



Lichfield City Council

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

Tel: (01543) 250011 Fax: (01543) 258441 e-mail: townclerk@lichfield.gov.uk

Town Clerk: Anthony Briggs

19 November 2019

To: Members of the Audit Committee

Councillor M Warfield (Chairman) and Councillors Mrs J Greaves, I Jackson, Mrs A Lax, D Robertson, A Smith and C Spruce.

Also to: Ms A James (Accounts Officer), and Mr G Keatley (Internal Auditor).

Dear Councillor

Audit Committee

You are invited to attend a meeting of the Audit Committee to be held in the Moulton Room, Guildhall at **7.00pm on Tuesday 26 November 2019** for the transaction of the business below.

Yours sincerely

Anthony Briggs
Town Clerk

AGENDA

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST AND REQUESTS FOR DISPENSATION

3 MINUTES

To confirm as a correct record the Minutes of the Audit Committee meeting held on 6 June 2019, **attached**. [Minutes adopted by Council on 17 June 2019].

4 MATTERS ARISING FROM MINUTES

5 STATEMENT OF ACCOUNTS – SIX MONTHS

To consider the Town Clerk's report (**APPENDIX 1**, attached) for the half year period 1 April – 30 September 2019. Members' particular attention is drawn to the current pressures for the 2019/20 financial year.

RECOMMENDED: That the report be noted.

6 ANTI-FRAUD AND CORRUPTION STRATEGY

To consider the draft anti-fraud and corruption strategy (**ENCLOSED**) including the revised draft 'Whistleblowing' Policy and Anti Money laundering Policy at appendices A and B.

RECOMMENDED: That the Committee considers the draft Anti-Fraud and Corruption Strategy; and following agreement on any proposed amendments, a recommendation be made to Council that the draft Strategy (as amended) be adopted.

7 2020/21 BUDGET

The Town Clerk to provide a verbal update on the 2020/21 budget and the Council's general financial position.

8 DATE AND TIME OF NEXT MEETING

Scheduled for Thursday, 12 March 2020 at 6.30pm.

ANY OTHER BUSINESS AT THE DISCRETION OF THE CHAIRMAN

Lichfield City Council

**Minutes of the Audit Committee held at 6.30pm on Thursday, 6 June 2019
in the Moulton Room, Guildhall, Lichfield**

- Present:** Councillor M Warfield (Chairman) and Councillors Mrs J Greaves, I Jackson, Mrs A Lax, A Smith and C Spruce.
- In attendance:** A Briggs (Town Clerk and RFO), Ms S Thomas (Deputy Town Clerk)
G Keatley (Internal Auditor) and Ms A James (Accounts Officer).
- Apologies:** None

1 MINUTES

RESOLVED: *That the Minutes of the meeting of the Audit Committee held on 18 March 2019 be confirmed as a correct record [Minutes adopted by Council on 23 April 2019].*

2 OUT-TURN REPORT AND STATEMENT OF ACCOUNTS

Members considered the Out-turn Report and also the Draft Statement of Accounts (Annual Return), for the year ending 31 March 2019. Members raised numerous questions in regard to specific budget heads, including anticipated costs for the Sheriff's Ride, the reduction in market income and Farmers' Market provision and the costs of the local elections. The Town Clerk answered the queries to the satisfaction of the Committee. Cllr Mrs A Lax advised that the figures for the Mayor and Sheriff's allowance did not reflect the recently agreed changes though the overall amount of the combined allowance remains the same; the Town Clerk to amend these figures prior to the out-turn report being presented to Council.

RECOMMENDATION TO COUNCIL:

- 1** *The Out-Turn Statement 2018/19 be received.*
- 2** *The Council as Trustee of the Johnson Birthplace Charitable Trust make a payment of £9,969 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 2018/19 financial year.*
- 3** *In respect of the External Auditor Annual Return for the year ending 31 March 2019:*
 - 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.*

3 DATE AND TIME OF NEXT MEETING

In the calendar of meetings as Thursday 12 March 2020 at 6.30pm; at the suggestion of Cllr C Spruce it was agreed that it may be advantageous for the Committee to meet again when the half-yearly out-turn figures are available.

