# LICHFIELD CITY COUNCIL

# INTERNAL AUDIT REPORT

# 2025-26

**Graham Keatley**
**Internal Auditor**

## ANNUAL REPORT OF INTERNAL AUDIT 2025-26

### 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 2015 require every Authority to maintain an adequate and effective system of internal audit of its accounting records and its systems 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 2025-26 was approved by the Audit Committee on the 5 March 2025, by Council 10 March 2025, 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 Governance and Accountability Return for the year ended 31st March 2026 will be completed as the statement of accounts for 2025-26 is prepared. Details are contained in **Appendix E.**

**APPENDIX A**

**AUDIT PLAN 2025-26**

## 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 Digital and Data Compliance
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
- Orders 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. **See enclosure 1.**

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.
The Council uses the following Software;

- Accounting Software-SAGE 50 Financial Package
- Payroll-SAGE 50 Cloud Payroll Standard

I find they are operating successfully and are updated as required.

**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. **65.0%** have been paid within 10 days and **98.8%** are paid within 30 days from date of invoice.

| | Invoices Paid | | % suppliers invoices Paid within | | |
|---|---|---|---|---|---|
| | Within 10 days | within 30 Days | Staffordshire | Lichfield | Other |
| Year | % | % | % | % | % |
| 2020/21 | 49.8 | 91.6 | - | - | - |
| 2021/22 | 48.0 | 94.2 | - | - | - |
| 2022/23 | 66.4 | 96.3 | - | - | - |
| 2023/24 | 66.1 | 98.2 | 20 | 34 | 46 |
| 2024/25 | 70.7 | 98.6 | 25 | 30 | 45 |
| 2025/26 | 65.0 | 98.8 | 25 | 24 | 51 |

**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

The Council on 8 December 2025 resolved to pay at least the Real Living Wage from 1 December 2025 based on SCP 6. In July 2025 the Council obtained accreditation for being a Living Wage employer with the Living Wage Foundation.

| | April 25 | November 25 |
|---|---|---|
| National Living Wage | £12.21 | £12.21 |
| Real Living Wage | £12.60 | £13.45 |
| Lichfield City Council Minimum Pay Scale | £13.26 | £13.47 |

**Payroll Analysis**

| Year | Average No. Employees £ | Payroll £ | Employers National Insurance £ | Employers Pension Contributions £ | Total Payroll Costs £ |
|---|---|---|---|---|---|
| 2020/21 | 27 | 340,872 | 24,595 | 79,869 | 445,336 |
| 2021/22 | 26 | 353,690 | 25,875 | 81,932 | 461,497 |
| 2022/23 | 33 | 399,424 | 29,175 | 90,654 | 519,253 |
| 2023/24 | 33 | 440,740 | 30,612 | 97,459 | 568,811 |
| 2024/25 | 34 | 468,387 | 33,172 | 97,850 | 599,409 |
| 2025/26 Estimate | 35 | 493,680 | 51,120 | 96,540 | 641,340 |

**Local Government Pension Scheme (LGPS)**

Staffordshire Pension Fund has carried out as at 31 March 2025 an Actuarial Valuation to determine the contribution rates that Lichfield City Council will need to pay for the three years beginning 1 April 2026.

| Employers Contribution Rates | | | |
|---|---|---|---|
| Year Ending | Primary Rate % of Pay | Secondary Rate % of Pay | Total % of Pay |
| 31 March 2026 | 25.00% | -2.40% | 22.60% |
| 31 March 2027 | 20.10% | -0.50% | 19.60% |
| 31 March 2028 | 20.10% | -0.50% | 19.60% |
| 31 March 2029 | 20.10% | -0.50% | 19.60% |

**The Pension Regulator- LGPS Pension Auto-enrolment**

The Authority every three years must 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** note that the Burial Fees from Christchurch have been classed as Zero Rated in fact they are Exempt from VAT. The Transaction has been amended.

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

**However, I have the following recommendations to make**

**I** note that Caretaking Services provided to Boley Park Management Committee have been charged without adding VAT. This is classed as a taxable supply -business activity and is subject to VAT. This has been rectified.

**Recommendation 1**

**That the Town clerk note that all services provided to other bodies is classed as a business activity and is subject to VAT.**

### 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 - Imprest Account

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.

**Income Profile**

| Year | Customer & Client Receipts | | CIL Receipts | | Total Receipts | | Precept | | Total Income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | £ | % | £ | % | £ | % | £ | % | £ | % |
| 2020/21 | 110,265 | *12* | 23,991 | *2* | 134,255 | *14* | 817,890 | *86* | 952,145 | *100* |
| 2021/22 | 176,664 | *16* | 99,421 | *9* | 276,086 | *25* | 816,400 | *75* | 1,092,485 | *100* |
| 2022/23 | 229,468 | *19* | 131,191 | *11* | 360,659 | *30* | 834,450 | *70* | 1,195,109 | *100* |
| 2023/24 | 295,343 | *25* | 22,024 | *2* | 317,396 | *27* | 860,670 | *73* | 1,178,060 | *100* |
| 2024/25 | 325,951 | *25* | 44,052 | *3* | 370,002 | *28* | 939,900 | *72* | 1,309,902 | *100* |
| 2025/26 Estimate | 345,681 | *24* | 90,013 | *6* | 435,694 | *30* | 998,698 | *70* | 1,434,392 | *100* |

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

### 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 is at an adequate level to meet the needs of the organisation.

The Council on 27 January 2025 considered, approved and adopted the annual precept for 2025/26.

**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 2025. The Annual Return for 2024/25 accounts was approved by Council 9 June 2025 and published on 10 June 2025, and the exercise of Public Rights (commencing 11/06/25 and ending on 22/07/25) was published 10 June 2025 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 2024-25 were met.

**Annual Governance and Accountability Return (AGAR) 2024/25**
**Section 3 - External Auditor's Report and Certificate 2024/25**

The external auditor on 15th September 2025 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 17th September 2025.

**Appointment of external auditor**

From 2023-24 the Smaller Authorities Audit Appointments (SAAA), 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 FORVIS MAZERS LLP for Staffordshire.

## 2. STRATEGIC POLICIES

### 2.1 The Treasury Management Policy and Strategy Statement for 2025/26

Approved by the Audit Committee on 5 March 2025 and subsequently approved by Council on 10 March 2025.

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 2025/26

### 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 2025 has invested £1,200,000 at 3.01% for 365 days.

| Year | Average Account Balance | Interest | Average Interest Rate |
|---|---|---|---|
| 2020/21 | £2,957,000 | £8,267 | 0.28% |
| 2021/22 | £2,920,585 | £2,703 | 0.09% |
| 2022/23 | £2,981,898 | £24,193 | 0.81% |
| 2023/24 | £2,338,550 | £68,881 | 2.95% |
| 2024/25 | £2,137,233 | £77,262 | 3.62% |
| 2025/26 estimate | £1,924,046 | £62,110 | 3.20% |

### 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 5 March 2025 and subsequently approved by Council on 10 March 2025.

