

LICHFIELD CITY COUNCIL
INTERNAL AUDIT REPORT
2020-21

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Internal Auditor

ANNUAL REPORT OF INTERNAL AUDIT 2020-21

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
- To review the impact of Coronavirus

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 2020-21 was approved by the Audit Committee on the 12 March 2020, 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 2021 will be completed as the statement of accounts for 2020-21 is prepared. Details are contained in **Appendix E**.

AUDIT PLAN 2020-21

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- 3.12 Any other areas Identified during the year of Audit

4. MANAGEMENT AND INSURANCE REGISTER

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

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

However, I have the following recommendation to make;

Recommendation 1

- The Ministry of Housing Communities & local Government has as a part of a commitment from the UK Anti-Corruption Strategy 2017-2022 published June 2020 - Review into the risks of fraud and corruption in local government procurement. I would recommend that the Town Clerk review the document and good practice.

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.

No Significant risks have been identified

1.2 Main Accounting System

The purpose of the review 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; and 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. **50%** (56% 2019/20) have been paid within 10 days and **92%** (93% 2019/20) are paid within 30 days from date of invoice.

Payments made by Direct Debit are excluded from the calculation as they are made in accordance with each supplier's terms and conditions on average payments are made within 22 Days

From March 2020 all invoices have been paid by BACs

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.

The Coronavirus Regulations have impacted the hire of the Guildhall and as a result this has reduced the number of invoices raised from 602 in 2019/20 to approximately 74 for 2020/21.

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 Pension Regulator- LGPS Pension Auto-enrolment

The Authority every three years has to complete re-declaration to The Pension Regulator. This was most recently completed in June 2020.

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.

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

1.8 Petty Cash

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

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.

I am pleased to note that all the requirements have been met.

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 2020 due to Coronavirus pandemic this was extended to 31 August 2020.

The Annual Return for 2019-20 accounts was approved and published by Council on 15 June 2020, and I am pleased to report that the requirements under the Accounts and Audit Regulations for 2019-20 were met.

Section 3 - External auditor's certificate and opinion 2019-20

The external auditor on 7th October 2020 issued an unqualified report and the Notice of conclusion of Audit and right to inspect the annual return was published on the web site www.lichfield.gov.uk on 8th October 2020.

Appointment of external auditor.

From 2018-19 the Smaller Authorities Audit Appointments (SAAA) a company appointed by the Department of Communities and Local Government as the 'specified person' to procure and appoint external auditors to smaller authorities, have appointed for the period 2017-2022 MAZERS LLP for Staffordshire.

Note

The Joint Panel on accountability and Governance Practitioners Guide March 2020, has stated that Mileage and other travelling and subsistence allowance are not staff costs; the 2020/21 accounts reflect this change, this will mean that the 2019/20 accounts will have to be restated.

2. STRATEGIC POLICIES

2.1 The Treasury Management Policy and Strategy Statement for 2020-21

Approved by the Audit Committee on 12 March 2020 and subsequently approved by Council on 11 May 2020

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

Borrowing

The authority has undertaken no borrowing during 2020-21.

2.2 Investment Policy

Investments have been made in accordance with the Investment Strategy.

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|-------------------------|------------|----------|------------|------------|------------|
| | Actual | Actual | Actual | Actual | Estimate |
| Average Account Balance | £1,118,028 | £925,000 | £1,082,307 | £1,592,353 | £2,450,000 |
| Interest | £1,293 | £237 | £2,300 | £10,881 | £8,330 |
| Average Interest Rate | 0.11% | 0.026% | 0.21% | 0.68% | 0.34% |

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 policies and 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**

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 2019-20 Internal Audit Recommendation

I confirm that the recommendations for 2019-20 have been actioned, and in discussion with the Town Clerk for any recommendations not yet actioned, new completion dates have been agreed.

Appendix C.

3.4 Capital Works

The purpose of the review is to look at the Contract works during 2020/21, 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)
- Senior Salary
- Constitution
- Pay Multiples
- Fraud (not applicable to LCC - relates to Social Housing and Council Tax Reduction Scheme)
- Community infrastructure levy

The Council adopted the Code of Recommended Practice for Local Authorities on 17 October 2011.

The Council also publishes the following:

- Complaints procedure
- Freedom of Information
- Financial Regulations and Standing Orders

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

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

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

However, I have the following recommendation to make.

