



# Lichfield City Council

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

Tel: (01543) 250011 email: [townclerk@lichfield.gov.uk](mailto:townclerk@lichfield.gov.uk)

**Town Clerk: Anthony Briggs** BA (Hons), CILCA

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30 May 2024

**To: Members of the Audit Committee**

Councillor J Marshall (Chair) and Councillors A Fox, S Hollingsworth, A Lax, P McDermott, M Warfield and B Watkins.

**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 **6.30pm on Thursday, 6 June 2024** 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](mailto: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 6 March 2024 (**copy attached**), and any matters arising from those minutes. Having been previously circulated/considered by Council, the appendices to the minutes are not included, but are available on request to the Town Clerk. [*Minutes adopted by the City Council on 11 March 2024*].

**4 ASSET REGISTER AND ASSET REGISTER POLICY**

To conduct the annual review of the Asset Register and Asset Register Policy. The Asset Register Policy sets out more clearly the items included and excluded in the Asset Register, how they are valued, disposed of etc. It was agreed by the Committee at its meeting of 8 June 2023 that the Register and Policy be reviewed annually at the Committee's June meeting.

The Asset Register document is provided at **APPENDIX 1**. 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), the draft Annual Return (**ENCLOSURE 1**) for the year ending 31 March 2024, and the recommendations contained in the report as reproduced below.

### **SUGGESTED RECOMMENDATION TO COUNCIL:**

- 1 The Report and Out-Turn Statement 2023/24 be received.**
- 2 The Council, acting in the capacity of sole Trustee of the Johnson Birthplace Charitable Trust, make a payment of £11,320 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 2023/24 financial year.**
- 3 In respect of the External Auditor Annual Return for the year ending 31 March 2024:**
  - 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 approve the Accounting Statements (Section 2 of the Annual Return) and this be signed by the Mayor on behalf of the Council**
  - c. The Council note the Annual Internal Audit Report section of the Annual Return**
  - d. The Council note the dates for the exercise of public rights - commencing on 12 June 2024 and ending on 23 July 2024.**

## **6 RISK MANAGEMENT STRATEGY**

At its meeting of 12 December 2022 this Committee resolved that the strategy be reviewed twice annually (December and June). The document is attached as **APPENDIX 4**. No changes have been made to the document since its most recent review.

**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 Wednesday 4 December 2024 at 6.30pm. The Committee has previously expressed its preference that the meetings are held via 'Zoom'.

**ANY OTHER URGENT BUSINESS AT THE DISCRETION OF THE CHAIR**

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## Lichfield City Council

### Minutes of the Audit Committee meeting held remotely via 'Zoom' on Wednesday, 6 March 2024 at 6.30pm

**Present:** Councillor J Marshall (Chair) and Councillors A Fox, A Lax and P McDermott.

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

**Apologies:** Councillors K Farrelly, S Hollingsworth and M Warfield, and A James (Accounts Officer).

#### 14 MINUTES

**RESOLVED:** *That the Minutes of the Audit Committee meeting held on 7 December 2023 be confirmed as a correct record. [Minutes adopted by the City Council on 11 December 2023].*

#### 15 INTERNAL AUDIT ANNUAL REPORT 2023-2024

The Committee considered the Internal Auditor's 2023-24 report, which incorporated the Management Risk Register. Members discussed the detail of the report and the recommendations therein and agreed the management response.

Cllr J Marshall raised the following queries:

**Market income significantly higher before COVID than after** - The Town Clerk advised that until the pandemic, the council supplied stalls for both the Friday and Saturday markets (but not for the Tuesday market). The cost of supply was met by traders, resulting in a significantly higher pitch fee for Friday and Saturday markets when compared to Tuesday markets. When the council ceased to supply the stalls, the market pitch fees were adjusted in line with the Tuesday model, resulting in significantly less income than previously, but balanced by the overall reduction in cost.

**Review of salary allocation to service heads** – The Chair asked whether this was a further review in addition to that carried out in 2023. The Town Clerk confirmed that this recommendation referred to that same review; the Internal Auditor's recommendations spanning the financial year, with some of these being already actioned.

The Chair also sought clarification on the following recommendations contained within the report:

**Review the grant to Lichfield Pride** – The Town Clerk stated this originated as a typographical error in the minutes, which then indicated the incorrect sum had been paid in grant monies. The Town Clerk stated that this matter had now been resolved following resolution of council.

