

**LICHFIELD CITY COUNCIL
INTERNAL AUDIT REPORT
2023-24**

**Graham Keatley
Internal Auditor**

ANNUAL REPORT OF INTERNAL AUDIT 2023-24

Introduction

The purpose of this report is to:

- Provide the Council with an internal audit opinion of the effectiveness of the systems of financial control, risk management and control arrangements based on the work undertaken during the year
- Summarise internal audit activity
- Raise any particular issues arising from that work

Overall Opinion

Based on the findings of the work undertaken during the year, my overall opinion on the soundness of the system of internal control is that it was adequately controlled. The overall opinion for each review conducted is given in the Appendices. Areas for improvement were identified in a number of reviews and action plans agreed.

Background

The Local Government Accounts and Audit Regulations 2011 require every Authority to maintain an adequate and effective system of internal audit of its accounting records and its system in accordance with proper internal audit practices.

Internal Audit is an assurance function that primarily provides an independent and objective opinion to the Council on the control environment comprising risk management, control and governance, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to proper, economic, efficient and effective use of resources.

Internal Audit must ensure that all activities of the Council are subject to an internal audit review. The identification of these activities has been agreed with the Town Clerk.

The Annual Audit Plan for 2023-24 was approved by the Audit Committee on the 9 March 2023 Approved by Council 13 March 2023, and is reproduced for information as **Appendix A**.

The findings of work undertaken, and recommendations are at **Appendix B**.

A summary of the recommendations and management response are at **Appendix C**.

The Management and Insurance risk register details are at **Appendix D**.

The Annual Internal Audit Report as required for the Annual Accountability Return for the year ended 31st March 2024 will be completed as the statement of accounts for 2023-24 is prepared. Details are contained in **Appendix E**.

AUDIT PLAN 2023-24**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
- 2.4 Reserve Policy

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 Review of Corporate Governance
- 3.11 Further Developments
- 3.12 Any other areas Identified during the year of Audit

4. MANAGEMENT AND INSURANCE REGISTER**4.1 Asset Register**

APPENDIX B

1. FINANCIAL SERVICES

1.1 Fraud and Corruption Checklist

The Anti Fraud and Corruption Checklist Action Plan sets out tasks for the production of clear, written instructions and procedures for all staff on: -

- Cash collection/ handling duties
- Credit income duties
- Order for work, goods and services
- Creditor payments
- Cheque dispatch procedures
- Petty Cash
- Banking duties
- Payroll processing
- Bankline Payments
- Card Payments

The financial procedure notes are in place and are being updated.

Risk Management

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.

I note that Staff have completed Action Counter Terrorism awareness e-learning training

No Significant risks have been identified

1.2 Main Accounting System

The purpose of the review is to ensure the main Accounting System provides complete and accurate data to produce budget reports and the publication of the Annual statement of Accounts.

I am pleased to note that there are good controls operating.

1.3 Creditors

The purpose of the review is to look at the ordering, receipt and payment of goods and services; that the financial regulations have been adhered to, and the appropriate controls are in place and in operation.

Payment Terms

With reference to the Government's objective to pay Small Medium Enterprises (SME's) within 30 days, I have taken a sample of the Council's invoices. **66.1%** have been paid within 10 days and **98.2%** are paid within 30 days from date of invoice.

Year	Invoices paid within 30 Days	Invoices paid within 10 Days
	%	%
2015/16	88.5	27.9
2016/17	81.3	37.6
2017/18	93.7	45.8
2018/19	92.2	53.7
2019/20	92.6	56.0
2020/21	91.6	49.8
2021/22	94.2	48.0
2022/23	96.3	66.4
2023/24	98.2	66.1

I am pleased to note that there are good controls operating.

- That financial regulations have been complied with
- All payments are appropriate and legitimate
- There is adequate documentation

1.4 Sundry Debtors

The purpose of the review is to look at the controls and operations relating to bookings and admissions.

I am pleased to note that there are good controls operating;

- Price increases are agreed by Council
- Price changes are implemented
- There is adequate documentation
- That bad debt is managed, and any write off action if required is taken promptly

1.5 Payroll

The purpose of the review was to identify whether there are appropriate controls in place and in operation.

I am pleased to note that there are good controls operating in relation to staffing matters;

- The responsibility is clearly defined in the Council's Financial Regulations
- Personnel records are kept securely
- All payments are appropriate and legitimate

Local Government Pension Scheme (LGPS)

Staffordshire Pension Fund 2022 has carried out a valuation as at 31 March 2022 to determine the contribution rates that Lichfield City Council will need to pay for the three years beginning 1 April 2023.

Employers	Contribution Rates		
	Primary Rate % of Pay	Secondary Rate % of Pay	Total % of Pay
31 March 2023	-	-	25.60%
31 March 2024	25.00%	-0.40%	24.60%
31 March 2025	25.00%	-1.40%	23.60%
31 March 2026	25.00%	-2.40%	22.60%

The Pension Regulator- LGPS Pension Auto-enrolment

The Authority every three years has to complete re-declaration to The Pension Regulator. This was completed in April 2023. The next re-declaration is April 2026

Staffordshire Pension Fund:

- The Town Clerk has nominated the Internal Auditor to be the Local Government Pension Scheme Regulations Employers' Internal Dispute Resolution Procedure (IDRP) Nominated Contact.
- Employer Pension Discretions Policy Employee Statement has been updated (Council 4th October 2023)

1.6 Management of VAT

The purpose of the review is to identify whether there are appropriate controls in place and in operation and to review the partial exemption calculation.

- To examine the current systems, procedures and controls relating to Vat entries into the financial information system
- To ensure VAT is accounted for and recovered appropriately
- Ensure the VAT return is completed correctly and on time
- That the partial exemption calculation is completed and reviewed

I have reviewed the returns made to HM Revenue and Customs, and the authority's partial exemption calculation, and confirm that the appropriate controls are in place.

The HM Revenue and Customs (HMRC) monthly VAT claim is completed online via the Government Gateway.

I am pleased to note that there are good controls operating.

1.7 Banking Arrangements

The purpose of the review is to identify whether there are appropriate controls in place and in operation, ensuring all cash collections and banking arrangements are in accordance with Financial Regulations.

I am pleased to report that there are good controls in relation to banking matters.

- Financial Regulations have been adhered to
- All receipts and payments are dealt with promptly
- Adequate separation of duties
- Bank Account Reconciliations are completed

1.8 Petty Cash

The purpose of the review is to identify whether the appropriate controls are in place and in operation.

Petty Cash reimbursements are included in the Imprest Account reconciliation.

I am pleased to report that there are good controls operating.