Recommendation 2

That the Town clerk ensures that details regarding expenditure exceeding £500 is kept up to date.

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.

However, I have the following recommendation to make.

Recommendation 3

That the Town clerk obtain a reinstatement valuation regarding operational and community assets

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.

The Town Clerk submitted a detailed report to Council 25th June 2012.

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, and that the Town Clerk arrange a training session for members on the new Code.

Lichfield District Council on 7th January 2020 through the Lichfield District Parish Forum has provided training to Parish Councils on the Code of Conduct

I Note that the National Association of local Government (NALC) has published The Local Government Associations (LGA)-New model code of conduct consultation in May 2020 this was reported to Council 28/07/20.

On the 14 august 2020 NALC Published their response PR8-20 LGA Draft Model Code of Conduct. The LGA Model Member Code of Conduct: Consultation response analysis, was Published November 2020.

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

3.8 The Samuel Johnson Birthplace Museum

The following Museum document has been adopted by Council, 23 April 2019

- The Museum Forward Plan 2018-2021

The Council approved the following policy 24 April 2017

- Access Policy Statement

The Council approved the following policies 20 April 2015

- Environmental Policy Statement
- Collections Documentation Policy
- Collections Care and Conservation Policy updated 11/04/19
- Collections Development Policy

Dr Johnson's Birthplace Trust, Charity number: 500046

The Charity Commission Online Return for the period 1 April 2019 to 31 March 2020 has been submitted.

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

However, I have the following recommendation to make.

Recommendation 4

That the Town clerk ensures an annual stock take, takes place for goods for sale and the Insurance value for Stock is updated.

3.9 Policy and Procedure Documentation –Employees

I confirm that the following Booklets and leaflets have been issued to all employees:

- Health and Safety at Work Act Policy
- Risk Assessment Form – Building Condition / Specific Activities
- Disciplinary Procedure
- Maternity Policy
- Equal Opportunities Policy Statement
- Grievance Procedure
- Internet and email guidance
- Information and Data Protection Policy)
- Child Protection Policy & Procedure
- CCTV code of Practice
- Complaints Procedure
- Anti-Fraud and Corruption Strategy
 - Confidential Reporting (Whistleblowing) Policy
 - Anti-Money Laundering Policy
- Adverse Weather Policy
- Electronic Terminals Payment Procedures
- Document Retention Policy
- Training and Development Policy for Employees, Councillors and Volunteers
- The management of Transferable Data Policy
- Sickness Policy
- Employee Personal details
- Code of Conduct for Employees
- Social Media and Electronic Communication Policy

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.

The Impact of Coronavirus has resulted in a review of all Health and Safety activities for the Public and Staff

Employees have been notified of updates of policies.

No significant issues have been identified in this area of my review.

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.

No significant issues have been identified in this area of my review.

3.11 Further Developments

I note the following items will have an impact on the Council in 2021-22

- Covid-19 restrictions
- Additional works to the Repair, Renovation and Specific Project Programme 2021-22 (Council 25/01/21). e.g., Roof Repairs Darwin Hall

3.12 Other Activities during the year

I have completed a detailed review of the following.

Item marked with * have been impacted by COVID-19

2020- 0 Electronic Payments and Card Machine Provision

The Council Agreed on 31 November 2015 to receive electronic payments.

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 % |
|------------------|--------------|----------|-----------|----------------|
| 2015/16 | 49 | £1,024 | £47 | 4.6% |
| 2016/17 | 438 | £11,630 | £234 | 2.0% |
| 2017/18 | 600 | £19,976 | £256 | 1.3% |
| 2018/19 | 691 | £24,189 | £322 | 1.3% |
| 2019/20 | 755 | £28,304 | £426 | 1.5% |
| 2020/21 Estimate | 1,993 | £49,175 | £750 | 1.5% |

2020-1 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.

A programme of Replacement of the SOX/SON lights with 30WINDO AIR LED Lanterns has been completed in 2020/21 resulting in a 57% reduction in KWH usage.

I have completed a detailed review of the E-On highway lighting and maintenance charges. I note that for 2020/21 maintenance costs have increased by 2.52% and energy KWH unit costs have increased by 10.92%.