**Review arrangements for the Chamber of Trade Fayre** – The Town Clerk advised that the 'free use' enjoyed by the Chamber was of uncertain origin and was raised as a matter that should be reconsidered by council. The matter was considered at the most recent meeting of the Markets Working Group and its recommendation subsequently adopted by council.

### **Review the Birthplace third party payment schedule**

The Internal Auditor stated this had been actioned, with the aim of tidying presentation and transferring to an Excel sheet to ensure amounts were correct.

Cllr Lax raised the following queries:

**Freedom of Information requests** – The Town Clerk confirmed that responses had previously been stored but were not centrally available. The Town Clerk also confirmed that no requests received that were relevant to LCC were contentious or concerning.

**Resilience** – Concern as to future planning for the internal audit function, and the current staffing situation. The Internal Auditor and Town Clerk both confirmed that such discussions were being held internally.

**GDPR – Retention of Documents** – The Town Clerk confirmed that a significant amount of paperwork had been appropriately destroyed in compliance with the policy, and that this was ongoing.

Cllr A Fox asked that future internal audit reports contain some background as to what triggered a particular recommendation, for example whether a set amount of time had elapsed since previous consideration and reconsideration was now warranted etc. The Internal Auditor confirmed this could be incorporated.

The Internal Auditor was thanked for a thorough and informative report.

***RECOMMENDATION TO COUNCIL: That the Council note the Internal Audit Annual Report 2023-2024, and adopt the recommendations and timescales as contained in that Report.***

## **16 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). Cllr Marshall asked the Town Clerk whether he felt the current level of Internal Audit provided an appropriate mitigation and was not too overbearing. The Town Clerk stated that the Internal Audit function in its current guise provided significant benefits and security to senior council officers, notably the Town Clerk himself, and that such provision would be greatly missed if it were to cease. Cllr A Lax added that such detailed oversight was welcomed to mitigate risk as much as possible.

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

## **17 TREASURY MANAGEMENT POLICY AND STRATEGY STATEMENT**

Consideration was given to the Treasury Management Policy and Strategy Statement.

***RECOMMENDATION TO COUNCIL: That the Council adopt the Treasury Management Policy and Strategy Statement 2024-2025, as contained in Appendix B to these Minutes.***

## 18 RESERVES POLICY

Consideration was given to the City Council's Reserves Policy. The Town Clerk stated that earmarked reserves were placed where there was greatest risk, but that these could be reprofiled if an issue was identified elsewhere. Cllr J Marshall stated that for those areas with no earmarked reserve the risk would not be zero, and it may therefore be worth returning to the document in the future to revisit this.

Cllr A Fox asked what was being done to rebuild the depleting capital reserve. The Town Clerk provided some background as to how this reserve was acquired, and that such a contribution was a 'one off.' There was agreement that careful consideration would need to be given as to the depletion of this reserve, how it could be stabilised/increased and its impact on the revenue budget. Cllr A Lax stated that the council's general reserve was healthy, and together with the capital reserve the council was in a good financial position. Cllr P McDermott added that as this policy is reviewed every year, it can be amended as necessary to reflect the reserves level and the impacts thereof as the situation evolves.

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

## 19 AUDIT PLAN

The Committee considered the Audit Plan which set out the proposed work programme for the Internal Auditor for 2024/25.

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

## 20 PROCUREMENT POLICY

Following consideration of this matter at the Audit Committee meeting of 7 December 2023 (see minute 12), members considered the draft LCC Procurement Policy.

***RECOMMENDATION TO COUNCIL: That the Council adopt the draft Procurement Policy as contained in Appendix E to these Minutes.***

## 21 IMPREST ACCOUNT REVISION

Members considered the Town Clerk's request for the current £2,500 limit of the Imprest Account to be lifted to £5,000 to reduce administrative demands; the current figure having been in place since at least 2007.

***RECOMMENDATION TO COUNCIL: The Imprest Account threshold be raised from £2,500 to £5,000; the individual payment limit arrangements remaining unchanged.***

## 22 DATE AND TIME OF NEXT MEETING

Scheduled in the draft calendar of meetings as Thursday 6 June 2024 at 6.30pm.