RECOMMENDATION TO COUNCIL: *That an additional meeting of the Audit Committee be added to the calendar of meetings 2019/20; the meeting to take place during November 2019.*

**THERE BEING NO FURTHER BUSINESS THE CHAIRMAN DECLARED
THE MEETING CLOSED AT 6.55 PM**

Audit Committee 26 November 2019: APPENDIX 1

FINANCIAL SUMMARY REPORT - 1 APRIL to 30 SEPTEMBER 2019

This report contains the financial progress for the period 1 April 2019 to 30 September 2019 and summarises the income and expenditure against budget in the first six months (50%) of the financial year and the year-end projected outturn. The report shows:

Column 1 – The actual income/expenditure to 30 September 2019 (50% of full year)

Column 2 – The forecast of expenditure for the remaining six months

Column 3 – The current anticipated total spend for the year (Column 1 + 2)

Column 4 – The budget for 2019/20

Column 5 – The anticipated variance from budget

Column 6 – Explanatory note reference (notes overleaf)

- Actual/Forecast/Total/Budget column figures in red represent income.
- Variance column figures in red represent variance worse than budget.

<u>Net Expenditure</u>	£	£	£	£	£	
SERVICE AREAS	ACTUAL 6 MONTHS TO 30 SEPTEMBER	FORECAST FOR REMAINING 6 MONTHS TO 31 MARCH	TOTAL FOR YEAR (Col. 1 + 2)	BUDGET FOR YEAR	VARIANCE	NOTES
Parks and Footpaths	105,955	126,374	232,329	231,998	331	
Guildhall	40,548	47,691	88,239	73,505	14,734	1
Community Centres	7,944	7,361	15,305	15,130	175	
Markets	-6,756	-3,369	-10,125	-30,175	20,050	2
Civic	52,044	42,023	94,067	86,022	8,045	3
Grant Aid/Partnerships	43,373	5,609	48,982	51,366	2,384	
Arts/Tourism/Twinning	24,786	41,688	66,474	65,790	684	
Johnson Birthplace Museum	42,735	53,892	96,627	98,349	1,722	
Democratic Services	52,277	98,064	150,341	152,326	1,985	
Investment Interest	-2,980	-2,960	-5,940	-4,890	1,050	
Loan Charges	0	0	0	0	0	
Agency	-19,942	1,850	-18,092	-18,174	82	
Repairs and Renewals	58,412	36,983	95,395	90,933	4,462	4
TOTAL SERVICE COST	£398,396	£455,206	£853,602	£812,180	£41,422	Approx 5% 5
Capital Contribution	-18,000	0	-18,000	0	18,000	6
Community Infrastructure Levy (CIL)	-4,630	-9,970	-14,600	0	14,600	7
TOTALS	£375,766	£445,236	£821,002	£812,180	£8,822	Approx 1.0%

Explanatory Notes:

- Note 1: Includes costs associated with repairs to the Guildhall lift and replacement of catering dishwasher.*
- Note 2: Impact of Street Trading legislation as applied to the Square against 2019/20 budget.*
- Note 3: Includes additional costs associated with the Sheriff's Ride, notably the withdrawal of free Policing provision.*
- Note 4: Includes costs of urgent repairs to Cruck House carried out following architect's quinquennial inspection, plus further fees associated with the proposed renovation of the Guildhall in 2020/21; greater progress has been made than originally envisioned for 2019/20 – these costs would have originally been included as part of the 2020/21 budget proposals.*
- Note 5: Total service cost approx. 5% above 2019/20 budget.*
- Note 6: Capital contribution following the City Council's meeting of 28 January 2019.*
- Note 7: CIL receipts less commitments (in year movements only); any balance being transferred to the earmarked CIL reserve.*

In the notes above, several unforeseen occurrences during 2019/20 and their impact on the City Council's financial position are highlighted. These and additional notable pressures together with approximate costs are listed below.

ITEM	COST £ (approx.)
Repairs to Guildhall Lift (new power pack, door sensors etc)	10,000
Withdrawal of free policing for Sheriff's Ride and requirement to make alternative arrangements	7,000 (permanent budgetary pressure)
Replacement of Guildhall catering dishwasher	2,000
Replacement of office PC's (Windows 7 end of life)	5,000
Urgent repairs to Cruck House following architect quinquennial inspection	5,000
'Front loading' of fees associated with Guildhall Main Hall renovations	5,000
Introduction of Street Trading on the Market Square by LDC and resulting loss of income from 'ad hoc' hire	15,000 (against 2019/20 budget - permanent budgetary pressure)
TOTAL	£49,000 (approx. 6% of precept)