- The responsibility is clearly defined in the Council's Financial Regulations
- Receipts obtained for all reimbursements and approved

1.9 Income Monitoring

I have reviewed the income received by the authority and checked that all fees and charges have been reviewed and reported in accordance with financial regulations.

However, I have the following recommendation to make:

Recommendation 1

Samuel Johnson Birthplace - that the Weekly Paying in Slips record cash donations separately.

1.10 Budgetary Control

To ensure that the Budget has been approved, monitored and reported in accordance with Financial Regulations and that the level of reserves are at an adequate level to meet the needs of the organisation.

I am pleased to note that the Budget is approved, monitored and controlled in accordance with the Council's Financial Regulations.

1.11 End of year closedown

An important measure of proper financial control and accountability is the timely closure and publication of audited accounts.

I am pleased to report that there are good controls operating.

1.12 Statement of Account

The statutory target for presenting the Annual return to Members for approval is 30 June 2023. The Annual Return for 2022-23 accounts was approved and published by Council on 12 June 2023, and the exercise of Public Rights (commencing 14/06/23 and ending on 25/07/23) was published 13 June 2023 on the Council's website www.lichfield.gov.uk and noticeboard.

I am pleased to report that the requirements under the Accounts and Audit Regulations for 2022/23 were met.

Section 3 - External auditor's certificate and opinion 2022/23

The external auditor on 5th September 2023 issued an unqualified report and the Notice of conclusion of Audit and right to inspect the annual return was published on the council's website www.lichfield.gov.uk and noticeboard on 7th September 2023.

Appointment of external auditor

From 2023-24 the Smaller Authorities Audit Appointments (SAAA) the Ministry of Housing, Communities and Local Government? as the 'specified person' to procure and appoint external auditors to smaller authorities, have appointed for the period 2022-2027 MAZERS LLP for Staffordshire.

2. STRATEGIC POLICIES

2.1 The Treasury Management Policy and Strategy Statement for 2023-24

Approved by the Audit Committee on 9 March 2023 and subsequently approved by Council on 13 March 2023.

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

Borrowing

The authority has undertaken no borrowing during 2023/24.

2.2 Investment Policy

Investments have been made in accordance with the Investment Strategy.

Liquidity of Investments

- Nat West - Business Reserve Account
- Nat West - Direct Reserve Account
- Nat West – Imprest Account

Specified Investment

- Nat West Treasury Reserve Fixed Term Deposit. The Town Clerk on 16 January 2024 has invested £1,200,000 at 4.12% for 365 days.

Summary	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Actual	Actual	Actual	Estimate
Average Account Balance	£1,753,825	£2,957,000	£2,920,585	£2,981,898	£2,415,000
Interest	£10,881	£8,267	£2,703	£24,193	£64,800
Average Interest Rate	0.61%	0.28%	0.09%	0.81%	2.68%

2.3 Treasury Management Practices (TMP's)

The treasury management practices set out the manner in which the Council will seek to achieve its treasury management objectives and how it will manage and control those activities.

- TMP 1 - Risk management
- TMP 2 - Best Value and Performance Plan
- TMP 3 - Decision making and analysis
- TMP 4 - Approved instruments, methods and analysis
- TMP 5 - Organisation, clarity and segregation of responsibilities and dealing arrangements
- TMP 6 - Reporting requirements and management information arrangements
- TMP 7 - Budgeting, accounting and audit arrangements

- TMP 8 - Cash and cash flow management
- TMP 9 - Money Laundering
- TMP 10 - Staff training and qualifications
- TMP 11 - Use of external service providers
- TMP 12 - Corporate Governance

The RFO has complied with the TMP's 1 to 12

2.4 Reserves Policy

Approved by the Audit Committee on 9 March 2023 and subsequently approved by Council on 13 March 2023.

The purpose of this statement is to establish how the authority manages its activities in relation to use of General and Earmarked Reserves.

I am pleased to note that there are good controls operating regarding Investments and management of reserves.

3 SPECIFIC REVIEW

3.1 Financial Regulations and Procedures

To ensure that Financial Regulations and procedures have been complied with.

I can confirm that finances have been administered in accordance with Financial Regulations and Procedures adopted by the Council.

3.2 Contract Standing Orders

To identify amendments and updates to Contract Standing orders and that they have been complied with.

I can confirm that Contracts have been administered in accordance with Financial Regulations and Procedures adopted by the Council.

3.3 Review of 2022-23 Internal Audit Recommendation

I confirm that the recommendations for 2022-23 have been actioned. **Appendix C.**

The following Recommendations have been Carried forward to 2024-25

1 - 2022-5 Guildhall Bar Charges

Various options have been considered and are in the process of being reviewed.

2 - 2022-12 Water Charges

To be discussed by the Climate Change and Biodiversity Committee as part of the provision of water fountains and refill points.

3.4 Capital Works

The purpose of the review is to look at the Contract works during 2023/24, to confirm that the Financial Regulations have been adhered to and the appropriate controls are in place and in operation.

I can confirm that the contract works have been administered in accordance with Financial Regulations and Procedures adopted by the Council and that there are good controls operating.

3.5 The Local Government Transparency Code 2015

The Government's transparency agenda encourages local authorities to make public data openly available.

It defines Local Authority as "a parish council which has gross annual income or expenditure (whichever is the higher) exceeding £200,000".

Information to be published:

Quarterly (published no later than one month after the quarter date)

- Expenditure exceeding £500
- Government procurement card (**not applicable to LCC**)
- Procurement Information

Annually

- Local Authority Land
- Social Housing Assets (**not applicable to LCC**)
- Grants to voluntary, community and social enterprise organisations
- Trade union facilities (**not applicable to LCC**)
- Parking Account (**not applicable to LCC**)
- Parking Spaces (**not applicable to LCC**)
- Fraud (**not applicable to LCC - relates to Social Housing and Council Tax Reduction Scheme**)
- Community Infrastructure Levy (CIL)

Pay Policy Statement

- Senior Salary
- Constitution
- Pay Multiples

The Council adopted the Code of Recommended Practice for Local Authorities.

The Council also publishes the following:

- Complaints procedure
- Freedom of Information and Publication Scheme
- Financial Regulations and Standing Orders
- Committee, Panel & Advisory Committee Membership
- Budget Summary
- Out-turn Reports
- Annual Report
- Annual Returns

The purpose of this review is to ensure that the Transparency agenda has been actioned.

The Council's web site has been subject to an Accessibility Statement update; this was completed in June 2020.

I have the following recommendations to make:

Recommendations 2

Pay Policy Statement -currently this reflects details as at November 2021. As a result of staff structure changes and 2023/24 Pay Award and the implementation of the Living Wage:

Recommendation 2.1

- That the Town Clerk update the Pay Policy Statement to reflect the updated staff structure and the 2023/24 Pay Award.

