review of Risk Management Strategy** – This Strategy will be reviewed twice annually by the Audit Committee.

8. Conclusions

The City Council responded well to the COVID-19 pandemic, with Staff and Councillors being proactive, pragmatic, flexible and responsive to constant and persistent change. However, it has shown the importance of an effective risk management strategy and exposed strengths and weaknesses in our current systems and procedures. Environmental concerns and opportunities have also been brought to the fore.

The adoption of a sound risk management approach should achieve many benefits for the City Council and will assist in demonstrating that the City Council is committed to continuous service improvement and effective corporate governance.

**APPENDIX A
STRATEGIC RISK REGISTER**

Activity	Identified Risk	Assessment and Action	Impact	Likelihood	Score
Financial	To ensure that the Council maintains responsibility for the finances of the Council and that the procedures to be followed are set out for everyone to understand. That ongoing checks of the Council's financial dealings are carried out and reported to the Council	The Council has in place Financial Regulations and procedure notes that detail the controls and procedures to be followed and responsibilities. These are aimed to secure efficient and prudent control of the Council's finances. Financial reports are presented for consideration by Council and/or the Audit Committee.	Medium 3	Low 2	6
Financial	That core activities of the Council are given precedence in allocation of the Council's financial and human resources.	The Council will give due regard to the Strategic Plan objectives when determining priorities for allocation of resources.	Low 2	Low 2	4
Financial	That the Council's finances are sufficient to enable it to continue providing its identified priority services	Regular reports are submitted to Council comparing actual expenditure to date to budget. Budgets are set with due regard to previous expenditure levels, inflationary pressures, and foreseeable variations in service levels, costs and other factors. There is also a general reserve in place for unexpected and unbudgeted expenditure so as to allow the Council to continue to operate.	High 4	Low 2	8
Financial	That the Council is run efficiently and effectively	In addition to internal management checks, there are annual financial, and systems audits carried out by the Council's internal auditor through the agreed Internal Audit programme. There is an annual external audit carried out by MHCLG appointed external auditors.	High 4	Low 2	8
Financial	To protect the Council against theft from an officer or former officer of the Council	The Council has fidelity insurance. The Council has an approved anti-fraud and corruption checklist.	Medium 3	Low 2	6
Financial	The loss of computerised financial records and other records	The Council has an approved back-up and security strategy for its computer systems and records.	Medium 3	Low 2	6

Activity	Identified Risk	Assessment and Action	Impact	Likelihood	Score
Financial	That the Council's business is protected against loss, damage or claims made upon it.	The Council has a combined insurance policy with Zurich Municipal for buildings and property, public and employer's liability.	Medium 3	Low 2	6
Financial	Management of Fraud	As part of risk assessment procedures and understanding of management processes and the Audit committee's oversight. The Town Clerk has completed a Fraud Risk assessment Questionnaire	Medium 3	Low 2	6
Health and Safety	Failure to comply with Health and Safety legislation	The Council has a comprehensive Health and Safety Risk Assessment for its activities and premises.	Medium 3	Low 2	6
Central Administration	The Council has in place sufficient qualified and/or experienced staff to operate and manage its activities and structures are in place to protect the operations against the loss of a key member of staff	<p>The Town Clerk (RFO) is supported by a Deputy Clerk to deputise in his absence and a separate Internal Auditor. Other key administrative staff have assigned duties but are multi-skilled and there is considerable shared knowledge of roles to ensure the continuation of operations in the event of one person being unavailable to carry out their duties. There are a team of Premises Attendants employed to ensure the smooth operation of the Guildhall.</p> <p>Written procedure notes are available for key duties, and premises manuals are largely complete, there is however a need to increase depth of knowledge in financial matters, notably Bankline and Autopay following their relatively recent introduction.</p> <p>The Staffing Committee undertakes an annual review of the staffing establishment available to service the Council's functions.</p>	Medium 3	Medium 3	9
Central Administration	How would operations continue following the loss of premises due to a major incident?	<p>Emergency office accommodation can be provided in Guildhall rooms and Community Centres.</p> <p>The introduction of Office 365 Cloud allows for Home working.</p>	Medium 4	Low 2	8
Markets Operation	Interruption/cancellation of Markets activities	If the Market Square was unavailable alternative arrangements could be made to operate in the streets or other Open Space	Medium 3	Low 2	6
Room Hire at Guildhall	Interruption/cancellation of room hire through loss of building by fire etc	<p>The building and contents are insured against loss.</p> <p>Loss of the Guildhall would not in itself affect the ability of the Council to function.</p> <p>No business interruption insurance is held as the income lost from Guildhall hire would be sufficiently mitigated by reduced operating costs.</p>	High 4	Low 2	8

Activity	Identified Risk	Assessment and Action	Impact	Likelihood	Score
Community Centres	Loss of properties through fire etc. Failure/disbandment of management committees.	The building and contents are insured against loss. Temporary closure during reconstruction of the Community Centres would not in itself affect the ability of the Council to function. The Council has sufficient experience from operating Guildhall to temporarily take over running of the Community Centres should a management committee cease to function, as evidenced at Boley park Community Hall	High 4	Low 2	8
Grounds maintenance	The contractor goes into liquidation, or tender price on contract rises significantly.	Current contract is with Lichfield District Operational Services (District Council's DSO) the Council has entered into an ongoing Service Level Agreement.	Medium 3	Low 3	9
Land	Loss of land, or public open space, through encroachment, adverse possession etc	Boundaries of areas known, recorded, and inspected.	Low 2	Low 2	4
Twinning	Interruption/cancellation of Twinning activities	Twinning activities are a non-essential activity.	Low 2	Low 2	4
Johnson Birthplace	Loss of properties through fire etc.	The building and contents are insured against loss. Temporary closure during reconstruction would not affect the ability of the Council to function.	High 4	Low 2	8
Legal	Litigation against Council	Council has Public Liability and Employer's liability insurance. Control measures in place to reduce likelihood of successful claims	Medium 3	Medium 3	9
Data Protection	Non-compliance with the General Data Protection Regulations	Upgrade to server and workstation monitoring. Retention of Documents Secure website and enquiry forms	Medium 3	Low 2	6
Civic Events	Damage to third party property or individuals as a consequence of the Council putting on a community/civic event	Health and safety risk assessments are carried out. The Council's Health and safety consultants provide specific advice Insurance policy in place	Low 2	Low 2	4
Operational	Pandemic or similar event	Subject to Government guidance, implement health and safety protocol based on the Council's Health and Safety Advisors' advice.	Medium 3	Medium 3	9