I note that 2 additional lights are to be transferred from Staffordshire County Council

| Year | No Street Lights | KWH | Rate | Cost | Maintenance Cost | Total Cost |
|---------|------------------|----------|-------|--------|------------------|------------|
| 2015/16 | 139 | 45876.79 | 0.136 | £6,273 | £3,353 | £9,626 |
| 2016/17 | 136 | 45777.18 | 0.131 | £6,020 | £3,437 | £9,457 |
| 2017/18 | 136 | 45777.18 | 0.145 | £6,609 | £3,460 | £10,069 |
| 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 |

2020-2 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 detailed breakdown 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 | RPI Increase | Ad Hoc Works |
|------------------|-----------|--------------|--------------|
| 2017/18 | £119,216 | 0 | £5,672 |
| 2018/19 | £123,985 | 4.0% | £9,931 |
| 2019/20 | £126,826 | 2.5% | £6,068 |
| 2020/21 Estimate | £130,880 | 2.7% | £6,350 |

2020-3 Official Orders

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

2020-4 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 Council on 30/07/19 resolved that from the 17 June 2019 until the next relevant Annual Meeting of the Council in 2023, the City Council adopts the General Power of Competence 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 |
|------------------------------------|----------------------|--|-------------------|-------------|
| Section 137 | | | | |
| 2015/16 | 25820 | £7.36 | £190,035 | £35,714 |
| 2016/17 | 25820 | £7.42 | £191,584 | £35,185 |
| 2017/18 | 25820 | £7.57 | £195,457 | £36,445 |
| 2018/19 | 25820 | £7.86 | £202,945 | £32,960 |
| General Power of Competence | | | | |
| 2019/20 | 25023 | £8.12 | £203,187 | £36,536 |
| 2020/21 estimated | 25023 | £8.32 | £208,191 | £39,100 |

2020-5 Guildhall Bar Charges

I have reviewed the Bar Charges arrangement with Lichfield Arts. As a result of the Coronavirus Pandemic and the subsequent regulations no functions have taken place.

| Year | Bar Charges | Commission | No Functions |
|-------------------|-------------|------------|--------------|
| 2015/16 | £2,380 | £238 | 21 |
| 2016/17 | £2,330 | £233 | 25 |
| 2017/18 | £3,405 | £340 | 34 |
| 2018/19 | £3,754 | £375 | 25 |
| 2019/20 | £1,600 | £160 | 19 |
| 2020/21 Estimate* | £0 | £0 | 0 |

2020-6 Markets Miscellaneous Income

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

| Year | Commercial Hire | Wednesday Market | Total |
|-------------------|-----------------|------------------|---------|
| 2015/16 | £13,670 | - | £13,670 |
| 2016/17 | £13,200 | - | £13,200 |
| 2017/18 | £12,513 | £4,086 | £16,599 |
| 2018/19 | £17,754 | £3,260 | £21,001 |
| 2019/20 | £13,612 | £255 | £13,867 |
| 2020/21 Estimate* | £4,920 | 0 | £4,920 |

2020-7 PRS Licence

I have reviewed the PRS for Music Returns and the recharges to Lichfield Arts. As a result of the Coronavirus Pandemic and the subsequent regulations no functions have taken place.

| Year | Total Number of Functions | Total PRS Fees Paid | Lichfield Arts | | Other Hirers | |
|-------------------|---------------------------|---------------------|----------------|--------|--------------|------|
| | | | No Functions | Fees | No Functions | Fees |
| 2015/16 | 31 | £1,528 | 30 | £1,385 | 1 | £143 |
| 2016/17 | 40 | £1,794 | 34 | £1,559 | 6 | £235 |
| 2017/18 | 47 | £2,224 | 39 | £1,889 | 8 | £335 |
| 2018/19 | 40 | £2,053 | 30 | £1,399 | 10 | £654 |
| 2019/20 | 17 | £917 | 16 | £873 | 1 | £44 |
| 2020/21 Estimate* | 0 | £0 | 0 | £0 | 0 | £0 |

2020-8 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 |
|-------------------|------------|-----------------------|-----------|
| 2015/16 | £3,595 | £2,377 | £1,218 |
| 2016/17 | £3,946 | £2,638 | £1,308 |
| 2017/18 | £4,306 | £2,850 | £1,456 |
| 2018/19 | £4,135 | £2,792 | £1,342 |
| 2019/20 | £3,992 | £2,678 | £1,314 |
| 2020/21 Estimate* | £820 | £660 | £160 |