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 note under Paragraph 5.5 of Financial Regulations:

> Cheques, autopay sheets and/or electronic payments of any nature drawn on the two bank accounts in accordance with the schedule referred to in the previous paragraph shall be signed by:
> **General Account, Autopay sheets and Electronic Payments**
> 1st signatory - Mayor or Deputy Mayor
> 2nd signatory - Leader or Deputy Leader
> 3rd signatory - Town Clerk, Deputy Town Clerk or Accounts Officer
>
> In the case of electronic payments via Bankline (or similar software) where there may be a limitation on the number of individuals who are able to authorise the physical transfer of monies, the schedule of payments to be made by the transfer must be signed by a representative from each of the three signatory groups prior to the transfer; payment lists may be authorised by physical signature or through electronic means such as an email response from the appropriate signatory group as detailed above [*email responses to be via the City Council's internal email system*]. The completed and signed schedule, and/or authorising email/s to be presented to the payment authorisers for inspection prior to payment authorisation.

The Town Clerk records the e-mail responses from signatory groups. I note that on several occasions that the appropriate responses were not received

**I have the following recommendations to make**

**Recommendation 2**
**The Town Clerk notify the signatories of their responsibilities to respond to the e-mail notification.**

**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 2024-25 Internal Audit Recommendation

I confirm that the recommendations for 2024-25 have been actioned. **Appendix C.**

**I note recommendations 1 and 4 have been delayed pending appointment to the new post of Responsible Financial Officer.**

### 3.4 Capital Works

The purpose of the review is to look at the contract works during 2024/25 to confirm that 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 Digital and Data Compliance

**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 purpose of this review is to ensure that the transparency agenda has been actioned.

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

**LCC Website**

The authority publishes information on a free to access website which is up to date at the time of the internal audit in accordance with the relevant legislation.

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
- Legal Notice regarding the City Council Insurance
- Internal Audit Reports

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

**E-mail management**

The Authority and All Councillors/Staff have been allocated.gov.uk e-mail address. Authority owned email accounts ensures that sensitive information is handled in a controlled environment and with appropriate security measures.

**The Data Protection Regulation (GDPR)/Data Protection Act 2018**

The General Data Protection Regulation (GDPR) took effect from 25 May 2018. It replaced 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.

**Data Protection Registration Certificate**

I note that the Council has registered with the Information Commissioners Office (ICO) to 16th October 2026.

I am pleased to note there are good controls in operation in relation to DPA 2018.

**Freedom of Information**

In 2024/25 12 FOI requests were received of which 4 related to Lichfield City Council and 8 to other authorities. The responses were within 20 working days.
In 2025/26 7 FOI request have been received to date of which 2 related to Lichfield City Council and 5 to other authorities. The responses were within 20 working days.

**Subject Access Request**

I note that a request was received. The estimated cost £4,161.

**IT Policy**

I note that there are individual Policies in place

- Information and Data Protection Policy
- Social media and electronic Governance Policy
- Home and Remote Working
- Internet and Email
- Accessibility Statement

**I can confirm that the digital and data compliance requirements have been met.**

**However, I have the following recommendations to make**

**Complaints Procedures**

**I** note that the complaints procedure has not been reviewed since 2013, NALC have issued an Advice note in October 2022 to assist local councils in dealing with formal complaints they receive about their operations and services.

I note that the Council does not have an Unreasonable Persistent or Vexatious Complaints Policy

**Recommendation 3**

**That the Town Clerk investigate producing an Unreasonable Persistent or Vexatious Complaints Policy.**

**IT Policy**

I note that there are individual IT Policies in place. NALC have issued a template 12 November 2025 which is designed to assist parish and town councils.

**Recommendation 4**

**That the Town Clerk produce an IT Summary Policy Statement.**

**3.6 Insurances**

The Council's Risk Register identifies that Council business is protected against loss, damage or claims made upon it. The Council has an insurance policy with Zurich Municipal (Select For Local Councils) for buildings, property and 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 note that Zurich Municipal Insurance in 2024-25 completed a Property Insurance Survey on the Guildhall, with the following recommendations:

- Install a new lighting protection system - completed January 2025
- Replace fan heaters with Oil Heaters - completed January 2025
- Electrical Thermographic installations testing - to be completed March 2026
- Fire warden and fire extinguisher training – completed February 2025

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

**However, I have the following recommendations to make**

**Civic Regalia insurance**

I note that the Civic Regalia insurance value although increased with inflation was last reviewed October 2020, there has been a significant increase in gold prices since then. Also, that there is no annual verification of the location of Civic Regalia.

**Recommendation 5**

**I would recommend that the Town Clerk arrange for the Civic Regalia to be revalued and that an Annual Audit to verify the location of the Civic Regalia takes 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 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.

Council on 16 December 2024 adopted the Local Government Association (LGA) Model Councillor Code of Conduct.

**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 04/11/2025 and approved by Council 8/12/2025.

- Development Project – 2025/26 priorities update
- Development Project- - Proposals 2026/27

The Council as the Sole Trustee of the Johnson Birthplace Charitable Trust made a payment of £12,606 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 2024-25.

**Johnson Birthplace Charitable Trust Account**

Dr Johnson's Birthplace Trust, Charity number: 500046. The Charity Commission Online Return for the period 1 April 2024 to 31 March 2025 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 | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| 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 | 10,665 | - | - | 12,395 | 11,740 | 11,320 | - | 11,320 | 11,740 |
| 2024/25 | 11,740 | - | - | 11,606 | 12,606 | 12,606 | - | 12,606 | 11,740 |
| 2025/26 Estimate | 11,740 | - | - | 14,370 | 14,370 | 14,370 | - | 14,370 | 11,740 |

I note that the Birthplace is in the process of seeking renewal of its museum accreditation. At the time of preparing this report, the assessor is recommending full accreditation. The panel meets for the final decision on 2 April.

**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
26. Menopause Policy

27. Procurement Policy
28. Carers Leave Policy
29. Abusive, Unreasonable and Vexatious Policy

The above policies have been included in a Staff Handbook approved by Council 06/12/21, (updated December 2025 V1.8.1).

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.**

**However ,I have the following recommendations to make**

NALC in March 2025 have produced a revised Anti-Harassment and Bullying Policy

**Recommendation 6**

**That the Town Clerk review and update the Anti-harassment and Bullying Policy if required.**

### 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 provides the following

- 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
- The Terrorism (Protection of Premises) Act 2025 -Martyn's Law
- Remote Attendance/Proxy Voting Consultation
- English Devolution White Paper
- Employment Rights Bill.