**THERE BEING NO FURTHER BUSINESS**

**THE CHAIR DECLARED THE MEETING CLOSED AT 7.19 P**

AUDIT COMMITTEE : 6 June 2024 APPENDIX 1

Lichfield City Council  
Asset Register 2023/24

Property

**Lichfield City Council**

**Operational Assets:**

	Year Acq./	Construct	Address
1 Donegal House & courtyard	Acquired	2012	Bore Street,Lichfield WS13 6LU
2 Guildhall Guildhall Stained Glass Window	Acquired	2012	Bore Street,Lichfield WS13 6LU
3 Cruck House	Acquired	1981	Stowe Street,Lichfield WS13 6BN
4 Curborough Community Centre	Constructed	1984	Reynolds Close,Lichfield WS13 7NY
5 Boley Park Community Hall	Acquired	1981	7 Ryknield Street,Lichfield WS14 9XU
7 Darwin Hall	Constructed	2010	Heathcot Place,Lichfield WS13 6RQ

**Community Assets:**

8 Friary Clock Tower	Acquired	1981	The Friary,Lichfield WS13 6QE
Remembrance Gardens,War Memorial,Garden			
9 Wall,Balustrade & Gate	Acquired	1981	Bird Street,Lichfield WS13 7LD
10 Boswell Statue	Acquired	1981	Market Square,Lichfield WS13
11 Dr Johnson Statue	Acquired	1981	Market Square,Lichfield WS13
12 Pinfold	Acquired	1981	Stafford Road,Lichfield WS13
13 Borrowcup Pavillion (Gazebo)(Folly)	Acquired	1981	Hillside,Lichfield WS14
14 Prince Ruperts Mound	Acquired	1981	Approx 65m Nort East of Beacon Street,Lichfield WS13
15 Grey Friars & Portico	Acquired	1981	The Friary,Lichfield WS13 6PE
16 Market Square & Premises (Toilet/kitchen block)	Constructed	1984	Market Square,Lichfield WS13 6LG
17 Serjeantson Fountain	took on	2014	Greenhill, Lichfield
18 Civic Silver	Acquired	1981	
Civic Regalia Including Robes & Uniforms			

**Other Assets**

Hired Marquee in September (Johnson)  
Painting Mayor of Lichfield in 1687  
Card Machines  
10x computers  
2x Laptops  
Sonic wall power supply  
Server  
Photocopier

**Samual Johnson Charitable Trust**

6 <u>Samuel Johnson Birthplace Museum</u>	Acquired	1981	Breadmarket Street,Lichfield WS13 6LG
-Building			
- Computer Equipment			
- Stock			
-Exhibits/Works of Art			
- Painting on Loan			
- Chair on Loan			
- All Other exhibits on loan			
- Oil Painting of Lucy Porter			
- Bust on Loan			
Trustee Liability			

AGAR	AGAR	Reinstatement costs	Zurich		
			Insurance Valuation		
			Building	Contents	All Risks
2022-23 £	2023-24	oct-21 £	£	£	£
1,860,819	1,860,819	3,250,000	4,484,025	48,363	
2,652,250	2,652,250	4,655,000	5,865,300	87,008	
		285,000			369,873
333,120	333,120	415,000	572,576	0	
604,551	604,551	825,000	1,138,253	0	
443,422	443,422	489,500	675,363	0	
852,327	852,327	905,000	1,248,629	0	
<b>£6,746,489</b>	<b>£6,746,489</b>	<b>£10,824,500</b>	<b>£13,984,146</b>	<b>£135,371</b>	<b>£369,873</b>
1	1	720,000	993,384		
1	1	460,000	621,496		
1	1	143,000			185,585
1	1	151,200			196,227
1	1	0			
1	1	55,000	75,884		
1	1	0			
1	1	0			
58,064	58,064	85,000	117,725		
1	1	42,600			55,286
497,901	497,901				
					1,674,032
<b>£555,975</b>	<b>£555,975</b>	<b>£1,656,800</b>	<b>£1,808,489</b>	<b>£0</b>	<b>£2,111,130</b>
					6,300
					4,432
					1,454
					12,600
					3,528
					4,158
					10,080
					8,820
					<b>£51,372</b>
<b>£7,302,463</b>	<b>£7,302,463</b>	<b>£12,481,300</b>	<b>£15,792,635</b>	<b>£135,371</b>	<b>£2,532,375</b>
<b>Total VALUE AGAR</b>					
			<b>Ecclesiastical Insurance</b>		
			<b>Building</b>	<b>Contents</b>	
			1,952,000	3,132,237	7,464
					3,488
					5,000
					1,497,636
					15,000
					15,000
					12,790
					6,000
					5,000
					100,000
			<b>1,952,000</b>	<b>3,132,237</b>	<b>1,567,378</b>
					<b>100,000</b>
			<b>£14,433,300</b>	<b>£18,924,872</b>	<b>£1,702,749</b>
					<b>£2,632,375</b>