2020-9 Energy Provision

I have reviewed the energy supplier's invoices from 2015 to date. I am pleased to note there are good controls operating.

| Year | KWH | Cost | Climate Change Levy | Data Collection/ Standing Charge | Total Cost |
|--------------------|--------|---------|---------------------|----------------------------------|------------|
| Electricity | | | | | |
| 2015/16 | 85735 | £9,372 | £356 | £511 | £10,239 |
| 2016/17 | 93680 | £9,645 | £389 | £560 | £10,594 |
| 2017/18 | 86831 | £10,163 | £376 | £620 | £11,159 |
| 2018/19 | 81846 | £10,674 | £359 | £1,636 | £12,669 |
| 2019/20 | 79838 | £11,691 | £478 | £1,545 | £13,714 |
| 2020/21 Estimate* | 56690 | £9,855 | £250 | £1,605 | £11,710 |
| Gas | | | | | |
| 2015/16 | 221273 | £5,667 | £378 | £1,957 | £8,002 |
| 2016/17 | 234200 | £5,360 | £429 | £2,003 | £7,792 |
| 2017/18 | 266490 | £5,796 | £500 | £1,910 | £8,206 |
| 2018/19 | 269244 | £6,449 | £526 | £1,748 | £8,723 |
| 2019/20 | 310813 | £8,121 | £979 | £482 | £9,582 |
| 2020/21 Estimate* | 235700 | £5,700 | £800 | £580 | £7,070 |

2020-10 Business Rates

I have reviewed the impact of business rates revaluation from 01/04/17. I confirm that all payments are made in accordance with financial regulations and standing orders.

The Samuel Johnson Birthplace was subject to the retail Discount Scheme due to the government Coronavirus response to help businesses and paid no Business Rates for 2020/21.

Lichfield BID announced in June 2020, due to Covid-19 it will lapse Lichfield BID at the end of its current five-year term in September 2020.

| Year | No Properties | RV | Business Rates | Business Rate reliefs | Net Business Rates | Lichfield BID* |
|---------|---------------|--------|----------------|-----------------------|--------------------|----------------|
| 2015/16 | 4 | 69,300 | £34,025 | -£3,451 | £30,574 | £935 |
| 2016/17 | 4 | 69,300 | £34,302 | -£3,479 | £30,823 | £935 |
| 2017/18 | 4 | 71,500 | £33,348 | -£1,641 | £31,707 | £1,046 |
| 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 | 0 |

2020-11 Telephone Services

I have reviewed the telephone charges from 2015 and I confirm that all payments have been in accordance with financial regulations and standing orders.

| Year | Rental Charge | Cost of Calls | Total Cost |
|------------------|---------------|---------------|------------|
| 2015/16 | £3,238 | £943 | £4,181 |
| 2016/17 | £3,870 | £1,379 | £5,249 |
| 2017/18 | £3,914 | £1,624 | £5,538 |
| 2018/19 | £3,958 | £1,067 | £5,025 |
| 2019/20 | £4,169 | £988 | £5,157 |
| 2020/21 Estimate | £4,400 | £960 | £5,360 |

2020-12 Water Charges

I have Analysed water charges from 2015 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 | Standard Charge | Usage | |
| 2015/16 | £316 | £959 | £276 | £1,442 | £2,993 |
| 2016/17 | £304 | £906 | £354 | £1,443 | £3,007 |
| 2017/18 | £355 | £2,116 | £376 | £412 | £3,259 |
| 2018/19 | £365 | £1,706 | £389 | £519 | £2,979 |
| 2019/20 | £480 | £1,579 | £123 | £520 | £2,702 |
| 2020/21 Estimate | £380 | £2,360 | £170 | £800 | £3,710 |

However, I have the following recommendation to make;

Recommendation 5

The Town Clerk to ensure Meter Readings are done every six months

2020-13 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 |
|-------------------|-----------|--------|---------------------|--------------|------------|-------------------|
| 2015/16 | 120,353 | £1,857 | £227 | £1,244 | £3,328 | 2.8p |
| 2016/17 | 125,337 | £1,575 | £144 | £1,393 | £3,112 | 2.5p |
| 2017/18 | 121,488 | £1,641 | £173 | £1,144 | £2,958 | 2.4p |
| 2018/19 | 180,035 | £1,840 | £246 | £1,920 | £4062 | 2.2p |
| 2019/20 | 136,642 | £1,840 | £183 | £1,497 | £3,520 | 2.6p |
| 2020/21 Estimate* | 84,277 | £1,885 | £110 | £865 | £2,860 | 3.3p |