### 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.

**2025- 0 Electronic Card Payments**

I note that under the Payment Card Industry Data Security Standard (PCI DSS) that the Council is Compliant until 28/03/2026.This ensures customers' data is safe from potential risk of fraud and cyber-attacks.

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 % |
|---|---|---|---|---|
| 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 | 3,783 | £112,505 | £2,317 | 2.1% |
| 2024/25 | 4,001 | £118,651 | £2,520 | 2.1% |
| 2025/26 Estimate | 4,470 | £112,000 | £2,750 | 2.5% |

**2025-1 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.

As part of the PFI agreement E-On complete an annual inspection of the Street lamps. The condition of the lamps are as follows:

| Number of lamps | Condition of Lamps |
|---|---|
| 44 | As New |
| 72 | Good |
| 22 | Fair |
| 2 | Poor |
| **140** | **Total Number of Lamps** |

**LAMPS Alive Date Profile 2025-26**

| Year | No | Year | No | Year | No | Year | No | Year | No | Year | No |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1960 | 2 | 1990 | 4 | 1995 | 12 | 2002 | 13 | 2008 | 1 | 2025 | 2 |
| 1987 | 21 | 1992 | 17 | 1996 | 28 | 2003 | 1 | 2009 | 1 | | |
| 1988 | 4 | 1993 | 11 | 1999 | 5 | 2006 | 2 | 2015 | 3 | | |
| 1989 | 2 | 1994 | 1 | 2001 | 7 | 2007 | 1 | 2020 | 1 | | |

I have completed a detailed review of the E-On highway lighting and maintenance charges. I note that for 2025/26 maintenance costs have increased by 3.7% and energy KWH unit costs have reduced by 12.2%

| Year | No Street Lights | KWH | Rate | Cost | Maintenance Cost | Total Cost |
|---|---|---|---|---|---|---|
| 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 | 20284.05 | 0.366 | £7,425 | £4,964 | £12,389 |
| 2024/25 | 139 | 20284.05 | 0.312 | £6,322 | £5,136 | £11,458 |
| 2025/26 | 140 | 20,601.63 | 0.274 | £5,646 | £5,328 | £10,974 |

**2025-2 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 2024.
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 |
|---|---|---|---|---|
| 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 | £144,242 | £17,530 | 13.4% | £8,329 |
| 2024/25 | £145,154 | £14,480 | 4.9% | £350 |
| 2025/26 Estimate | £150,211 | £14,675 | 3.2% | £5,200 |

**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 implemented as required.

| Actions Identified 2025-26 | Low Risk | Medium Risk |
|---|---|---|
| Curborough Community Play Area | 17 | 1 |
| Lincoln Close Open Space | 3 | 0 |
| Stowe Croft Open Space | 1 | 2 |

**2025-3 Official Orders**

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

**However, I have the following recommendations to make**
I note that there is no formal monitoring of outstanding orders

**Recommendation 7**
**That the Town Clerk review outstanding orders every six months**

**2025-4 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 |
|---|---|---|---|---|
| 2020/21 | 25023 | £8.32 | £208,191 | £37,725 |
| 2021/22 | 25023 | £8.41 | £210,443 | £31,810 |
| 2022/23 | 25,275 | £8.82 | £222,926 | £41,404 |
| 2023/24 | 24,878 | £9.93 | £247,035 | £40,107 |
| 2024/25 | 25,431 | £10.81 | £274,909 | £43,896 |
| 2025/26 Estimated | 26,174 | £11.10 | £290,531 | £55,957 |

***The Council in 2025-26 approved the following free use:***

| **Organisation** | **Service** | **Amount** |
|---|---|---|
| Shrievalty Association | Hire of Guildhall | £1400 |
| Lichfield District Council | Hire of Market Square | £898 |
| **Total** | | **£2,298** |

**2025-5 Guildhall Bar Charges**

Currently there are only two bar providers, *Lichfield Arts* and *Bistro 19*. Lichfield Arts have a standard bar offering but cannot cater for specific requirements. As they rely on volunteers to run the bars, they are also unable to support a large number of bookings. Bistro 19 however, are more flexible and provide a pop-up bar operated by paid staff.

**2025-6 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 | Xmas Markets | Total |
|---|---|---|---|---|---|---|
| 2020/21 * | £6,484 | - | - | - | - | £6,484 |
| 2021/22 | £11,123 | - | £5,500 | - | - | £16,623 |
| 2022/23 | £9,324 | £905 | - | £2,640 | £375 | £13,344 |
| 2023/24 | £8,442 | £1,397 | | £4,471 | £1,232 | £15,542 |
| 2024/25 | £6,428 | £6,448 | - | £3,796 | £850 | £17,522 |
| 2025/26 Estimate | £6,300 | £4,700 | - | £3,620 | £400 | £15,020 |

**2025-7 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 |
| 2020/21* | £157 | - | - | - | - | - | - |
| 2021/22* | £290 | 19 | £826 | 19 | £826 | - | - |
| 2022/23 | £345 | 20 | £1,082 | 15 | £896 | 5 | £186 |
| 2023/24 | £381 | 30 | £1,463 | 25 | £1,369 | 5 | £94 |
| 2024/25 | £414 | 34 | £2,028 | 30 | £1,901 | 4 | £157 |
| 2025/26 Estimate | £450 | 25 | £1,500 | 21 | £1,420 | 4 | £80 |

**2025-8 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 note that the number of third parties have reduced to One. I am pleased to note there are good controls operating.

| Year | Book Sales | Payments to Suppliers | Net Sales |
|---|---|---|---|
| 2020/21 * | £474 | £318 | £156 |
| 2021/22 * | £2,248 | £1,137 | £1,111 |
| 2022/23 | £1,419 | £666 | £753 |
| 2023/24 | £1,271 | £812 | £459 |
| 2024/25 | £1,092 | £728 | £364 |
| 2025/26 Estimate | £1,000 | £670 | £330 |

**2025-9 Energy Provision**

I have reviewed the energy supplier's invoices. I note that energy costs have significantly reduced price per KWH on average Electricity 11%, Gas 20%.

SCC Framework agreement - Memorandum of understanding Total Energies Gas and Power have been appointed as Gas supplier from 01/04/25, the agreement is to 31/03/2029.