## 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 2024: None

## Audit Committee: 6 June 2024 APPENDIX 3

### LICHFIELD CITY COUNCIL FINANCIAL OUT-TURN REPORT 2023/24

*The following notes explain the variations between the original budget and the actual year-end out-turn as detailed in the Accounts Summary table which follows*

Note	Details
1	<p><b>Parks and Footpaths</b></p> <p>Includes inflation linked Grounds Maintenance contract with LDC increased 13.4% against an 8% budget. Additional and significant tree work at several sites (St Michaels churchyard and LCC owned allotment sites for example) as evidenced in the various officer reports to council across the year.</p>
2	<p><b>Guildhall</b></p> <p>Includes salary pressures resulting from fixed sum 2023/24 salary award that is particularly apparent when applied to those staff on lower salaries such as Premises Attendants. Significantly lower than expected energy costs due to pricing variations. Approx.15% increase in hire fee income when compared to 2023 figures.</p>
3	<p><b>Community Centres</b></p> <p>Includes payment to Darwin Hall Community Hall Management Committee for loss of income during hall closure (£4,000), the amount based on previous financial returns for the period.</p>
4	<p><b>Markets</b></p> <p>Includes a reduction in energy cost and NNDR. This budget head is the main beneficiary of the reprofiling of staffing and general cost allocations. It now more correctly reflects the staff resource given to the function following the various streamlining exercises and deletion of the Assistant Markets Officer post. Income improvement across all markets compared to 22/23 actual figures.</p>
5	<p><b>Civic</b></p> <p>Includes reduction in the cost of replica Civic regalia as agreed by Council. Variance primarily driven by increased staff costs.</p>
6	<p><b>Grant Aid/Partnerships</b></p> <p>Includes increase in grants awarded – funded from reserves.</p>
7	<p><b>Arts/Tourism/Twinning</b></p> <p>Reduced employee cost allocation following new arrangements for Twinning Officer employment.</p>
8	<p><b>Johnson Birthplace Museum</b></p> <p>Includes a reduction in energy costs against budget, an increase in agency cleaner costs, increase in income from sales/donations. £2,615 contribution towards acquiring Johnson letter – authentication, transport etc.</p>
9	<p><b>Democratic Services</b></p> <p>Variance driven primarily by lower than forecast election costs; it may be that a further invoice of approximately £6,000 will follow from LDC, the Town Clerk is currently seeking clarification on the invoice amount compared to the individual costings provided.</p>
10	<p><b>Investment Interest</b></p> <p>Increase in interest income over the financial year, due in part to several rate increases applied by the Council's bankers, but also the higher than anticipated fixed interest rate payable on the lump sum reinvestment made in January 2024 (matures January 2025).</p>
11	<p><b>Agency</b></p> <p>It is anticipated each year that SCC will reduce their payment to LCC for verge maintenance and this was accounted for in the budget. However, the actual payment received was higher than the reduction that had been assumed.</p>
12	<p><b>Repairs and Renewals</b></p> <p>Additional costs arising from repair and renewal projects as agreed by council for 2023/24; further roof work, drainage improvements and other sundry repairs/improvements at Darwin Hall, (the various reports to council</p>