2020-14 Market Stall Erection and Skip Hire

Market Stall Erection Contract - The contract was put out to tender (see Council report 28 November 2016) and subsequently awarded to **All-Fit Towbars & Trailers** for five years with an option to extend for a further three years, and I can confirm that all payments are made in accordance with Financial Regulations and Standing Orders.

As a result of the Coronavirus Pandemic and the subsequent regulations. The market stalls cannot be used and no erection cost have been incurred.

| Year | Market Stall Erection Cost | Storage Costs |
|-------------------|----------------------------|---------------|
| 2015/16 | £29,897 | £3,340 |
| 2016/17 | £35,343 | £3,684 |
| 2017/18 | £34,234 | £3,504 |
| 2018/19 | £33,799 | £3,596 |
| 2019/20 | £29,025 | £3,666 |
| 2020/21 Estimate* | £0 | £3,840 |

Market Skip Hire - I have reviewed the hire charges and as a result of the impact of coronavirus and the subsequent reduction in stalls the number of emptying were reduced.

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

| Year | Waste Charges | Number of occasions |
|-------------------|---------------|---------------------|
| 2015/16 | £13,393 | 95 |
| 2016/17 | £14,183 | 104 |
| 2017/18 | £10,244 | 105 |
| 2018/19 | £7,770 | 102 |
| 2019/20 | £7,917 | 102 |
| 2020/21 Estimate* | £4,770 | 58 |

2020-15 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 |
|------------------|---------|-------------------|--------------------------|
| 2015/16 | 8.548 | £413 | £48.33 |
| 2016/17 | 11.749 | £589 | £50.15 |
| 2017/18 | 10.871 | £562 | £51.69 |
| 2018/19 | 11.535 | £614 | £53.26 |
| 2019/20 | 13,791 | £766 | £54.84 |
| 2020/21 Estimate | 16,441 | £900 | £54.84 |

-Guildhall Glass Collection

I have reviewed the Wheelie Bin Glass Collection service provided by BIFFA Waste Services for the Guildhall this currently costs the authority £521 per annum following a reduction from 4 to 2 Bins. The Council on 28/01/19 approved an agreement with Lichfield Arts to share the cost equally. I can confirm that all payments are made in accordance with Financial Regulations and Standing Orders.

2020-16 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.

2020-17 Christ Church Interment Fees

I have completed a detailed breakdown of the Interment Fees and maintenance costs. I can confirm that the Interment Fees received are in accordance with the Agreement.

As a response to COVID-19 the Church of England have waived their burial fees during the current crisis and have encouraged Parochial Church Councils to reduce their fees too. Christ Church Lichfield have agreed to reduce the current burial fee payable to the PCC account by a third, Lichfield City Council has also reduced its fee by a third.

| Year | Interment Fees | Number of Burials | Number of Cremated | Number of Memorials |
|------------------|----------------|-------------------|--------------------|---------------------|
| 2015/16 | £1,684 | 7 | 1 | 8 |
| 2016/17 | £983 | 3 | 0 | 9 |
| 2017/18 | £1,105 | 6 | 1 | 8 |
| 2018/19 | £415 | 2 | 0 | 3 |
| 2019/20 | £481 | 3 | 0 | 2 |
| 2020/21 Estimate | £838 | 6 | 0 | 4 |

2020-18 Market Income

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

| Year | Friday Market | Saturday Market | Farmers Market | Tuesday Market | Total |
|-------------------|---------------|-----------------|----------------|----------------|----------|
| 2015/16 | £54,393 | £54,803 | £11,196 | £27,120 | £147,512 |
| 2016/17 | £52,381 | £58,677 | £8,173 | £28,568 | £147,799 |
| 2017/18 | £47,229 | £54,204 | £5,945 | £26,299 | £133,677 |
| 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 Estimate* | £9,814 | £15,450 | £2,220 | £10,440 | £37,924 |

As a result of Coronavirus, The Council approved Market rent incentives as recommended by Markets Working Group.

