

For Council: 9 June 2025 APPENDIX 1A

Lichfield City Council

Minutes of the Meeting of the Audit Committee held via 'Zoom' on Wednesday 4 June 2025 at 6.30pm

Present: Councillor A Fox (Chair) and Councillors P McDermott, D Robertson, J Smith, M Warfield and B Watkins

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

Apologies: Councillors A Lax and E Strain, A James (Accounts Officer)

1. DECLARATIONS OF INTEREST AND REQUESTS FOR DISPENSATION

None

2. MINUTES AND MATTERS ARISING

RESOLVED: *The Minutes of the meeting held on 5 March 2025 be agreed as a correct record. [Minutes adopted by the City Council on 10 March 2025].*

3. ASSET REGISTER AND ASSET REGISTER POLICY

Members conducted the annual review of the asset register and associated policy.

RECOMMENDATION TO COUNCIL: *That the Asset Register and associated policy be adopted. [APPENDIX A and B to these Minutes]*

4. OUT-TURN REPORT AND STATEMENT OF ACCOUNTS

Members considered the Out-turn Report and the Draft Statement of Accounts (Annual Return), for the year ending 31 March 2025.

Cllr J Smith queried why the forecast increase in energy costs was not of an equal percentage across the various budget heads. The Town Clerk confirmed there are accounts with different energy companies for the Birthplace Museum than for Donegal House and Guildhall. Markets electricity usage has been affected by third parties using the supply and then being invoiced for that use thereafter.

Cllr P McDermott stated it was good to see the Markets in profit and commended the work of all involved to achieve this. The Committee commended the work of the Museums and Heritage Officer in improving the Birthplace bookshop and reception area during the year, achieving good results with a relatively limited budget.

The Chair asked whether the cabling in readiness for the switch from analogue to digital was complete. The Town Clerk confirmed that the internal work at Donegal House and the Guildhall was indeed complete, with discussions now underway with Openreach in regard to connection.

The Chair asked for some clarity on how the payment from the Birthplace Trust is arrived at. The Town Clerk stated this was income from the Birthplace *[more specifically, it is income from donations and ticketed events held at the Museum]*.

Cllr B Watkins noted the higher than anticipated investment income, and the impact this had on the overall underspend.

RECOMMENDATION TO COUNCIL:

- 1 *The Report and Out-Turn Statement 2024/25 be received.***
- 2 *The Council, acting in the capacity of sole Trustee of the Johnson Birthplace Charitable Trust, make a payment of £12,606 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 2024/25 financial year.***
- 3 *In respect of the External Auditor Annual Return for the year ending 31 March 2025:***
 - 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 11 June 2025 and ending on 22 July 2025.***

5. DATE AND TIME OF NEXT MEETING

In the City Council's approved Calendar of Meetings as Wednesday 4 December 2025 at 6.30pm. The Committee has previously expressed its preference that the meetings are held via 'Zoom'.

THERE BEING NO FURTHER BUSINESS THE MEETING WAS CLOSED AT 6.52PM

AUDIT COMMITTEE Minutes 4 June 2025: APPENDIX A

Lichfield City Council
Asset Register 2025/26

Property

Lichfield City Council

Operational Assets:

1 Donegal House & courtyard	Acquired	2012	Bore Street,Lichfield WS13 6LU
2 Guildhall	Acquired	2012	Bore Street,Lichfield WS13 6LU
Guildhall Stained Glass Window			
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
HITWAY Electric Bike

Total VALUE AGAR

Samuel Johnson Charitable Trust

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

AGAR	AGAR	Reinstatement costs	Zurich		
			Insurance Valuation		
			01/05/2025		
2023/24	2024/25	oct-21	Building	Contents	All Risks
£	£	£	£	£	£
1,860,819	1,860,819	3,250,000	4,708,226	50,781	
2,652,250	2,652,250	4,655,000	6,158,565	91,358	
		285,000			388,367
333,120	333,120	415,000	601,204	0	
604,551	604,551	825,000	1,195,165	0	
443,422	443,422	489,500	709,131	0	
852,327	852,327	905,000	1,311,060	0	
£6,746,489	£6,746,489	£10,824,500	£14,683,352	£142,139	£388,367
1	1	720,000	1,043,053		
1	1	460,000	652,571		
1	1	143,000			194,864
1	1	151,200			206,039
1	1	0			
1	1	55,000	79,678		
1	1	0			
1	1	0			
58,064	58,064	85,000	123,138		
1	1	42,600			58,051
497,901	497,901				1,757,734
£555,975	£555,975	£1,656,800	£1,898,440	£0	£2,216,687
					6,615
					4,654
					1,527
					13,230
					3,704
					4,366
					10,584
					9,261
					788
			£0	£0	£54,728
£7,302,463	£7,302,463	£12,481,300	£16,581,792	£142,139	£2,659,782
			Ecclesiastical Insurance		
			Building	Contents	
			1,952,000	3,319,902	8,516
					3,979
					5,000
					1,497,636
					15,000
					15,000
					12,790
					6,000
					5,000
					100,000
			1,952,000	3,319,902	1,568,921
					100,000
			£14,433,300	£19,901,694	£1,711,060
					£2,759,782

Audit Committee Minutes 4 June 2025: APPENDIX 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

Revisions June 2025: None