<b>Note</b>	<b>Details</b>																		
	<p>during the year providing further detail) and the emergency roof repairs and associated improvements/maintenance to Curborough Community Centre (approved by Council December 2023). Figure also includes:</p> <ul style="list-style-type: none"> <li>- New cabling and lamping for Pool Walk lighting following failure of the previous installation</li> <li>- Retention payment for the annex rebuild at Cruck House</li> <li>- Supply of various replacement litter bins for LCC open spaces</li> <li>- Reprofiled allocation for various matters at SJBM following council resolution in December 2023</li> </ul> <p>Repair and Renewal project invoices are subject to certification by LCC's specialist advisors prior to any payment being made.</p>																		
<b>13</b>	<p><b>Community Infrastructure Levy (CIL)</b> In-year movement based on CIL receipts and spend.</p>																		
<b>14</b>	<p><b>Total To/ (from) Balances</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;"><b>-</b></td> <td style="width: 85%;"><b>Contribution from Repairs and Renewals Capital Earmarked Reserve</b></td> <td style="width: 10%; text-align: right;"><b>£ (533,353)</b></td> </tr> <tr> <td><b>-</b></td> <td><b>Contribution from CIL Earmarked Reserve</b></td> <td style="text-align: right;"><b>£ (86,635)</b></td> </tr> <tr> <td><b>-</b></td> <td><b>Contribution from Grant Aid Earmarked Reserve</b></td> <td style="text-align: right;"><b>£ (742)</b></td> </tr> <tr> <td><b>-</b></td> <td><b>Contribution from Election Reserve</b></td> <td style="text-align: right;"><b>£(45,288)</b></td> </tr> <tr> <td><b>-</b></td> <td><b>Contribution to General Reserve</b></td> <td style="text-align: right;"><b>£ 21,896</b></td> </tr> <tr> <td></td> <td><b>Total Transfer from Balances</b></td> <td style="text-align: right;"><b>£ (644,122)</b></td> </tr> </table>	<b>-</b>	<b>Contribution from Repairs and Renewals Capital Earmarked Reserve</b>	<b>£ (533,353)</b>	<b>-</b>	<b>Contribution from CIL Earmarked Reserve</b>	<b>£ (86,635)</b>	<b>-</b>	<b>Contribution from Grant Aid Earmarked Reserve</b>	<b>£ (742)</b>	<b>-</b>	<b>Contribution from Election Reserve</b>	<b>£(45,288)</b>	<b>-</b>	<b>Contribution to General Reserve</b>	<b>£ 21,896</b>		<b>Total Transfer from Balances</b>	<b>£ (644,122)</b>
<b>-</b>	<b>Contribution from Repairs and Renewals Capital Earmarked Reserve</b>	<b>£ (533,353)</b>																	
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<b>-</b>	<b>Contribution to General Reserve</b>	<b>£ 21,896</b>																	
	<b>Total Transfer from Balances</b>	<b>£ (644,122)</b>																	

**Employee costs:** The overall employee costs totalling £568,811 are recharged across all the budget heads in the table below reflecting an overall increase in direct employee costs of £30,251.

*This includes the agreed Local Government Pay Offer of £1,925 FTE salary increase on all pay scales. This averages 7% for LCC staff (against a budget of 5%).*

**Central administration:** The overall administration costs totalling £180,638 are recharged across all budget heads in the table below, reflecting an increase in service costs of £4,769.

**SUGGESTED RECOMMENDATION TO COUNCIL:**

- 1** *The Report and Out-Turn Statement 2023/24 be received.*
- 2** *The Council, acting in the capacity of sole Trustee of the Johnson Birthplace Charitable Trust, make a payment of £11,320 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 2023/24 financial year.*
- 3** *In respect of the External Auditor Annual Return for the year ending 31 March 2024:*
  - 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 approve the Accounting Statements (Section 2 of the Annual Return) and this be signed by the Mayor on behalf of the Council*
  - c.** *The Council note the Annual Internal Audit Report section of the Annual Return*
  - d.** *The Council note the dates for the exercise of public rights - commencing on 12 June 2024 and ending on 23 July 2024.*

## ACCOUNTS SUMMARY TABLE

This table summarises service area income and expenditure against budget for the financial year 2023/24 and provides the year-end out-turn.

The table shows:

Column 1 – 2023/24 Budget as agreed by Council in January 2023

Column 2 – Actual spend during the 2023/24 financial year.

Column 3 – The variance between approved budget and actual spend for 2023/24.

Column 4 – The budget for 2024/25

Column 5 – Numbered explanatory notes.