Freedom of Information – Currently 14 FOI requests have been received of which 5 related to the Parish Council and 9 to other Councils (LDC, SCC). Responses by the Town Clerk were within 20 working days.

Recommendation 2.2

- That the Town Clerk create a separate file to record FOI requests

Internal Audit Forum- The Town Clerk has joined the Internal Audit Forum. At a recent meeting one topic was the mandatory reporting of Internal Audit Reports, towards the aim and to assist transparency.

The Practitioner's Guide 2024 (Extract)

- It is recommended as best practice, to avoid any potential confusion by local electors and interested parties that you also publish the annual Internal Audit Report.

Recommendation 2.3

- To assist Transparency, I would recommend that the Town Clerk publish the Internal Audit Reports in the transparency section of the LCC website.

I can confirm that requirements of The Local Government Transparency code have been met.

3.6 Insurances

The Council's risk register identifies 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.

The Council has an insurance Policy with Ecclesiastical Insurance for The Samuel Johnson Museum.

The Town Clerk reviews the Insurance Risk Register **Appendix D** and the Insurance policy in March of each year and arranges for additional cover as circumstances arise.

I can confirm that that appropriate insurance cover for identified risks is in place.

3.7 Code of Conduct and Disclosure of Interest

Members

The Localism Act 2011 contains provisions which replace the previous standards framework established under the Local Government Act 2000. These provisions are contained in section 26-37 and Schedule 4 of the Act and took effect from 1 July 2012. The new provisions apply to both members and co-opted members of parish councils. The changes affect members of principal councils too, but with some slight differences in application as compared to parishes.

At Council on 25 June 2012, it was resolved that with effect from 1 July 2012 the Council adopt until further notice, the code of conduct as contained in Appendix 2 to the minutes.

Related Party Transactions

To support high standards of corporate governance, Council members should declare what are termed 'related party transactions' to the Council.

I have reviewed the declarations of interests and dispensations.

I can confirm that the Code of Conduct and disclosure of interest for members are included on Lichfield City Council's website.

3.8 The Samuel Johnson Birthplace Museum

The following Museum document has been adopted by Johnson Birthplace Advisory Committee (JBAC) on 25/03/23 and approved by Council 12/06/2023:

- The Museum Forward Plan 2023-26
- Samuel Johnson Birthplace Museum: Costs and Charges
- Development Project - Major Capital works to be undertaken funded by LCC Capital Reserve. Updated Council 11 December 2023

The Council as the Sole Trustee of the Johnson Birthplace Charitable Trust made a payment of £12,333 from the Trust Funds to the City Council as a contribution to the expenditure incurred by the City Council in operating the Museum during the financial year 2022-23.

Johnson Birthplace Charitable Trust Account

Dr Johnson's Birthplace Trust, Charity number: 500046

The Charity Commission Online Return for the period 1 April 2022 to 31 March 2023 has been submitted online.

Johnson Birthplace Charitable Trust Account- Statement									
Year	Opening Balance	Income				Spending			Closing Balance
		Grants	Bequests	Donations Admissions Sales	Total Income	LCC Transfer	Payments	Total Spending	
£	£	£	£	£	£	£	£	£	£
2015/16	6,605	-	-	9,901	9,901	9,858	157	10,015	6,491
2016/17	6,491	-	-	12,077	12,077	11,006	-	11,006	7,562
2017/18	7,562	-	-	12,407	12,407	12,300	-	12,300	7,669
2018/19	7,669	-	-	11,119	11,119	9,969	400	10,369	8,419
2019/20	8,419	-	-	13,843	13,843	13,791	-	13,791	8,471
2020/21	8,471	11,003	7,931	3,033	21,967	14,305	2,650	16,955	13,483
2021/22	13,483	8,792	-	4,360	13,152	12,936	179	13,115	13,520
2022/23	13,520	-	-	9,872	9,872	12,333	394	12,727	10,665
2023/24 estimate	10,665	-	-	11,740	11,740	11,640	-	11,640	10,765

I can confirm that the Council met its responsibilities as trustee.

3.9 Policy and Procedure Documentation – Employees

I confirm that the following policies are included in the Staff Handbook.

1. Disciplinary Policy
 2. Grievance Policy
 3. Maternity Policy
 4. Paternity Leave Policy
 5. Adoption Leave Policy
 6. Parental leave Policy
 7. Equal Opportunities Policy
 8. Flexible Working Policy
 9. Internet Use and Email Guidance
 10. Child Protection/Safeguarding Policy
 11. Training and Development Policy
 12. Performance and Development Policy
 13. Sickness Policy
 14. Managing Relationships at Work Policy
 15. Anti-Fraud and Corruption/Whistleblowing
 16. Code of Conduct for Employees
 17. Social media and Electronic Communications Policy
 18. Management of Transferable Data Policy
 19. Information and Data Protection Policy
 20. Remote Working Policy
 21. Retention of Documents Policy
 22. Electronic Payment terminals – Operating Procedures
 23. Severe Weather Policy - General
 24. Severe Weather Policy – Markets
 25. Cyber Security Policy
- New
26. Menopause Policy (Council 11 December 23)

The above policies have been included in a Staff Handbook approved by Council 06/12/21, (updated December 2023).

The handbook provides a guide for all staff on the terms, conditions, and policies regarding employment at Lichfield City Council and a guide for councillors on what is expected from staff and the relationship between staff and councillors.

The Town Clerk has engaged Keelys LLP to provide an Employment Health Check Plan which includes a review of current policies.

The Town Clerk has engaged Terrain Health and Safety Consultants to provide Health & Safety services including risk assessments of City Council Buildings and working practices.

Employees have been notified of updates of policies.

I am pleased to report that there are good controls operating.

3.10 Review of Corporate Governance

The objective of this review is to ensure that the Council has robust corporate governance documentation and procedures in place and that Council meetings are conducted in accordance with adopted Standing Orders and that no actions of a potential unlawful nature have been or are being considered for implementation.

I am pleased to report that there are good controls operating.

I note that the Town Clerk will be offering training to Councillors elected in May 2023.

- Training courses provided by Staffordshire Parish Councils Association(SPCA)
- Good Councillors Guided Development Tools provided by National Association of Local Councils (NALC)

3.11 Further Developments

I note the following items will have an impact on the Council:

- Capital Programme
- Martyns Law - is pending UK wide legislation that will place a requirement on those responsible for certain publicly accessible locations with a capacity of more than 100 people to consider the threat from terrorism and implement appropriate and proportionate mitigation measures.

3.12 Other Activities during the year

I have completed a detailed review of the following.

Items marked with * have been impacted by COVID-19

2023- 0 Electronic Card Payments

I note that under the Payment Card Industry Data Security Standard that the Council is PCI Compliant till 16/05/2024.