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** | | | | | | |
| 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 | 66119 | £25,181 | - | £327 | £4,158 | £29,666 |
| 2024/25 | 64488 | £16,173 | - | £343 | £5,401 | £21,917 |
| 2025/26 Estimate | 66704 | £9,628 | - | £319 | £4,675 | £14,622 |
| **Gas-Total Energies/British Gas** | | | | | | |
| 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 | 216852 | £26,047 | -£2,335 | £1,332 | £1,836 | £26,880 |
| 2024/25 | 225287 | £13,007 | -£140 | £1,571 | £2,459 | £16,897 |
| 2025/26 Estimate | 227191 | £9,822 | - | £1,696 | £2,592 | £14,110 |

**2025-10 Business Rates**

I have reviewed the impact of business rates revaluation 2023. The Town Clerk has submitted details as required for the 2026 Revaluation. 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 |
|---|---|---|---|---|---|
| 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 |
| 2024/25 | 4 | 69,250 | £34,556 | -£948 | £33,608 |
| 2025/26 | 4 | 69,250 | £34,556 | -£878 | £33,678 |

**2025-11 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.

I note that the telephone operators are due to permanently switch from analogue to digital service. Spitfire Uk have been engaged to provide broadband and digital telephone Services.

| Year | Rental Charge | Cost of Calls | Mobile | Total Cost |
|---|---|---|---|---|
| 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 | £5,831 | £1,222 | £797 | £7,850 |
| 2024/25 | £6,135 | £1,217 | £991 | £8,343 |
| 2025/26 Estimate | £6,326 | £755 | £980 | £8,061 |

**2025-12 Water Charges**

I have analysed water charges. Retail water and waste water are provided by Pennon Water Services and Water Plus provide are the Retail water supplier.

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

**I note that 2024-25 costs include** a refund for Water usage for the Market Toilet as a result of a faulty meter which has been replaced.

| Year | Water | | | Surface Water | | | Total Cost |
|---|---|---|---|---|---|---|---|
| | Standard Charge | Retail Charge | Usage | Standard Charge | Highway Drainage | Usage | |
| 2020/21 | £474 | | £1,379 | £292 | £17 | £554 | £2,716 |
| 2021/22 | £521 | | £1,733 | £288 | £59 | £569 | £3,170 |
| 2022/23 | £535 | | £2,367 | £276 | £104 | £570 | £3,852 |
| 2023/24 | £150 | £453 | £3,833 | £227 | £84 | £629 | £5,376 |
| 2024/25 | £138 | £561 | £1,089 | £241 | £93 | £614 | £2,736 |
| 2025/26 Estimate | £120 | £470 | £2,200 | £106 | £83 | £558 | £3,604 |

**2025-13 Photocopier Service**

I have reviewed the photocopier agreements with RICOH for Donegal House and Samuel Johnson Museum. The authority has entered a new contract for the photocopier at Donegal House with RICOH from April 2025.

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 |
|---|---|---|---|---|---|---|
| 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 | £1,815 | £109 | £1,168 | £3,094 | 3.2p |
| 2023/24 | 94,200 | £1,819 | £109 | £1,231 | £3,159 | 3.4p |
| 2024/25 | 93,067 | £1,887 | £75 | £1,453 | £3,415 | 3.7p |
| 2025/26 Estimate | 105,419 | £2,260 | £110 | £1,610 | £3,980 | 3.8p |

**2025-14 Market Skip Hire**

I have reviewed the hire charges. The contract was awarded to Barnes Skips October 2021 and Lichfield District Council supply 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 |
|---|---|---|
| 2020/21 * | £5,179 | 55 |
| 2021/22 * | £5,328 | 53 |
| 2022/23 | £4,970 | 52 |
| 2023/24 | £5,167 | 52 |
| 2024/25 | £5,352 | 52 |
| 2025/26 Estimate | £5,660 | 52 |

**2025-15 Glass Collection**

**Bottle Bank Collection Services**

Income received is Credited to the Mayor and Sheriffs Charity Account.

| Year | Tonnage | Recycling Credits | Average Credit per Tonne |
|---|---|---|---|
| 2020/21 | 16,037 | £879 | £54.84 |
| 2021/22 | 12,960 | £754 | £58.18 |
| 2022/23 | 20,325 | £1,183 | £58.18 |
| 2023/24 | 17,052 | £1,053 | £61.73 |
| 2024/25 | 17,256 | £1,070 | £62.02 |
| 2025/26Estimate | 17,000 | £1,050 | £62.02 |

**2025-16 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

**2025-17 Christ Church Interment Fees**

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

| Year | Internment Fees | Number of Burials | Number of Memorials/cremation fees |
|---|---|---|---|
| 2020/21 | £716 | 6 | 4 |
| 2021/22 | £1,057 | 8 | 4 |
| 2022/23 | £1,597 | 5 | 14 |
| 2023/24 | £422 | 1 | 4 |
| 2024/25 | £528 | 1 | 9 |
| 2025/26 Estimate | £285 | 1 | 3 |

**2025-18 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 | Producers Market | Tuesday Market | Total |
|---|---|---|---|---|---|
| 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 | £31,725 | £31,034 | £3,476 | £21,097 | £87,332 |
| 2024/25 | £31,971 | £30,260 | £3,425 | £25,140 | £90,796 |
| 2025/26 Estimate | £33,150 | £32,080 | £3,630 | £27,380 | £96,240 |

I note that a five-year Event planning and delivery agreement with C J Events Warwickshire Limited has been renewed from January 2025 for the Producers Market.

**Service Charges**

| Year | Service Costs | | | | Income | Net Cost |
|---|---|---|---|---|---|---|
| | Utilties | Trade waste | Gazebo | Total | | |
| 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 | £6,087 | £4,967 | - | £11,054 | -£10,274 | £780 |
| 2024/25 | £2,981 | £5,102 | - | £8,090 | -£10,857 | -£2,767 |
| 2025/26 Estimate | £4,120 | £5,610 | - | £9,730 | -£10,820 | -£1,090 |

***2024-25*** *Utilities include a refund for Water following replacement of faulty meter.*

**2025-19 Budget**

I have reviewed the budget process for 2025/26, and I am pleased to note there are good controls operating.

**2025-20 Capital Works - Budgets**

I have reviewed individual Capital Works against the budget for 2025/26, and I am pleased to note there are good controls operating.

**2025-21 Election Expenses**

The purpose of the review is to establish the costs of Parish Elections.

| Parish Election | | | | |
|---|---|---|---|---|
| Date | Electorate | No Councillors | Total Cost | Cost per electorate |
| May 2023 | 24,847 | 29 | £52,510 | £2.21 |
| May 2019 | 25,023 | 28 | £40,918 | £1.63 |

I note that there was a By Election for Stowe Ward 13 February 2025. No Costs have been received to date.

**2025-22 Donegal House Rental Agreements**

I have reviewed the Lease Agreements; the Council reviewed the subsidised rent for Lichfield Arts and Lichfield Festival on 27/01/25 and approved an increase of 2.5% for 2025/26 financial year.

| | Lichfield Arts | Lichfield Festival | Total |
|---|---|---|---|
| 2020/21 | £3,500 | £2,040 | £5,540 |
| 2021/22 | £3,500 | £2,040 | £5,540 |
| 2022/23 | £3,605 | £2,101 | £5,706 |
| 2023/24 | £3,605 | £2,101 | £5,706 |
| 2024/25 | £3,746 | £2,183 | £5,929 |
| 2025/26 | £3,839 | £2,238 | £6,077 |

I am pleased to note there are good controls operating.