*Budget/Actual figures in red represent income.*

*Percentage figures in red (Variance 2023/24 column) represent variance worse than budget.*

<b>Net Expenditure</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>	<b>BUDGET</b>	<b>Note</b>
<b>SERVICE AREAS</b>	<b>2023/24</b>	<b>2023/24</b>	<b>2023/24</b>	<b>2024/25</b>	
	£	£	%	£	
<b>Parks and Footpaths</b>	272,029	299,336	10%	279,533	1
<b>Guildhall</b>	142,609	135,091	-5%	143,425	2
<b>Community Centres</b>	14,105	16,160	15%	14,335	3
<b>Markets</b>	10,167	1,443	-86%	2,948	4
<b>Civic</b>	94,353	97,770	4%	101,307	5
<b>Grant Aid/Partnerships</b>	53,042	54,310	2%	54,755	6
<b>Arts/Tourism/Twinning</b>	82,937	73,051	-12%	85,971	7
<b>Johnson Birthplace Museum</b>	136,847	136,733	0%	159,044	8
<b>Democratic Services</b>	166,066	162,428	-2%	153,566	9
<b>Investment Interest</b>	-38,440	-68,881	79%	-55,110	10
<b>Loan Charges</b>	0	0	0%	0	
<b>Agency</b>	-18,045	-22,638	25%	-18,424	11
<b>TOTAL SERVICE COST</b>	£915,670	£884,803	-3%	931,850	
<b>Repairs and Renewals</b>	362,580	533,354	47%	103,749	12
<b>Community infrastructure Levy (CIL)</b>	17,305	86,635	401%	-5,364	13
<b>SUB TOTALS</b>	£1,295,555	£1,504,792	16%	£1,030,235	
<b>PRECEPT</b>	£860,670	£860,670	0	£939,900	
<b>TOTAL To/(From) balances</b>	(£434,885)	(£644,122)	48%	(£90,335)	14

Further detail relating to these headline figures is provided in the Out-Turn analysis overleaf

**OUTTURN 2023/24 ANALYSIS**

<i>Net Expenditure</i>		<b>BUDGET 2023/24 £</b>	<b>ACTUAL 2023/24 £</b>	<b>BUDGET 2024/25 £</b>
<b>SERVICE AREAS</b>				
<b>Parks and Footpaths</b>				
Employee costs		35,088	37,773	39,669
Central administration		25,501	26,192	28,850
Contract repair/maintenance		155,085	160,838	159,260
Other repair/maintenance		46,220	68,171	42,544
Energy		12,565	9,485	12,470
Miscellaneous income		-830	-1,676	-1,660
Burial fees income		-500	-347	-500
Allotment rents		-1,100	-1,100	-1,100
<b>Total</b>		<b>272,029</b>	<b>299,336</b>	<b>279,533</b>
<b>Guildhall</b>				
Employee costs		86,447	95,619	100,420
Central administration		24,622	25,289	27,855
Repair/maintenance		16,720	12,091	16,720
Energy		45,190	27,874	41,600
Rates		7,720	8,099	8,740
Supplies and Services		22,030	25,469	25,580
Lettings		-60,120	-59,349	-67,490
<b>Total</b>		<b>142,609</b>	<b>135,091</b>	<b>153,425</b>
<b>Community Centres</b>				
Employee costs		6,628	7,000	7,351
Central administration		2,637	2,710	2,984
Boley Hall		1,210	744	1,000
Curborough		1,210	240	1,000
Cruck House		1,210	875	1,000
Darwin Hall		1,210	4,591	1,000
<b>Total</b>		<b>14,105</b>	<b>16,160</b>	<b>14,335</b>
<b>Markets</b>				
Employee costs		54,888	49,400	51,880
Central administration		15,829	16,257	17,908
Repair/maintenance		2,310	1,381	2,310
Energy		5,130	4,528	4,820
Rates and Water		21,860	20,075	21,000
Supplies & Services		12,230	12,675	12,230
Misc. lettings		-13,610	-15,542	-14,300
Friday market income		-29,140	-31,725	-30,600
Saturday market income		-32,580	-31,034	-34,210
Farmers/Producers market income		-3,110	-3,476	-3,270
Tuesday market income		-23,640	-21,097	-24,820
<b>Total</b>		<b>10,167</b>	<b>1,443</b>	<b>2,948</b>