I have reviewed the recording and reconciliation of payments received to date and I am pleased to note there are good controls operating.

Year	Transactions	Payments	Fees Paid	Fees Average %
2018/19	691	£24,189	£322	1.3%
2019/20	755	£28,304	£426	1.5%
2020/21	1,490	£40,857	£577	1.4%
2021/22	3,059	£92,923	£1,270	1.4%
2022/23	3,382	£93,169	£1,868	2.0%
2023/24 estimated	3,900	£113,215	£2,350	2.1%

2023-1 Street Lighting Service

In 2003 Staffordshire County Council entered into a 25 year PFI agreement for the renewal and maintenance of road lighting and traffic sign equipment including street lighting - Lichfield City Council is part of this agreement.

I have completed a detailed review of the E-On highway lighting and maintenance charges. I note that for 2023/24 maintenance costs have increased by 12.9% and energy KWH unit costs by 7.4%.

Year	No Street Lights	KWH	Rate	Cost	Maintenance Cost	Total Cost
2018/19	136	45777.18	0.176	£8,020	£3,584	£11,604
2019/20	136	45777.18	0.176	£8,020	£3,670	£11,691
2020/21	137	19488.28	0.195	£3,802	£3,791	£7,593
2021/22	139	19526.50	0.182	£3,546	£3,907	£7,453
2022/23	139	19526.50	0.354	£6,917	£4,397	£11,314
2023/24	139	20,284.05	0.366	£7,425	£4,964	£12,389

2023-2 Grounds Maintenance Service

The Council has a long-term Service agreement with Lichfield District Council to supply grounds maintenance works. This was updated 1st April 2017.

I have completed a review of the Service Level Agreement (SLA) and works instructions with Lichfield District Council, and I can confirm that all payments are made in accordance with financial regulations and standing orders.

Year	SLA value	SCC Agency	RPI Increase	Ad Hoc Works
2018/19	£110,616	£13,369	4.0%	£9,931
2019/20	£113,056	£13,770	2.5%	£6,068
2020/21	£116,455	£14,142	2.7%	£238
2021/22	£117,848	£14,340	1.4%	£11,002
2022/23	£126,621	£15,458	7.8%	£11,904
2023/24 estimated	£144,242	£17,530	13.4%	£7,176

However, I have the following recommendations to make:

Recommendation 3

- 3.1 That the Town Clerk Review the SLA agreement.
- 3.2 To aid transparency that the cost of SCC Agency highways verge grass cutting be allocated to the Agency cost centre.

Play Equipment

I have reviewed the Play Area and Play equipment monitoring,

- The sites are regularly inspected in accordance with the SLA
- The equipment is inspected annually by ROSPA, and any actions identified are immediately implemented

2023/24 Actions Identified	Low Risk	Medium Risk
Curborough Community Play Area	9	4
Lincoln Close Open Space	1	0
Stowe Croft Open Space	4	0

2023-3 Official Orders

I have reviewed the raising of Official Orders. No issues have been identified in this area of my review.

2023-4 Grant Aid

I have reviewed Grant Aid Funding. I can confirm that the total grants awarded were paid in accordance with the Council minutes.

The City Council on 15 May 2023 resolved to adopt the General Power of Competence until the Annual Meeting of the Council in 2027, having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 the Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012.

This replaces the requirement to record Section 137 Payments

Year	Estimated Electorate	Amount Specified section 137(4)a LG Act 1972	Section 137 Limit	Grants Paid
2019/20	25023	£8.12	£203,187	£36,536
2020/21	25023	£8.32	£208,191	£37,500
2021/22	25023	£8.41	£210,443	£31,810
2022/23	25,275	£8.82	£222,926	£41,179
2023/24 estimated	24,878	£9.93	£247,035	£39,882

However, I have the following recommendation to make:

Recommendation 4

4.1 That the Town Clerk review the minutes relating to Lichfield Pride Grant.

4.2 That the cost relating to services provided by the Council to be deducted from the Grant Award before payment is made.

2023-5 Guildhall Bar Charges

I have reviewed the Bar Charges arrangement with Lichfield Arts. I note that Lichfield Arts will not be providing Bars for private functions, with the exception for City of Lichfield Band and Lichfield Sinfonia.

The provision of Bars is restricted by the Temporary Events Notice (TEN) to 15 events (21 Days).

Year	Bar Charges	Commission	No Functions
2018/19	£3,754	£375	25
2019/20	£1,600	£160	19
2020/21*	-	-	-
2021/22*	£855	£86	8
2022/23	£1,524	£152	15
2023/24 estimated	222	22	2

2023-6 Markets Miscellaneous Income

I have reviewed the miscellaneous income relating to the Market Square and can confirm they have been charged in accordance with Council's approved charges policy.

Year	Commercial Hire	Wednesday/ Vegan Market	Sale of Market Stalls	Pool Walk	Total
2018/19	£17,754	£3,260	-	-	£21,001
2019/20	£13,612	£255	-	-	£13,867
2020/21 *	£6,484	-	-	-	£6,484
2021/22	£11,123	-	£5,500	-	£16,623
2022/23	£9,799	£905	-	£2,640	£13,344
2023/24 estimated	£9,523	£1,145		£4,342	£15,010

However, I have the following recommendation to make:

Recommendation 5

- That the Town Clerk review the arrangement with Lichfield Chamber of Trade regarding the use of the Market square for the Christmas Market.

2023-7 PRS Licence

I have reviewed the PRS for Music Returns for the Samuel Johnson Birthplace Museum and Guildhall and the recharges to Lichfield Arts and other hirers. I am pleased to note there are good controls operating.

Year	Samuel Johnson Birthplace Museum	Guildhall					
		Total Number of Functions	Total PRS Fees Paid	Lichfield Arts		Other Hirers	
				No. Functions	Fees	No. Functions	Fees
2018/19	£329	40	£2,053	30	£1,399	10	£654
2019/20	£317	17	£917	16	£873	1	£44
2020/21*	£325	-	-	-	-	-	-
2021/22*	£122	19	£826	19	£826	-	-
2022/23	£345	20	£1,082	15	£896	5	£186
2023/24 Estimate	£414	29	£1,410	21	£1,300	8	£110

2023-8 Johnson Birthplace Museum Third Party Payments

I have reviewed the receipts and payments made in relation to book sales at the Johnson Birthplace Museum, I am pleased to note there are good controls operating.

Year	Book Sales	Payments to Suppliers	Net Sales
2018/19	£4,135	£2,792	£1,342
2019/20	£3,992	£2,678	£1,314
2020/21 *	£474	£318	£156
2021/22 *	£2,248	£1,137	£1,111
2022/23	£1,419	£666	£793
2023/24 Estimate	£1,400	£900	£500

However, I have the following recommendation to make:

Recommendation 6

- That the Payment schedule is reviewed.