**2025-23 Donation Card Machine**

The Samuel Johnson Birthplace as part of their development plan introduced a contactless Donation Box in 2024/25

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

| Year | No. Transactions | Total Donations | Fees | Net Donation |
|---|---|---|---|---|
| 2024/25 | 245 | £1,471 | £99 | £1,372 |
| 2025/26 Estimate | 740 | £4,540 | £220 | £4,320 |

**2025-24 Direct Debits**

The Council on 9 June 2025 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. Transactions | Total Value Inc VAT | Total Value Net VAT |
|---|---|---|---|
| 2020/21 | 299 | £243,767 | £209,343 |
| 2021/22 | 305 | £249,100 | £215,112 |
| 2022/23 | 345 | £282,217 | £242,947 |
| 2023/24 | 368 | £330,746 | £283,716 |
| 2024/25 | 379 | £322,909 | £276,619 |
| 2025/26 Estimate | 407 | £324,935 | £280,033 |

**2025-25 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 website 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 for 2024/25

| Year | CIL Received | CIL Expenditure | Balance C/FWD | Ongoing Projects 31 March |
|---|---|---|---|---|
| 2020/21 | £23,991 | £13,473 | £35,078 | - |
| 2021/22 | £99,421 | £28,442 | £106,087 | £24,229 |
| 2022/23 | £131,191 | £34,964 | £202,284 | £124,945 |
| 2023/24 | £22,054 | £108,688 | £115,650 | £77,398 |
| 2024/25 | £44,052 | £33,675 | £126,026 | £124,239 |
| 2025/26 Estimate | £90,013 | £45,973 | £170,067 | £156,093 |

**2025-26 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 Council 22 January 2024 resolved that Sheriff's Ride Banquet be withdrawn from the calendar; LCC to still organise the morning gathering on the day of the Ride as occurred in 2023.

- **Mayors Banquet**

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

| Year | No. Meals | No. Tickets | Income | Expenditure | Net Cost |
|---|---|---|---|---|---|
| 2020/21* | - | - | - | - | - |
| 2021/22* | - | - | - | - | - |
| 2022/23 | 95 | 81 | £2,362 | £2,988 | £625 |
| 2023/24 | 72 | 59 | £1,720 | £2,365 | £645 |
| 2024/25 | 55 | 43 | £1,362 | £1,738 | £376 |
| 2025/26 | 90 | 71 | £2,367 | £2,799 | £432 |

- **Charity Events**

➢ VAT Gov UK-Fundraising events: exemption for charities and other qualifying bodies Exemption 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 2025/26

I am pleased to note there are good controls operating.

**2025-27 Computer Services**

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

The Audit Committee March 2023 discussed cyber security, as a result the contract value increased due to implementation of additional e-mail security (MESH Email Security Service)

| Year | Contract | Equipment Maintenance Software Upgrades | Total |
|---|---|---|---|
| 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 | £10,697 | £2,325 | £13,022 |
| 2024/25 | £14,383 | £7,959 | £22,342 |
| 2025/26 Estimate | £14,490 | £2,350 | £16,840 |

**2025-28 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 |
|---|---|---|---|---|---|---|
| 2020/21* | £288 | £44 | - | £332 | - | £332 |
| 2021/22* | - | £695 | - | £695 | -£52 | £643 |
| 2022/23 | £275 | - | - | £275 | - | £275 |
| 2023/24 | £955 | - | £2,621 | £3,576 | -£87 | £3,489 |
| 2024/25 | £943 | £189 | £852 | £1,983 | - | £1,983 |
| 2025/26 Estimate | £2,727 | £201 | £3,538 | £6,476 | - | £6,476 |

In 2025/26 Other events include - Dr Johnson Birthday Celebration/Community Day/VE Day

**Christmas Lights** - A five-year Contract was awarded to Darwin Electrical from 2019 for the erection, inspection, maintenance and dismantling of Christmas illuminations.
Christmas Lights contract initial period expired at the end of 2024 but includes an option to extend for three further years up to and including Christmas 2027.

| Year | Switch On | Energy | Contract | New-lights maint | Stress Test | Sponsorship | Total |
|---|---|---|---|---|---|---|---|
| 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 | £634 | £15,112 | £5,230 | - | - | £30,511 |
| 2023/24 | £8,973 | £890 | £15,807 | £2,152 | - | - | £27,822 |
| 2024/25 | £22,203 | -£619 | £16,170 | £7,612 | £2,940 | -£3,700 | £44,606 |
| 2025/26 Estimate | £20,960 | £365 | £16,752 | £539 | - | -£1,375 | £37,241 |

I note 2024-25 Energy includes credits for provisions made for 2022/23 and 2023/24; no invoices have been received for these years.

**2025-29 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 Transactions | Value Including VAT | Value excluding VAT |
|---|---|---|---|
| 2020/21 | 393 | £615,081 | £562,133 |
| 2021/22 | 568 | £747,465 | £674,574 |
| 2022/23 | 584 | £851,047 | £776,143 |
| 2023/24 | 585 | £1,337,840 | £1,196,986 |
| 2024/25 | 535 | £781,863 | £713,697 |
| 2025/26 Estimate | 543 | £839,309 | £773,006 |

**2025-30 Agency Employee contracts**

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

| | Guildhall/Birthplace | | | Markets | |
|---|---|---|---|---|---|
| | Cleaning Services | | | Market Officer | |
| | Office Cleaning | | Deep Clean | | |
| Year | Hours | £ | £ | Hours | £ |
| 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 | 1,010 | £21,258 | - | - | - |
| 2024/25 | 998 | £20,978 | - | - | - |
| 2025/26 Estimate | 1,039 | £23,380 | | | |

**Service Providers:**

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

Note: The current cleaning contractor charges include cleaning materials. The contractor has confirmed they pay their cleaners at least the National living wage.