<u>Net Expenditure</u>		<b>BUDGET 2023/24</b>	<b>ACTUAL 2023/24</b>	<b>BUDGET 2024/25</b>
<b>SERVICE AREAS</b>		<b>£</b>	<b>£</b>	<b>£</b>
<b>Civic</b>				
Employee costs		51,478	57,946	60,856
Central administration		20,225	20,773	22,881
Mayor's allowance		3,650	1,857	3,650
Sheriff's allowance		3,150	3,042	3,150
Supplies and services		4,280	5,855	2,600
Events		8,210	6,626	6,210
Mayor's Banquet		640	645	640
Sheriff's Ride		2,720	1,028	1,320
<b>Total</b>		<b>94,353</b>	<b>97,770</b>	<b>101,307</b>
<b>Grant Aid/Partnerships</b>				
Employee costs		5,109	5,396	5,667
Central administration		8,793	9,032	9,948
Grants to outside bodies		32,000	32,742	32,000
Grants for open Churchyards		7,140	7,140	7,140
<b>Total</b>		<b>53,042</b>	<b>54,310</b>	<b>54,755</b>
<b>Arts/Tourism/Twinning</b>				
Employee costs		36,866	29,365	30,839
Central administration		11,431	11,741	12,932
Arts/Culture/Tourism		3,030	3,576	4,760
Christmas Lights		31,980	28,456	37,540
income		-370	-87	-100
<b>Total</b>		<b>82,937</b>	<b>73,051</b>	<b>85,971</b>
<b>Johnson Birthplace Museum</b>				
Employee costs		104,857	110,747	116,307
Central administration		14,070	14,451	15,917
Repair/Maintenance		4,200	3,354	4,200
Energy		7,900	5,994	7,520
Rates and Water		400	358	400
Supplies and Services		17,810	18,786	32,070
Promotion		2,000	1,118	2,000
Restoration		0	2,615	750
Stock for sale		3,000	3,125	3,000
Sales income		-8,350	-12,496	-10,980
Contribution from Birthplace Trust		-9,040	-11,320	-11,640
<b>Total</b>		<b>136,847</b>	<b>136,733</b>	<b>159,544</b>

<i>Net Expenditure</i>		<b>BUDGET 2023/24</b>	<b>ACTUAL 2023/24</b>	<b>BUDGET 2024/25</b>
<b>SERVICE AREAS</b>		<b>£</b>	<b>£</b>	<b>£</b>
<b>Democratic Services</b>				
Employee costs		66,306	70,030	81,326
Central administration		40,450	41,547	51,730
Supplies and Services		1,910	1,993	1,910
Election costs		55,000	45,288	15,000
Newsletter		2,100	3,300	3,300
Member allowances/travel etc.		300	270	300
<b>Total</b>		<b>166,066</b>	<b>162,428</b>	<b>153,566</b>
<b>Investment Interest</b>				
Interest		-38,440	-68,881	-55,110
<b>Total</b>		<b>-38,440</b>	<b>-68,881</b>	<b>-55,110</b>
<b>Agency</b>				
Employee costs		2,636	2,784	2,924
Central administration		1,759	1,806	1,992
SCC Verge Income		-22,440	-27,228	-23,340
<b>Total</b>		<b>-18,045</b>	<b>-22,638</b>	<b>-18,424</b>
<b>Total Service Costs</b>		<b>£915,670</b>	<b>£884,803</b>	<b>£931,850</b>
<b>Repairs and Renewals</b>				
Employee costs		14,028	14,816	7,780
Central administration		10,552	10,838	5,969
Guildhall/Donegal House		0	0	0
Samuel Johnson Birthplace		58,000	43,235	45,000
Parks and Footpaths		0	7,060	0
Community Centres		280,000	457,115	45,000
Friary Clock Tower		0	290	0
<b>Total</b>		<b>362,580</b>	<b>533,354</b>	<b>103,749</b>
<b>community Infrastructure Levy(CIL)</b>				
Expenditure		31,335	108,688	0
Receipts		-14,030	-22,054	-5,364
<b>Total</b>		<b>17,305</b>	<b>86,635</b>	<b>-5,364</b>
<b>Johnson Birthplace Charitable Trust</b>				
Grant/Donations		-5,760	-8,654	-8,360
Admissions income		-3,280	-2,666	-3,280
Funding to LCC		9,040	11,320	11,640
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>		<b>£1,295,555</b>	<b>£1,504,792</b>	<b>£1,030,235</b>
<b>PRECEPT</b>		<b>£860,670</b>	<b>£860,670</b>	<b>£939,900</b>
<b>TOTAL To/(From) balances</b>		<b>(£434,885)</b>	<b>(£644,122)</b>	<b>(£90,335)</b>