2023-9 Energy Provision

I have reviewed the energy supplier's invoices. I note the energy costs have significantly increased, price per KWH on average Electricity 42%, Gas 20%.

I am pleased to note there are good controls operating.

Year	KWH	Cost	(EBRS) Discount	Climate Change Levy	Data Collection/ Standing Charge	Total Cost
Electricity-N-Power						
2018/19	81846	£10,674	-	£359	£1,636	£12,669
2019/20	79838	£11,391	-	£478	£1,845	£13,714
2020/21*	54197	£7,955	-	£265	£1,743	£9,973
2021/22*	58489	£8,669	-	£315	£1,725	£10,709
2022/23	66428	£19,015	-	£358	£2,848	£22,221
2023/24 estimate	70,706	£27,020	-	£320	£4,165	£31,510
Gas-Corona/British Gas						
2018/19	269244	£6,449	-	£526	£1,748	£8,723
2019/20	310813	£8,121	-	£979	£482	£9,582
2020/21 *	261234	£6,197	-	£974	£505	£7,676
2021/22 *	248320	£5,827	-	£1,069	£1,534	£8,430
2022/23	217845	£27,930	-£11,380	£1,098	£1,909	£19,557
2023/24 estimate	258094	£39,545	-£2,335	£1,410	£1,810	£40,430

2023-10 Business Rates

I have reviewed the impact of business rates revaluation 2023. I confirm that all payments are made in accordance with financial regulations and standing orders.

Year	No Properties	RV	Business Rates	Business Rate reliefs	Net Business Rates	Lichfield BID*
2018/19	4	71,500	£34,349	-£580	£33,769	£1,046
2019/20	4	71,500	£35,135	-£772	£34,363	£1,033
2020/21	4	71,500	£35,707	-£1,126	£34,581	-
2021/22	4	71,500	£35,707	-£1,069	£34,638	-
2022/23	4	71,500	£35,707	-£1,014	£34,693	-
2023/24	4	69,250	£34,582	-£1,090	£33,492	-

2023-11 Telephone Services

I have reviewed the telephone charges (British Telecom/Virgin) including Mobile (EE) phones and I confirm that all payments have been in accordance with financial regulations and standing orders.

Year	Rental Charge	Cost of Calls	Mobile	Total Cost
2018/19	£3,958	£1,067	£290	£5,315
2019/20	£4,169	£988	£275	£5,432
2020/21*	£4,346	£458	£262	£5,066
2021/22	£4,536	£904	£868	£6,308
2022/23	£4,870	£1,014	£887	£6,771
2023/24 estimate	£5,750	£1,110	£800	£7,660

2023-12 Water Charges

I have Analysed water charges and I can confirm that all payments were made in accordance with Financial Regulations and Standing Orders.

Year	Water			Surface Water		Total Cost
	Standard Charge	Usage	Retail Charge	Standard Charge	Usage	
2018/19	£355	£1,699		£228	£537	£2,819
2019/20	£480	£1,579		£283	£520	£2,862
2020/21	£474	£1,379		£309	£554	£2,716
2021/22	£521	£1,733		£347	£569	£3,170
2022/23	£535	£2,367		£380	£570	£3,852
2023/24 estimate	£710	£3,660	£210	£200	£740	£5,500

However, I have the following recommendation to make:

Recommendation 7

- That the Town Clerk arrange for the meter readings to be made at a minimum every three months.

2023-13 Photocopier Service

I have reviewed the photocopier agreements with RICOH for Donegal House and Samuel Johnson Museum. I confirm that all payments are made in accordance with Financial Regulations and Standing Orders.

Year	No Copies	Rental	Black & White usage	Colour usage	Total Cost	Average copy cost
2018/19	180,035	£1,840	£246	£1,920	£4,062	2.2p
2019/20	136,642	£1,840	£183	£1,497	£3,520	2.6p
2020/21*	66,548	£1,881	£82	£745	£2,708	4.1p
2021/22	81,461	£1,881	£92	£979	£2,951	3.6p
2022/23	97,926	£1,881	£109	£1,168	£3,158	3.2p
2023/24 estimate	90,039	£1,881	£111	£1,181	£3,173	3.5p

2023-14 Market Skip Hire

I have reviewed the hire charges. The Contract was awarded to Barnes Skips October 2021 and Lichfield District Council Supplying a skip for food waste.

I can confirm that all payments are made in accordance with Financial Regulations and Standing Orders.

Year	Waste Charges	Number of occasions
2018/19	£7,770	102
2019/20	£7,917	102
2020/21 *	£5,179	55
2021/22 *	£5,328	53
2022/23	£4,970	52
2023/24 estimate	£5,020	52

2023-15 Glass Collection

Bottle Bank Collection Services

I have reviewed the Glass Recycling returns to SCC and the Recycling Credit payments to the Mayor and Sheriff's Charity and I confirm that all payments are made in accordance with Financial Regulations and Standing Orders.

Year	Tonnage	Recycling Credits	Average Credit per Tonne
2018/19	11.535	£614	£53.26
2019/20	13,791	£766	£54.84
2020/21	16,037	£879	£54.84
2021/22	12,960	£754	£58.18
2022/23	20,325	£1,183	£58.18
2023/24 estimate	19,670	£1,210	£61.73

2023-16 Payroll Expenses

The purpose of the review was to identify whether there are appropriate controls in place and their operation. Procedures are in accordance with legislation and Council agreed policy. Expenditure on staffing is processed and recorded/monitored correctly.

I am pleased to note there are good controls operating.

2023-17 Christ Church Interment Fees

I have completed a detailed breakdown of the Interment Fees. The Town Clerk has reviewed the agreement. I can confirm that the Interment Fees received are in accordance with the Agreement.

Year	Interment Fees	Number of Burials	Number of Cremated	Number of Memorials
2018/19	£415	2	-	3
2019/20	£481	3	-	2
2020/21	£716	6	-	4
2021/22	£1,057	8	-	4
2022/23	£1,597	5	-	14
2023/24 estimate	£500	2		4

2023-18 Market Income

I have completed a review of market receipts for rent/services charges. I am pleased to note there are good controls operating.