**2025-31 Debit Card Purchases**

The Council on 11 December 2023 approved payments by Debit Card

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

| Year | No. Transactions | Total Value Inc VAT | Total Value Net VAT |
|---|---|---|---|
| 2023/24 | 14 | £1,781 | £1,601 |
| 2024/25 | 23 | £4,141 | £3,875 |
| 2025/26 Estimate | 35 | £2,500 | £2,150 |

## 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 (see enclosure 2)

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

**APPENDIX C**

## 2024-25 Internal Audit Recommendation Summaries

| No | Details | Management Response | Timescale |
|---|---|---|---|
| | **1.2 Main Accounting System**<br>I note that additional resources/training is required to improve the use of the accounting software<br>Areas for improvement<br>• Uploading of Bank statements<br>• Use of the reporting tools<br>• Budget Reporting | | |
| 1 | **That the Town Clerk investigate the training requirement for Sage 50 Accounting software.** | **Agreed** | **December 2025**<br>**See Note 3.3** |
| | **1.4 Sundry Debtors**<br>As a result of the increase in payroll costs the Guildhall charity rate does not cover the costs of the Premises Attendants. | | |
| 2 | **That the Town Clerk review the Guildhall Hire costs** | **Agreed** | **Council 08/12/25** |
| | I note the special package promotion does not mention that it is inclusive of VAT | | |
| 3 | **That the Town Clerk ensure that all promotion materials show that the charge is inclusive of VAT** | **Agreed** | **Actioned**<br>**April 2025** |
| | **3.1 Financial Regulations and Procedures**<br>I note that NALC have issued Model Financial Regulation for Local Councils 2024 | | |
| 4 | **That the Town Clerk review Financial Regulations and Procedures** | **Agreed** | **December 2025**<br>**See Note 3.3** |
| | **3.6 Insurances**<br>I note that the Samuel Johnson Museum Fine Art and Collections Valuation has not been reviewed since 2019/20. | | |
| 5 | **That the Town Clerk arrange for Fine Art and Collections be valued** | **Agreed** | **Ongoing Completion due March 2026** |
| | **3.7 Code of Conduct and Disclosure of Interest**<br>July 2021 Guidance on the LGA Model Councillor Code of Conduct was published (the LGA guidance) The purpose of this guidance was to help the understanding of, and consistency of approach towards, the model. | | |
| 6 | **That the Town Clerk review and update the Code of Conduct** | **Agreed** | **Council**<br>**16/12/2024** |
| | **2024-4 Grant Aid**<br>Request for Guildhall free use – Lichfield Shrievalty Association | | |
| 7 | **That The Town Clerk records the cost of free use within the accounts.** | **Agreed** | **Council 24/07/2024** |
| | The grants to the PCC's Christ Churches, St Chads and St Micheals are based on a Council Minute June 1988. | | |
| 8 | **That The Town Clerk reviews the grants awarded to the PCC's** | **Agreed** | **Council 01/10/2024** |

## 2025-26 Internal Audit Recommendation Summary

| No | Details | Management Response | Timescale |
|---|---|---|---|
| | **1.6 Management of VAT**<br>**I** note that Caretaking Services are provided to Boley Park Management Committee have been charged without adding VAT. This is classed as a taxable supply -business activity and is subject to VAT. This has been rectified. | | |
| 1 | **That the Town Clerk note that all services provided to other bodies is classed as a business activity and is subject to VAT.** | **Agreed** | **Actioned September 2025** |
| | **3.1 Financial Regulations and Procedures**<br>The Town Clerk records the e-mail responses from signatory groups. I note that on several occasions that the appropriate responses were not received. | | |
| 2 | **The Town Clerk notify the signatories of their responsibilities to respond to the e-mail notification** | **Agreed** | **Notified Members November 2025** |
| | **3.5 Digital and Data Compliance-Complaints procedures**<br>I note that the Council does not have an Unreasonable Persistent or Vexatious Complaints Policy | | |
| 3 | **That the Town Clerk investigate producing an Unreasonable Persistent or Vexatious Complaints Policy** | **Agreed** | **Council 08/12/2025** |
| | **3.5 Digital and Data Compliance-IT Policy**<br>I note that there are individual IT Policies in place. NALC have issued a Template 12 November 2025 which is designed to assist parish and town councils. | | |
| 4 | **That the Town Clerk produce an IT Summary Policy Statement** | **Agreed** | **Council 08/12/2025** |
| | **3.6 Insurances**<br>**I** note that the Civic Regalia insurance value although increased with inflation was last reviewed October 2020, there has been a significant increase in gold prices since then. Also, that there is no annual verification of the location of Civic Regalia. | | |
| 5 | **I would recommend that the Town Clerk arrange for the Civic Regalia to be revalued and that an Annual Audit to verify the location of the Civic Regalia takes place.** | **Agreed** | **Completed October 2025** |
| | **3.9 Policy and Procedure Documentation – Employees**<br>NALC in March 2025 have produced a revised Anti-Harassment and Bullying Policy | | |
| 6 | **That the Town Clerk review and update the Anti-harassment and Bullying Policy if required** | **Agreed** | **Council 08/12/2025** |
| | **2025-3 Official Orders**<br>I note that there is no formal monitoring of outstanding orders | | |
| 7 | **That the Town Clerk review outstanding orders every six months** | **Agreed** | **Actioned September 2025** |

# APPENDIX D

## INSURANCE RISK REGISTER

| Category | Area of activity | Risks | Likely frequency | Severity | Review frequency | Triggers for action |
|---|---|---|---|---|---|---|
| Elected Members | Policy decisions<br>Resource allocation<br>Political agenda and priorities<br>Probity<br>Professional Conduct | Injury<br>Assault<br>Fraud, dishonesty and corruption<br>Defamation<br>Breach of confidentiality<br>Libel and slander | Low | Medium | Annually | Per incident |
| Employees | Professional Advice<br>Professional judgements<br>Financial management<br>Contract management<br>Project planning/management<br>Lack of skills, experience and relevant competency<br>Inappropriate or insufficient training | Liability claims for physical injury<br>Defamation<br>Professional indemnity<br>Fraud, dishonesty and corruption<br>HSE prosecution<br>Breach of Data Protection<br>Abuse | Low | Medium | Annually | Per incident<br>Internal Audit work plan |
| The General Public | Affected by:<br>All services-directly provided<br>All services-commissioned and contracted out<br>Joint and partnership arrangements<br>All premises maintained, managed or occupied | Complaints<br>Legal challenge<br>Ombudsman investigation<br>Liability claims for physical injury<br>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<br>Bad professional advice | low | Medium | Per scheme | Per Scheme |
| Management of Information held | Policies and codes of practices for record systems<br>Information security and data protection<br>Employee records and training | Defence of criminal, civil and employment tribunal actions<br>Judicial challenge<br>Challenge under Human Rights Act<br>GDPR Breach | Low | Low | Annually | Per incident<br>Internal Audit work plan |
| Reputation | Provision of services | Failure to recruit high calibre staff<br>Loss of public confidence | Medium | High | Annually | Vacancy<br>Per incident |
| Business continuity planning | Provision of services | Failure to deliver services | Low | High | Annually | Per incident |
| Business interruption | All premises | Loss of Gross Income<br>Increase in cost of working | Low | High | Annually | Per incident |
| Building and contents | All Premises | Material Damage | 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.