<i>Net Expenditure</i>		<b>BUDGET 2023/24</b>	<b>ACTUAL 2023/24</b>	<b>BUDGET 2024/25</b>
<b>SERVICE AREAS</b>		<b>£</b>	<b>£</b>	<b>£</b>
<i>NOTE-Internal Recharges</i>				
<b>Employee Cost</b>				
<i>Employee costs</i>		538,560	568,811	597,370
<i>Recharge to Services</i>		-538,560	-568,811	-597,370
<b>Total</b>		0	0	0
<b>Central Administration</b>				
<i>Employee costs</i>		74,229	87,937	92,352
<i>Central administration</i>		0	0	0
<i>Mileage Allowance</i>		500	866	500
<i>Professional Fees/Audit Fees</i>		8,900	3,100	8,900
<i>Office Rates/Water</i>		10,020	10,121	10,410
<i>Office Energy</i>		21,330	15,201	21,550
<i>Supplies &amp; Services</i>		29,010	31,349	29,010
<i>Telephone/Postage</i>		4,530	3,343	4,530
<i>Subscriptions. Courses/Training</i>		4,720	3,518	4,720
<i>Insurance</i>		28,440	30,937	32,800
<i>Office Rent</i>		-5,800	-5,706	-5,800
<i>Miscellaneous Receipts</i>		-10	-29	-10
<i>Recharge to Services</i>		-175,869	-180,638	-198,962
<b>Total</b>		0	0	0
<b>Balances &amp; Reserves</b>				
<i>Opening Balance</i>		2,331,683	2,357,664	1,696,359
<i>to/-from reserve</i>		-434,885	-644,122	-90,335
<b>Closing Balance</b>		£1,896,798	£1,713,542	£1,606,024
<b>Breakdown of Reserve</b>				
<i>Repairs/Renewals Reserve-Building</i>		1,014,362	849,624	771,286
<i>Grant Aid Reserve</i>		6,570	8,789	8,789
<i>Election Reserve</i>		0	9,713	15,000
<i>Twining Reserve</i>		0	0	17,000
<i>CIL Reserve</i>		171,154	115,650	121,597
<i>General Revenue Reserves</i>		704,712	729,766	672,352
<b>Closing Balance</b>		£1,896,798	£1,713,542	£1,606,024
<b>Total Expenditure</b>		1,562,305	1,822,188	1,320,135
<b>Total income</b>		-266,750	-317,396	-289,900
<b>Net Expenditure</b>		1,295,555	1,504,792	1,030,235
<b>Precept</b>		-860,670	-860,670	-939,900
<b>TOTAL (To)/From balances</b>		£434,885	£644,122	£90,335



## **LICHFIELD CITY COUNCIL RISK MANAGEMENT STRATEGY 2024**

### **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)

		<b>Impact</b>			
		Negligible (1)	Low (2)	Medium (3)	High (4)
<b>Likelihood</b>	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 at least annually by the Audit Committee.

## **8. Conclusions**

COVID-19 demonstrated the importance of an effective risk management strategy and exposed strengths and weaknesses in systems and procedures. Environmental concerns as well as the threat of terrorism and the implications of Martyn's Law have also been brought to the fore.

The adoption of a sound risk management approach achieves many benefits for the City Council and assists 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 DCLG 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	The Council has an approved back-up and security strategy for its computer systems and records.	Medium	Low	6



Activity	Identified Risk	Assessment and Action	Impact	Likelihood	Score
	other records		3	2	
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</p>	High 4	Low 2	8

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		income lost from Guildhall hire would be sufficiently mitigated by reduced operating costs.			
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	Health and safety risk assessments are carried out.	Low	Low	

Activity	Identified Risk	Assessment and Action	Impact	Likelihood	Score
	property or individuals as a consequence of the Council putting on a community/civic event	The Council's Health and safety consultants provide specific advice Insurance policy in place	2	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
Operational	Acts of Terrorism	Training for all LCC staff regarding identifying potential terrorist activity and general awareness, additional building and event security, 'hot' briefings for civic dignitaries at events, processes/procedures in place for rapid contact and response. Implementation of legislative effect of Martyn's Law. LCC insurance policy includes buildings cover for terrorist attack, PLI covers the council and its officers provided mitigation can be demonstrated.	High 4	Medium 2	8