Market Income

Year	Friday Market	Saturday Market	Farmers - Producers Market	Tuesday Market	Total
2018/19	£43,383	£55,085	£5,617	£29,622	£133,707
2019/20	£43,406	£51,447	£3,170	£28,349	£126,370
2020/21 *	£10,048	£12,640	£2,030	£10,148	£34,866
2021/22 *	£25,510	£25,180	£2,750	£20,268	£73,708
2022/23	£26,051	£29,116	£2,920	£18,000	£76,087
2023/24 estimate	£29,320	£33,320	£3,480	£22,640	£88,760

Service Charges

Year	Service Costs				Income	Net Cost
	Utilities	Trade waste	Cazebos	Total		
2018/19	£2,065	£7,670	-	£9,735	-£13,418	-£3,683
2019/20	£2,147	£8,592	-	£10,739	-£12,240	-£1,500
2020/21 *	£1,849	£5,064	-	£6,913	-£4,858	£2,055
2021/22 *	£2,693	£5,632	-	£8,325	-£8,150	£175
2022/23	£4,625	£4,970	483	£10,078	-£8,834	£1,244
2023/24 estimate	£6,370	£5,020	-	£11,390	-£9,360	£2,030

However, I have the following recommendation to make:

Recommendation 8

- That the Town Clerk Review the charges for electricity

2023-19 Budget /Precept Process

I have reviewed the budget /precept process for 2023-24 and I am pleased to note there are good controls operating.

However, I have the following recommendation to make:

Recommendation 9

- That the Town Clerk Review the salary allocation to Service heads

2023-20 Capital Works - Budgets

I have reviewed individual Capital Works against the budget for 2023/24 and I am pleased to note there are good controls operating.

2023-21 Election Expenses

The purpose of the review is to establish the costs of Parish Elections since 2011

Parish Election				
Date	Electorate	No Councillors	Total Cost	Cost per electorate
May 2023 estimate	24,847	29	£55,000	£2.21
May 2019	25,023	28	£40,918	£1.63
May 2015	25,141	28	£38,389	£1.49
May 2011	25,294	28	£23,316	£0.92

2023-22 Donegal House Rental Agreements

I have reviewed the Lease Agreements; the Council reviewed the subsidised rent for Lichfield Arts and Lichfield Festival on 23/01/23 and approved no increase for 2023-24 financial year.

	Lichfield Arts	Lichfield Festival	Other Tenants	Total
2018/19	£3,500	£2,040	£9,300	£14,840
2019/20	£3,500	£2,040	£5,400	£10,941
2020/21	£3,500	£2,040	-	£5,540
2021/22	£3,500	£2,040	-	£5,540
2022/23	£3,605	£2,100	-	£5,705
2023/24	£3,605	£2,100		£5,705

I am pleased to note there are good controls operating.

2022-23 The Data Protection Regulation (GDPR)

The General Data Protection Regulation (GDPR) took effect from 25 May 2018. It replaces the existing law on data protection (the Data Protection Act 1998) and gives individuals more rights and protection regarding how their personal data is used by councils. Local councils and parish meetings must comply with its requirements, just like any other organisation.

The Council on 05/03/18 approved the preparation for the General Data Protection Regulations

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Data Protection Registration Certificate

I note that the Council has registered with the Information Commissioners Office (ICO) to 16th October 2024.

I am pleased to note there are good controls in operation in relation to GDPR.

2023-24 Direct Debits

The Council on 13 June 2023 approved the payment of regular service provision by Direct Debit, and I can confirm that all payments are made in accordance with Financial Regulations and Standing Orders.

Year	No Transaction	Total Value Inc VAT	Total Value Net VAT
2018/19	258	£221,228	£189,149
2019/20	315	£249,911	£215,243
2020/21	299	£243,767	£209,343
2021/22	305	£249,100	£216,166
2022/23	345	£282,217	£242,947
2023/24 estimate	365	£321,000	£275,000

2023-25 Community Infrastructure Levy (CIL)

I have reviewed the income and expenditure and can confirm that they are in accordance with the requirements of the Community Infrastructure Levy (Amendment) Regulations 2013. I note regulation 121B, that the Council must prepare a report for any year in which it receives CIL receipts and must publish the report on its web site www.lichfield.gov.uk and send a copy of the report to the charging authority no later than 31ST December following the reported year. I confirm that the required notice has been submitted to Lichfield District Council.

Year	CIL Received	CIL Expenditure	Balance C/FWD
2018/19	£29,666	£14,112	£15,554
2019/20	£22,658	£13,652	£24,560
2020/21	£23,991	£13,473	£35,078
2021/22	£99,421	£28,442	£106,087
2022/23	£131,191	£34,964	£202,284
2023/24 estimated	£22,054	£108,105	£116,233

2023-26 Civic Events

The purpose of the review is to look at the controls and operations relating to the provision of civic Events.

- **Sheriff's Ride**

The Sheriff's Ride for 2023-24 has been replaced by a Sheriff's Banquet.

I confirm that all payments are made in accordance with Financial Regulations and Standing Orders.

Sheriffs Ride

Year	No Riders	Net cost of Ride	No Lunches	Net Cost of Lunches
2018/19	46	£5,047	110	£708
2019/20	44	£12,372	103	£715
2020/21 *	-	-	-	-

Sheriffs Banquet

Sheriffs Banquet	No Attendees	Cost	No tickets	Income	Net Cost
2021/22 *	88	£2,021	69	£1,988	£33
2022/23	-	£1,615		-	£1,615
2023/24	93	£3,012	82	£2,508	£504

- **Mayors Banquet**

No banquet took place 2019/20,2020/21 due to Covid restrictions

I confirm that all payments are made in accordance with Financial Regulations and Standing Orders

Year	No Meals	No Tickets	Income	Expenditure	Net Cost
2018/19	121	102	£2,125	£3,230	£1,105
2019/20	107	89	£2,242	£3,883	£1,641
2020/21*	-	-	-	-	-
2021/22*	-	-	-	-	-
2022/23	95	81	£2,362	£2,988	£625
2023/24	72	59	£1,720	£2,365	£645

- **Charity Events**

- VAT Gov UK-Fundraising events: exemption for charities and other qualifying bodies
Exempt restricted to 15 events in the financial year
- The Council has registered for Small society lottery License with LDC
- The Council supported 3 Charity Events during 2023/24

I am pleased to note there are good controls operating.

2023-27 Computer Services

I have reviewed the computer service charges. I confirm that all payments are made in accordance with Financial Regulations and Standing Orders.

Year	Contract	Equipment Maintenance Software Upgrades	Total
2018/19	£6,803	£5,585	£12,388
2019/20	£8,634	£7,838	£16,472
2020/21	£8,993	£500	£9,493
2021/22	£9,267	£5,242	£14,509
2022/23	£9,820	£7,900	£17,730
2023/24 estimate	£10,685	£1,500	£11,175

2023-28 Arts & Tourism

I have reviewed the Arts and Tourism costs and I confirm that all payments are made in accordance with Financial Regulations and Standing Orders.