I note that the Application for and the Licence documents for a Market stall have not been reviewed for several years

However, I have the following recommendation to make;

Recommendation 6

That the Market Stall Licence to be updated

2020-19 Budget /Precept Process

I have reviewed the budget /precept process for 2020/21 and I am pleased to note there are good controls operating.

2020-20 Capital Works -Budgets

I have reviewed individual Capital Works against the budget for 2020/21 and I am pleased to note there are good controls operating.

2020-21 Election Expenses

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

| Parish Election | | | |
|-----------------|------------|------------|---------------------|
| Date | Electorate | Total Cost | Cost per electorate |
| May 2019 | 25,023 | £40,918 | £1.63 |
| May 2015 | 25,141 | £38,389 | £1.49 |
| May 2011 | 25,294 | £23,316 | £0.92 |

| Parish Ward by Elections | | | | |
|--------------------------|----------------|------------|------------|---------------------|
| Ward | Date | Electorate | Total Cost | Cost per Electorate |
| Stowe | September 2018 | 4,002 | £4,011 | £1.00 |
| Curborough | July 2018 | 3,295 | £2,958 | £1.80 |
| Stowe | February 2018 | 3,991 | £4,010 | £1.00 |
| Stowe | December 2017 | 3,942 | £6,558 | £1.66 |
| Stowe | May 2017 | 3,950 | £5,946 | £1.51 |
| Chadsmead | February 2017 | 3,165 | £4,613 | £1.46 |

2020-22 Donegal House Rental Agreements

I have reviewed the Lease Agreements, the Council reviewed the subsidised rent for Lichfield Arts and Lichfield Festival on 27/01/20 and 25/01/21 and no change to the current rent calculation was approved. LCC is currently receiving £5,540 per annum in rental income, there are vacant offices available to rent.

I am pleased to note there are good controls operating.

2020-23 Land Registry

I have reviewed the Land Register schedules and I have established that there is detailed registration of LCC assets. Some areas are subject to some legal issues being resolved.

2020-24 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.

2020-25 Sale of Land

No land sales have taken place.

2020-26 Direct Debits

The Council on 15 June 2020 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 Estimate | 303 | £248,000 | £212,000 |

2020-27 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 62A, 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 and send a copy of the report to the charging authority no later than 30 June following the reported year.

| 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 Estimate | £23,991 | £13,473 | £35,078 |

2020-28 Sheriffs Ride

I have analysed the cost of the Sheriff's Ride.

As a result of Coronavirus, the Sheriffs Ride 2020/21 has been cancelled

| Year | No Riders | Net cost of Ride | No Lunches | Net Cost of Lunches |
|-------------------|-----------|------------------|------------|---------------------|
| 2015/16 | 43 | £3,412 | 120 | £1,039 |
| 2016/17 | 40 | £3,122 | 122 | £976 |
| 2017/18 | 34 | £4,025 | 110 | £860 |
| 2018/19 | 46 | £5,047 | 110 | £708 |
| 2019/20 | 44 | £12,372 | 103 | £715 |
| 2020/21 Estimate* | 0 | £0 | 0 | £0 |

2020-29 Computer Services

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

| Year | Contract | Equipment Maintenance Software Upgrades | Total |
|------------------|----------|--|---------|
| 2015/16 | £3,842 | £2,010 | £5,852 |
| 2016/17 | £4,069 | £9,510 | £13,570 |
| 2017/18 | £4,872 | £5,074 | £9,946 |
| 2018/19 | £6,803 | £5,585 | £12,388 |
| 2019/20 | £8,634 | £7,838 | £16,472 |
| 2020/21 Estimate | £9,290 | £1,000 | £10,290 |

2020-30 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 | Expenditure | Income Guildhall cells | Net |
|-------------------|--------------|-----------------|----------|-------------|------------------------|---------|
| 2014/15 | £2,121 | £226 | £8,002 | £10,349 | £191 | £10,158 |
| 2015/16 | £2,079 | £240 | £29 | £2,418 | £153 | £2,195 |
| 2016/17 | £2,596 | £226 | £105 | £2,927 | £250 | £2,677 |
| 2017/18 | £3,104 | £154 | £685 | £3,939 | £196 | £3,743 |
| 2018/19 | £1,906 | £15 | 0 | £2,133 | £174 | £1,764 |
| 2019/20 | £861 | £606 | 0 | £1,467 | £243 | £1,224 |
| 2020/21 Estimate* | £225 | £1,205 | 0 | £1,205 | 0 | £1,430 |

Other events include-Johnson Celebrations, Lichfield Greenhill Bower, Staffordshire Day. Queen's Birthday, Marketing and Strategy.