Risk Management Strategy 2025/26 approved by Council 8 December 2025

| 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.<br>Financial reports are presented for consideration by Council and/or the Audit Committee. | Medium<br>3 | Low<br>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<br>2** | **Low<br>2** | **4** | Details are outlined in the Annual Report |
| Financial | That the Council's finances are sufficient to enable it to continue providing its identified priority services and to address issues arising with its property/buildings | 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.<br>There is also a general reserve in place for unexpected and unbudgeted expenditure to allow the Council to continue to operate and to maintain its property/buildings | High<br>4 | Medium<br>3 | **12** | Reports are submitted per Financial Regulations<br>An updated reserve policy has been submitted to Council.<br>Any borrowing would have to be vie NALC application for the Secretary of State Approval. |
| 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.<br>There is an annual external audit carried by appointed external auditors. | High<br>4 | Low<br>2 | 8 | The Smaller Authorities Audit Appointments (SAAA) have appointed Forvis 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.<br>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 are reviewed by Keelys LLP annually. |
| Financial | The loss of computerised financial records and other records through hardware failure/hacking etc | The Council has an approved back-up and security strategy for its computer systems and records. Professional advice is sought from LCC's IT advisors and implemented. Staff aware of risks associated with malicious links etc | Medium 3 | Medium 3 | 9 | 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.<br>A Cyber Security Report has been produced<br>It Policies are in place |
| 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.<br>The Birthplace is separately insured with Ecclesiastical Insurance |
| 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 2024-25 |
| 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 | 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 | | | | Employees Handbook has been produced and distributed to staff and reviewed annually by Keelys LLP |

| Activity | Identified Risk | Assessment and Action | Impact | Likelihood | Score | Notes |
|---|---|---|---|---|---|---|
| | place to protect the operations against the loss of a key member of staff | 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.<br>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.<br>The Staffing Committee undertakes an annual review of the staffing establishment available to service the Council's functions. | Medium<br>3 | Medium<br>3 | **9** | |
| Central Administration | How would operations continue following the loss of premises due to a major incident? | Emergency office accommodation can be provided in Guildhall rooms and Community Centres.<br>The introduction of Office 365 Cloud allows for home working. | High<br>4 | Low<br>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<br>3 | Low<br>2 | **6** | |
| Room Hire at Guildhall | Interruption/cancellation of room hire through loss of building by fire etc | The building and contents are insured against loss.<br>Loss of the Guildhall would not in itself affect the ability of the Council to function.<br>No business interruption insurance is held as the income lost from Guildhall hire would be sufficiently mitigated by reduced operating costs. | High<br>4 | **Low<br>2** | **8** | |
| Community Centres | Loss of properties through fire etc.<br>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.<br>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. | High<br>4 | Low<br>2 | **8** | . |

| Activity | Identified Risk | Assessment and Action | Impact | Likelihood | Score | Notes |
|---|---|---|---|---|---|---|
| Grounds maintenance | The contractor goes into liquidation, or tender price on contract rises significantly.<br>Impact of Management Changes | Current contract is with Lichfield District Operational Services (District Council's DSO) the Council has entered into an ongoing Service Level Agreement. | Medium<br>3 | Medium<br>3 | 9 | . |
| Land | Loss of land, or public open space, through encroachment, adverse possession etc | Boundaries of areas known, recorded and inspected. | Low<br>2 | Low<br>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<br>The Council has subscribed to Parish online Digital Mapping Software. |
| Twinning | Interruption/cancellation of Twinning activities | Twinning activities are a non-essential activity. | Low<br>2 | Low<br>2 | 4 | |
| Johnson Birthplace | Loss of properties through fire etc. | The building and contents are insured against loss.<br>Temporary closure during reconstruction would not affect the ability of the Council to function. | High<br>4 | Low<br>2 | **8** | |
| Legal | Litigation against Council | Council has Public Liability and Employer's liability insurance.<br>Control measures in place to reduce likelihood of successful claims | Medium<br>3 | Low<br>3 | **9** | No claims have been received since 2014 |
| Data Protection | Non-compliance with the General Data Protection Regulations | Upgrade to server and workstation monitoring.<br>Retention of Documents<br>Secure website and enquire forms | Medium<br>3 | Low<br>2 | 6 | The Council has formally adopted the following Policies<br>- Retention of Documents Policy<br>-Information & Data Protection Policy<br>-Social Media & Electronic Communication Policy<br>-Recoverable Media Policy |

| Activity | Identified Risk | Assessment and Action | Impact | Likelihood | Score | Notes |
|---|---|---|---|---|---|---|
| | | | | | | A Cyber Security Report has been produced.<br>The Council's server and software licenses have been upgraded .<br>The Town Clerk has invested in MESH Email Security |
| Civic Events | Damage to third party property or individuals because of the Council putting on a community/civic event. | Health and safety risk assessments are carried out. The Councils Health and safety consultants provide specific advice<br>Insurance policy in place | Low<br>2 | Low<br>2 | **4** | Specific risk assessments have been made for each event |
| Operational | Pandemic or similar event | Subject to Government guidance., implement health and safety protocol, based on the Councils Health and Safety Advisors advice. | Medium<br>3 | Medium<br>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.<br>Implementation of legislation effect of Martyn's Law. LCC insurance policy incudes buildings cover for terrorist attack, PLI covers the council and its officers provided mitigation can be demonstrated. | High<br>4 | Low<br>2 | **8** | In House Training has been given to all Staff.<br>NALC has produced an Anti-Terror checklist for Parish and Town Councils 26/11/2024 |
| Financial | LGR-Impact on Elections | There are ongoing discussions and proposals for local government reorganisation and devolution within Staffordshire, which could potentially lead to the creation of new unitary councils. The earliest any such changes would be implemented is 2028, but for now, the existing election cycles remain in place. However, if the election cycle of new unitary and parish councils are not aligned, the parish councils will be responsible for the whole cost of their elections. | Medium<br>3 | Low<br>2 | **6** | |

## ANNUAL INTERNAL AUDIT REPORT 2025/26

**During** the financial year ended 31 March 2026, 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 2025/26 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 2024/25, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2024/25AGAR 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 2025/26 AGAR period were public rights in relation to the 2024/25 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 2024/25 AGAR | √ | | |

| | | | | |
|---|---|---|---|---|
| **O.** | (**For local councils only**)<br>Trust funds (including Charitable) - The Council met is 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).