Arts & tourism

Year	Other Events	Guildhall cells	Twinning	Total Expenditure	Income Guildhall cells	Net Expenditure
2018/19	£1,906	£15	-	£2,133	£174	£1,764
2019/20	£861	£606	-	£1,467	£243	£1,224
2020/21*	£288	£44	-	£332	-	£332
2021/22*	-	£695	-	£695	£52	£643
2022/23	£275	-	-	£275	-	£275
2023/24 estimate	£739	-	£2,617	£3,356	£87	£3,269

Other events include-Lichfield Bower contribution towards prizes/Dr Johnson Birthday Celebration.

However, I have the following recommendation to make:

Recommendation 10

- That the Town Clerk review the 1997 Council Resolution regarding the contribution towards prizes for winning floats in the non-commercial section of the Bower procession.

Christmas Lights - A five-year Contract was awarded to Darwin Electrical from 2019 for the Erection, Inspection, Maintenance and Dismantling of Christmas illuminations.

Year	Switch On	Energy	Contract	Advert for Contract	New lights	Stress Test	Total
2018/19	£5,030	£407	£13,422	-	£1,956	£1,980	£22,795
2019/20	£5,148	£494	£12,950	£111	£1,618	-	£20,321
2020/21*	-	£705	£13,082	-	£1,492	-	£15,279
2021/22	£7,277	£209	£13,602	-	£9,582	£2,300	£32,970
2022/23	£9,536		£15,112	-	£5,230	-	£29,877
2023/24 estimate	£10,700	£1,525	£16,380		£3,375	-	£31,980

2023-29 BACs Payments

I have reviewed the payments made by BACs and I am pleased to note there are good controls operating.

I confirm that all payments are made in accordance with Financial Regulations and Standing Orders.

Year	Number of Transaction	Value Including VAT	Value excluding VAT
2019/20	28	£28,014	£24,954
2020/21	404	£615,081	£562,133
2021/22	568	£747,465	£674,574
2022/23	584	£851,047	£776,143
2023/24	593	£1,272,960	£1,136,709

2023-30 Agency Employee contracts

I have reviewed the agency employee contracts costs and I confirm that all payments are made in accordance with Financial Regulations and Standing Orders.

Year	Guildhall/Birthplace		Markets		
	Cleaning Services		Market officer		
Year	Office Cleaning		Deep Clean £	Hours	£
	Hours	£			
2018/19	547	£6,684	-	-	-
2019/20	966	£12,520	-	751	£11,422
2020/21*	146	£1,901	£80	260	£3,114
2021/22*	701	£9,711	£535	792	£9,498
2022/23	978	£12,720	£160	-	-
2023/24 estimate	1,010	£21,200	-	-	-

Service Providers: -

Cleaning Services - Britannia Services contract ended 20/02/23

Cleaning Services - Sparkle 18 contract awarded 06/03/23

Note:

The current cleaning contractor charges, includes cleaning materials and has confirmed they pay their cleaners more than the real living wage.

4 Management and Insurance Risk Register

I have reviewed the Insurance Register and Management risk register, I am pleased to note there are good controls operating.

See Appendix D

4.1 Asset register

I have reviewed the management of the asset register. I am pleased to note there are good controls operating.

2022/23 Internal Audit Recommendation Summaries

No	Details	Management Response	Timescale
1	1.8 Petty Cash ➤ That the Town Clerk look at the use of procurement cards.	Agreed	Council 11 December 2023
2	1.9 Income Monitoring ➤ That the Town Clerk ensure that the income paying in schedules should be reconciled and checked before processing.	Agreed	Actioned November 2022
3	3.5 The Local Government Transparency Code 2015 ➤ That the Town Clerk review the schedule of payments to ensure that the expense payments to staff are recorded Redacted Personal Data.	Agreed	Actioned January 2023
4	3.5 The Local Government Transparency Code 2015 ➤ I would recommend as part of good practice that the Town Clerk publish a record of members attendance at all council meetings (Full Council, Committees and Sub Committees).	Agreed	Actioned March 2023
5	2022-0 Electronic Card Payment ➤ That the Town Clerk ensure that all Card Refunds are authorised by the Town Clerk/Deputy Town Clerk before processing.	Agreed	Actioned November 2022
6	2022-5 Guildhall Bar Charges ➤ That the Town Clerk review the arrangement with Lichfield Arts regarding the use of the Councils Bar facilities	Agreed	June 2023
7	2022-12 Water Charges ➤ As a result, vandalism and abuse of the water and electric services at the Friary Fountain, I would recommend that the Town Clark review the requirement to provide this facility.	Agreed	June 2023
8	2022-15 Glass Collection ➤ As a result of the Lichfield Arts not providing Bars for private functions, the Town Clerk review the arrangement for providing a Glass Collection Services.	Agreed	Contract ended 30 November 2022
9	2022.26 Civic Events ➤ That the Town Clerk look at obtaining a Prize Gaming Permit	Agreed	As required
10	4.1 Asset Register ➤ That the Town Clerk review the Fixed Asset Valuation with reference to JPAG 2022 Guidance notes.	Agreed	Council 12 December 2022
11	4.1 Asset Register ➤ That the Town Clerk produce an Asset Register policy to be reviewed annually	Agreed	Council 12 December 2022
12	4.1 Asset Register ➤ That the Town Clerk ensure the inventory lists are kept up to date and the contents insurance cover is updated as required.	Agreed	Insurance Policy updated October 2022

2023/24 Internal Audit Recommendation Summary

No	Details	Management Response	Timescale
1	1.9 Income Monitoring <ul style="list-style-type: none"> ➤ Samuel Johnson Birthplace-that the cash donations are recorded separately on the paying in slip. 	Agreed	Actioned August 2023
2	3.4 Local Government Transparency Code 2015 <p>2.1 That the Town Clerk update the Pay Policy Statement to reflect the updated staff structure and the 2023/24 pay award.</p> <p>2.2 That the Town Clerk create a separate file to record FOI request</p> <p>2.3 To assist Transparency, I would recommend that the Town Clerk publish the Internal Audit Reports in the Transparency web page.</p>	Agreed Agreed Agreed	Actioned November 2023 Actioned November 2023 Actioned December 2023
3	2023-2 Grounds Maintenance Contract <p>3.1 That the Town Clerk Review the SLA agreement</p> <p>3.2 To aid transparency that the cost of SCC Agency highways verge grass cutting be allocated to the Agency cost centre</p>	Agreed	Actioned December 2023
4	2023-3 Grant Aid <p>4.1 That the Town Clerk to review the minutes relating to Lichfield pride Grant</p> <p>4.2 That the cost relating to services provided by the Council to be deducted from the Grant Award before payment is made.</p>	Agreed Agreed	Council 11 December 2023 Actioned October 2023
5	2023-6 Markets Commercial Hire <ul style="list-style-type: none"> ➤ That the Town Clerk review the arrangement with Lichfield Chamber of Trade regarding the use of the Market square for their Christmas Market. 	Agreed	March 2024
6	2023-8 Johnson Birthplace Museum Third Party Payments-Books <ul style="list-style-type: none"> ➤ That the Payment schedule is reviewed 	Agreed	Actioned November 2023
7	2023-14 Water Charges <ul style="list-style-type: none"> ➤ That the Town Clerk arrange for the meter readings to be made at a minimum every three months ➤ 	Agreed	Actioned July 2023
8	2023-18 Market Income-Service Charge <ul style="list-style-type: none"> ➤ That the Town Clerk Review the charges for electricity 	Agreed	Council 4 th October 2023
9	2023-19 Budget/Precept Process <ul style="list-style-type: none"> ➤ That the Town Clerk review the Salary allocation to Service Heads 	Agreed	Actioned April 2023
10	2023-28 Arts & Tourism <ul style="list-style-type: none"> ➤ That the Town Clerk review the 1997 Council Resolution regarding the contribution towards prizes for winning floats in the non-commercial section of the Bower procession. 	Agreed	April 2024