Christmas Lights - A 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 |
|-------------------|-----------|--------|----------|---------------------|------------|-------------|---------|
| 2014/15 | £3,319 | £517 | £13,795 | 0 | £2,976 | 0 | £20,607 |
| 2015/16 | £1,339 | £40 | £12,750 | 0 | £3,769 | £2,120 | £20,018 |
| 2016/17 | £3,660 | £319 | £12,788 | 0 | £2,617 | 0 | £19,384 |
| 2017/18 | £4,359 | £487 | £13,134 | 0 | £4,906 | 0 | £22,886 |
| 2018/19 | £5,030 | £407 | £13,422 | 0 | £1,956 | £1,980 | £22,795 |
| 2019/20 | £5,148 | £494 | £12,950 | £111 | £1,618 | 0 | £20,321 |
| 2020/21 Estimate* | 0 | £705 | £13,370 | 0 | £2,965 | 0 | £17,040 |

2020-31 BACs Payments

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

| Year | Number of Transaction | Value |
|------------------|-----------------------|----------|
| 2019/20 | 28 | £28,054 |
| 2020/21 Estimate | 542 | £847,890 |

2020-32 Lichfield Churches Together

Lichfield City Council provided payroll services for Lichfield Churches together
I have Reviewed the payments and all payments have been reimbursed

| | 2018/19 | 2019/20 | 2020/21 |
|-------------------|---------|---------|---------|
| Payroll | £9,033 | £11,829 | £3,265 |
| No Employees paid | 11 | 14 | 8 |
| Reimbursement | £9,033 | £11,829 | £3,265 |

2019-20 Internal Audit Recommendation Summaries

| No | Details | Management Response | Timescale |
|----|--|---------------------|------------------------------------|
| 1 | Fraud and Corruption Checklist <ul style="list-style-type: none"> ➤ That the Town Clerk on implementing Electronic Banking Payments by BACs produce clear written instructions and procedures | Agreed | Completed January 2021 |
| 2 | Creditors <ul style="list-style-type: none"> ➤ That the Town Clerk ensure that all invoices received are date stamped | Agreed | Implemented |
| 3 | Financial regulations and Procedures <ul style="list-style-type: none"> ➤ That the Town Clerk Review Financial Regulations in light of NALC publishing Model Financial Regulation 2019 for England | Agreed | Reported to Council September 2020 |
| 4 | The Local Government Transparency Code 2015 <ul style="list-style-type: none"> ➤ That the Town Clerk publishes Lichfield City Council's Complaints Procedure on the transparency page of LCC web Site | Agreed | Implemented |
| 5 | Insurances <ul style="list-style-type: none"> ➤ That the town Clerk review all risk insurance value in relation to the Civic Silver/Regalia ➤ Zurich have produced a Guide to risk Management I would recommend that the document is shown to our Health and safety Consultants Terrain | Agreed | Completed September 2020 |
| 6 | Policy and Procedure Documentation <ul style="list-style-type: none"> ➤ That the Town Clerk produces an updated Anti-Fraud and Corruption Strategy including Confidential Reporting (Whistle blowing) policy and Anti-Money Laundering Policy | Agreed | Reported to Council December 2019 |
| 7 | Payroll Expenses <ul style="list-style-type: none"> ➤ That the Town Clerk registers with the HRMC payrolling employee benefits and expenses service | Agreed | Completed March 2020 |