## ENCLOSURE 1

**Fraud Risk Assessment**
**Part of risk assessment procedures, understanding of management processes and the Audit Committee's oversight.**

**The report includes a series of questions and the Town Clerk's response**

| Question | Management response |
|---|---|
| Has the Council assessed the risk of material misstatement in the financial statements due to fraud? | The risk of material misstatement of the accounts due to undetected fraud is low. |
| How are the Audit Committee satisfied that the overall control environment is robust? | The Council has in place strong controls over the sales and purchase ledger to prevent fraud. Internal Auditor carries out work on overall fraud risk areas and gives an opinion on their work on controls. |
| Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks? | There are no material instances of fraud that have been identified, and strong internal control help mitigate the risks |
| Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process? | Not aware of any area where there is a potential of override of controls or inappropriate influence over financial reporting process. |
| How does the Council communicate and encourage ethical behaviour of its staff and contractors? | Code of practice is available along with a whistle blowing policy. All employees are required to read this as part of their induction. |
| How do you encourage staff to report their concerns about fraud? Have any significant issues been reported? | The Whistle blowing Policy encourages employees to report any suspicions of fraud or irregularity and explains the procedures to follow. This policy is available to all staff and is included as part of the induction programme for new staff. |
| Are you aware of any instances of actual, suspected, or alleged fraud either within the Council as a whole or within specific areas? | None |
| Are you aware of any whistleblowing reports under the Bribery Act 2019? | None |

**ENCLOSURE 2**

# ASSET REGISTER
# Approved by Council 9th June 2025

| Property | | | Year Acq./ Construct | Address | AGAR 2023/24 £ | AGAR 2024/25 | Reinstatement costs oct-21 £ | Zurich Insurance Valuation 01/05/2025 Building £ | Contents £ | All Risks £ |
|---|---|---|---|---|---|---|---|---|---|---|
| | Lichfield City Council | | | | | | | | | |
| | Asset Register 2025/26 | | | | | | | | | |
| **Lichfield City Council** | | | | | | | | | | |
| | **Operational Assets:** | | | | | | | | | |
| 1 | Donegal House & courtyard | Acquired | 2012 | Bore Street,Lichfield WS13 6LU | 1,860,819 | 1,860,819 | 3,250,000 | 4,708,226 | 50,781 | |
| 2 | Guildhall | Acquired | 2012 | Bore Street,Lichfield WS13 6LU | 2,652,250 | 2,652,250 | 4,655,000 | 6,158,565 | 91,358 | |
| | Guildhall Stained Glass Window | | | | | | 285,000 | | | 388,367 |
| 3 | Cruck House | Acquired | 1981 | Stowe Street,Lichfield WS13 6BN | 333,120 | 333,120 | 415,000 | 601,204 | 0 | |
| 4 | Curborough Community Centre | Constructed | 1984 | Reynolds Close,Lichfield WS13 7NY | 604,551 | 604,551 | 825,000 | 1,195,165 | 0 | |
| 5 | Boley Park Community Hall | Acquired | 1981 | 7 Ryknield Street,Lichfield WS14 9XU | 443,422 | 443,422 | 489,500 | 709,131 | 0 | |
| 7 | Darwin Hall | Constructed | 2010 | Heathcot Place,Lichfield WS13 6RQ | 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** |
| | **Community Assets:** | | | | | | | | | |
| 8 | Friary Clock Tower | Acquired | 1981 | The Friary,Lichfield WS13 6QE | 1 | 1 | 720,000 | 1,043,053 | | |
| 9 | Remembrance Gardens,War Memorial,Garden Wall,Balustrade & Gate | Acquired | 1981 | Bird Street,Lichfield WS13 7LD | 1 | 1 | 460,000 | 652,571 | | |
| 10 | Boswell Statue | Acquired | 1981 | Market Square,Lichfield WS13 | 1 | 1 | 143,000 | | | 194,864 |
| 11 | Dr Johnson Statue | Acquired | 1981 | Market Square,Lichfield WS13 | 1 | 1 | 151,200 | | | 206,039 |
| 12 | Pinfold | Acquired | 1981 | Stafford Road,Lichfield WS13 | 1 | 1 | 0 | | | |
| 13 | Borrowcup Pavillion (Gazebo)(Folly) | Acquired | 1981 | Hillside,Lichfield WS14 | 1 | 1 | 55,000 | 79,678 | | |
| 14 | Prince Ruperts Mound | Acquired | 1981 | Approx 65m Nort East of Beacon Street,Lichfield WS13 | 1 | 1 | 0 | | | |
| 15 | Grey Friars & Portico | Acquired | 1981 | The Friary,Lichfield WS13 6PE | 1 | 1 | 0 | | | |
| 16 | Market Square & Premises (Toilet/kitchen block) | Constructed | 1984 | Market Square,Lichfield WS13 6LG | 58,064 | 58,064 | 85,000 | 123,138 | | |
| 17 | Serjeantson Fountain | took on | 2014 | Greenhill, Lichfield | 1 | 1 | 42,600 | | | 58,051 |
| 18 | Civic Silver | Acquired | 1981 | | 497,901 | 497,901 | | | | |
| | Civic Regalia Including Robes & Uniforms | | | | | | | | | 1,757,734 |
| | | | | | **£555,975** | **£555,975** | **£1,656,800** | **£1,898,440** | **£0** | **£2,216,687** |
| | **Other Assets** | | | | | | | | | |
| | Hired Marqueee in September (Johnson) | | | | | | | | | 6,615 |
| | Painting Mayor of Lichfield in 1687 | | | | | | | | | 4,654 |
| | Card Machines | | | | | | | | | 1,527 |
| | 10x computers | | | | | | | | | 13,230 |
| | 2x Laptops | | | | | | | | | 3,704 |
| | Sonic wall power supply | | | | | | | | | 4,366 |
| | Server | | | | | | | | | 10,584 |
| | Photocopier | | | | | | | | | 9,261 |
| | HITWAY Electric Bike | | | | | | | | | 788 |
| | | | | | | | | **£0** | **£0** | **£54,728** |
| | | | | **Total VALUE AGAR** | **£7,302,463** | **£7,302,463** | **£12,481,300** | **£16,581,792** | **£142,139** | **£2,659,782** |
| **Samual Johnson Charitable Trust** | | | | | | | | **Ecclesiastical Insurance** | | |
| 6 | **Samuel Johnson Birtplace Museum** | Acquired | 1981 | Breadmarket Street,Lichfield WS13 6LG | | | | **Building** | **Contents** | |
| | -Building | | | | | | 1,952,000 | 3,319,902 | 8,516 | |
| | - Computer Equipment | | | | | | | | 3,979 | |
| | - Stock | | | | | | | | 5,000 | |
| | -Exhibits/Wortks of Art | | | | | | | | 1,497,636 | |
| | - Painting on Loan | | | | | | | | 15,000 | |
| | - Chair on Loan | | | | | | | | 15,000 | |
| | - All Other exhibits on loan | | | | | | | | 12,790 | |
| | - Oil Paintinng of Lucy Porter | | | | | | | | 6,000 | |
| | - Bust on Loan | | | | | | | | 5,000 | |
| | Trustee Liability | | | | | | | | | 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** |