APPENDIX D

INSURANCE RISK REGISTER

Category	Area of activity	Risks	Likely frequency	Severity	Review frequency	Triggers for action
Elected Members	Policy decisions Resource allocation Political agenda and priorities Probity Professional Conduct	Injury Assault Fraud, dishonesty and corruption Defamation Breach of confidentiality Libel and slander	Low	Medium	Annually	Per incident
Employees	Professional Advice Professional judgements Financial management Contract management Project planning/management Lack of skills, experience and relevant competency Inappropriate or insufficient training	Liability claims for physical injury Defamation Professional indemnity Fraud, dishonesty and corruption HSE prosecution Breach of Data Protection	Low	Medium	Annually	Per incident Internal Audit work plan
The General Public	Affected by: All services-directly provided All services-commissioned and contracted out Joint and partnership arrangements All premises maintained, managed or occupied	Complaints Legal challenge Ombudsman investigation Liability claims for physical injury Liability claims for damage to property	Low	Medium	Annually	Per incident
Planning	Management information relating to service provision and future needs	Service not resourced and/or fully provided	Low	High	Annually	Budget Reports Estimates
Project Management	All major schemes	Poor value for money Bad professional advice	low	Medium	Per scheme	Per Scheme
Management of Information held	Policies and codes of practices for record systems Information security and data protection Employee records and training	Defence of criminal, civil and employment tribunal actions Judicial challenge Challenge under Human Rights Act	Low	Low	Annually	Per incident Internal Audit work plan
Reputation	Provision of services	Failure to recruit high calibre staff Loss of public confidence	Medium	High	Annually	Vacancy Per incident
Business continuity planning	Provision of services	Failure to deliver services	Low	High	Annually	Per incident Internal Audit work plan
Business interruption	All premises	Loss of Gross Income (Excludes Coronavirus)	Low	High	Annually	Per incident
Terrorism	All Premises	Damage and/or business interruption	Low	Medium	Annually	Per incident

STRATEGIC RISK REGISTER

The Council is required under Regulation 4 of the Accounts and Audit Regulations 2011 to ensure that the financial management and accounting control systems of the Council are adequate and effective, and that the Council has a system of Internal Control which facilitates the effective exercise of the Council's functions and which includes risk management arrangements. In carrying out this requirement, there are roles for Members and Officers of the Council who will draw information and guidance from legislation and the work done by independent bodies such as the Internal Auditors and financial auditors.

Activity	Identified Risk	Assessment and Action	Impact	Likelihood	Score	Notes
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	The Council on 4 October 2023 Adopted a local Government Pension Scheme-Employer Discretions Policy
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	Reports are submitted per Financial Regulations An updated reserve policy has been submitted to Council
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	The Smaller Authorities Audit Appointments (SAAA) have appointed Mazers LLP for the period 2022-2027.

Activity	Identified Risk	Assessment and Action	Impact	Likelihood	Score	Notes
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	The Anti Fraud and Corruption Strategy, Whistle blowing Policy and Money Laundering Policy have been approved by Council 02/12/19
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	confidential documents are stored on a drive with restricted access that can be amended by the City Council's IT support provider if the appropriate authority is given. A Cyber Security Report has been produced
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	Terrorism Cover has been added 2023-24.
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	No risks have been identified
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	The Town Clerk has engaged Terrain Health & Safety Consultants to provide services including risk assessments of city council building's and working practices
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	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	Medium 3	Medium 3	9	A Employees Handbook has been produced and distributed to staff

Activity	Identified Risk	Assessment and Action	Impact	Likelihood	Score	Notes
		<p>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>				
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	
Community Centres	Loss of properties through fire etc. Failure/disbandment of management committees.	<p>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.</p> <p>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 Boleyn Park.</p>	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	Low	9	.

Activity	Identified Risk	Assessment and Action	Impact	Likelihood	Score	Notes
	Impact of Management Changes		3	3		
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	Registration of land holdings is substantially completed and ongoing. Some areas are subject to some legal issues being resolved. Proactive investigations into tree management using Specialist Arborist and barriers to limit encroachment on land owned by LCC
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	Low 3	9	
Data Protection	Non-compliance with the General Data Protection Regulations	Upgrade to server and workstation monitoring. Retention of Documents Secure website and enquire forms	Medium 3	Low 2	6	The Council has formally adopted the following Policies - Retention of Documents Policy -Information & Data Protection Policy -Social Media & Electronic Communication Policy -Recoverable Media Policy A Cyber Security Report has been produced. The Council's server and software licenses upgraded

Activity	Identified Risk	Assessment and Action	Impact	Likelihood	Score	Notes
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	Specific risk assessment pancake race/sheriff's Ride produced
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	Good communication between councillors and Staff. Training given to staff
Operational	Act 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 legislation 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	

ANNUAL INTERNAL AUDIT REPORT 2023/24

During the financial year ended 31 March 2024, this authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the Internal Audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

	Agreed		
	Yes	No	Not Covered
A. Appropriate accounting records have been properly kept throughout the financial year.	√		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	√		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	√		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored and reserves were appropriate.	√		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	√		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.	√		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	√		
H. Assets and investments registers were complete and accurate and properly maintained.	√		
I. Periodic and year-end bank account reconciliations were properly carried out.	√		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	√		
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "Not Covered".)			√
L. If the authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	√		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-24 AGAR period were public rights in relation to the 2022-23 AGAR evidence by a notice on the website and/or authority approved minutes confirming the dates set).	√		
N. The authority has complied with the publication requirements for 2022/23 AGAR	√		
O. (For local councils only) Trust funds (including Charitable) - The Council met its responsibilities as a trustee	√		

For any other risk area identified by the council (list any other risk areas below or on separate sheets if needed).