2020-21 Internal Audit Recommendation Summaries

| No | Details | Management Response | Timescale |
|-----------|---|----------------------------|------------------|
| 1 | 1.1 Fraud and Corruption Checklist <ul style="list-style-type: none"> ➤ The Ministry of Housing Communities & local Government has as a part of a commitment from the UK Anti-Corruption Strategy 2017-2022 published June 2020 - Review into the risks of fraud and corruption in local government procurement. I would recommend that the Town Clerk review the document and good practice. | Agreed | April 2021 |
| 2 | 3.5 Local Government Transparency Code <ul style="list-style-type: none"> ➤ That the Town clerk ensures that details regarding expenditure exceeding £500 is kept up to date. | Agreed | Implemented |
| 3 | 3.6 Insurance <ul style="list-style-type: none"> ➤ That the Town clerk obtain a reinstatement valuation regarding operational and community assets. | Agreed | December 2021 |
| 4 | 3.8 The Samuel Johnson Birthplace Museum <ul style="list-style-type: none"> ➤ That the Town clerk ensures an annual stock take, takes place for goods for sale and the Insurance value for Stock is updated. | Agreed | Implemented |
| 5 | 2020-12 Water Charges <ul style="list-style-type: none"> ➤ The Town Clerk to ensure Meter Readings are done every six months. | Agreed | Implemented |
| 6 | 2020-18 Market Income <ul style="list-style-type: none"> ➤ That the Market stall Licence to be updated. | Agreed | December 2021 |

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 |

MANAGEMENT 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 | 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. | The Council on 24 June 2014 Adopted a local Government Pension Scheme-Employer Discretions Policy subsequently readopted 2018, next review scheduled September 2023 |
| 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. | |
| 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. | Impact of Coronavirus Regulations |
| 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 by the Council's auditors. | Impact of Coronavirus Regulations |
| 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. | 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. | 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. |

| Activity | Identified Risk | Assessment and Action | Notes |
|------------------------|---|--|--|
| 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. | The Council to update the reinstatement values of its assets |
| 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 | 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. | 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 smooth operation of the Guildhall. Written procedure notes are available for key duties, and premises manuals are largely complete. The Staffing Committee undertakes an annual review of the staffing establishment available to service the Council's functions. | |
| 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. The introduction of Office 365 Cloud allows for Home working. | Impact of Coronavirus Regulations |
| Markets Operation | Interruption/cancellation of Markets activities | If the Market Square was unavailable alternative arrangements could be made to operate in the streets (as happened during Market Square repaving works.) | Impact of Coronavirus Regulations |
| Room Hire at Guildhall | Interruption/cancellation of room hire through loss of building by fire etc | The building and contents are insured against loss. Loss of the Guildhall would not in itself affect the ability of the Council to function. No business interruption insurance is held as the income lost from Guildhall hire would be sufficiently mitigated by reduced operating costs. | Impact of Coronavirus Regulations |

| Activity | Identified Risk | Assessment and Action | Notes |
|---------------------|--|---|--|
| Community Centres | Loss of properties through fire etc. Failure/disbandment of management committees. | The building and contents are insured against loss. Temporary closure during reconstruction of the Community Centres would not in itself affect the ability of the Council to function. The Council has sufficient experience from operating Guildhall to temporarily take over running of the Community Centres should a management committee cease to function (as evidenced at Boley Hall). | Council 30/11/15 agreed to take on the temporary, day to day management of Boley Park CC. A new Management Committee has taken over Management from September 2020. |
| 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. | . |
| Land | Loss of land, or public open space, through encroachment, adverse possession etc | Boundaries of areas known, recorded and inspected. | Registration of land holdings is substantially completed and ongoing. Some areas are subject to some legal issues being resolved |
| Twinning | Interruption/cancellation of Twinning activities | Twinning activities are a non-essential activity. | |
| 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. | |
| Legal | Litigation against Council | Council has Public Liability and Employer's liability insurance. Control measures in place to reduce likelihood of successful claims | |
| Data Protection | Non-compliance with the General Data Protection Regulations | Upgrade to server and workstation monitoring. Retention of Documents Secure website and enquire forms | The Council has formally adopted the following Policies - Retention of Documents Policy 5/03/18 -Information & Data Protection Policy 23/04/18 -Social Media & Electronic Communication Policy 23/04/18 -Recoverable Media Policy 18/06/18 |

APPENDIX E

ANNUAL INTERNAL AUDIT REPORT 2020/21

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 **during** the financial year ended 31 March 2021.

The internal audit for 2020/21 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 council 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 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "Not Covered".) | | | √ |
| L | The authority has demonstrated that during summer 2020 it has correctly provided for the exercise of public rights as required by the accounts and Audit Regulations. | √ | | |
| M | (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).