

DRAFT MINUTES

ID	13166
Committee	Governance and Audit Committee

Item ID	115716
Item Title	APOLOGIES FOR ABSENCE
Summary	<p>The Chair welcomed all those present to the meeting and led on introductions.</p> <p>Apologies of absence were received from Councillor Adata and Councillor Whittle.</p>
Decision makers/ decision deadline	

Item ID	115717
Item Title	DECLARATIONS OF INTEREST
Summary	<p>Members were asked to declare any interests they may have in the business to be discussed.</p> <p>There were no declarations of interest.</p>
Decision makers/ decision deadline	

Item ID	117692
Item Title	CHAIR'S ANNOUNCEMENTS
Summary	<p>The Chair announced that this meeting would be Grant Patterson's final meeting as an external member of the committee and thanked him for his service and support to the Leicester City Council.</p> <p>Grant Patterson expressed his gratitude and noted the positive working relationship with the Council.</p>
Decision makers/ decision deadline	

Item ID	115725
Item Title	RELATED PARTIES REPORT
Summary	<p>The Director of Finance submitted a report to the Governance and Audit Committee which presents the report by Grant Thornton on the Council’s transactions to Haymarket Consortium Limited. Grant Patterson, External Auditor for Grant Thornton, presented the related parties transaction report and addressed concerns regarding a transaction involving a loan to Haymarket Consortium Limited. • It was determined that the loan did not need to be disclosed as a related party transaction under accounting standards nor did it constitute a disclosable interest under the Council's constitution. • The audit did not find any disclosable interests involving the City Mayor's daughter and the Haymarket. It was concluded that the City Mayor did not have a beneficial interest in HCL, and the relationship did not meet the threshold for disclosure under accounting standards. • Members of the committee appreciated the report's thoroughness and structure of the report and emphasised the importance of asking questions from an independent viewpoint. • Members found the report clear and accessible despite the complex subject matter and appreciated the audit's thorough approach. • Grant Patterson confirmed that the transaction with Haymarket Consortium Limited did not meet the threshold for a related party disclosure under accounting standards. It was concluded that no further actions were necessary regarding this transaction.</p> <p>RESOLVED: The Committee noted the report and provided comments to the External Auditors.</p>
Decision makers/ decision deadline	

Item ID	115721
Item Title	STATUTORY STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENT 2022/23
Summary	<p>The Director of Finance submitted a report to the Governance and Audit Committee which presents the Statutory Statement of Accounts and Annual Governance Statement for 2022-2023.</p> <p>The committee discussed the key findings from the audit report presented by Amy Oliver and Grant Patterson.</p> <ul style="list-style-type: none"> • Key concerns included issues related to the valuation of property, plant, and equipment, and the implications of a recent cyber-attack.

	<ul style="list-style-type: none"> • Members of the committee raised questions about the need for clearer financial projections and understanding the council’s financial position through 2025/26. • The committee agreed that financial sustainability should be a regular agenda item. The committee approved the ISA 260 report, the statement of accounts, and the letter of representation for 2022/23, with a focus on monitoring financial sustainability and integrating it into future planning. <p>RESOLVED: The Governance & Audit Committee: Noted the auditor’s ISA 260 Report (the Audit Findings Report) to those charged with Governance and the recommendations contained within it, attached at Appendix 1. Approved the Statement of Accounts 2022/23, Appendix 2 Approved the Annual Governance Statement 2022/23, Appendix 2. Approved the Letter of Representation submitted by the Director of Finance (S151), attached at Appendix 3.</p>
Decision makers/ decision deadline	

Item ID	115722
Item Title	EXTERNAL AUDIT ANNUAL REPORT 2022/23
Summary	<p>The Director of Finance submitted a report to the Governance and Audit Committee which presents the Value for Money report for 2022-2023.</p> <p>Alexa Ngini, External Auditor for Grant Thornton, presented the External Audit Annual Report, identifying a significant weakness in the Council's financial sustainability. Immediate actions were recommended to address budget gaps.</p> <ul style="list-style-type: none"> • Members of the committee emphasized the importance of strategic planning and avoiding last-minute crisis management and appreciated the clarity of the report and the discussion on enhancing internal processes. • Members recognised the need for increased oversight and strategic management to address these financial challenges, agreeing on the necessity for cross-committee awareness and ongoing monitoring of financial sustainability. 9 <p>RESOLVED: The Committee noted the Finance Update report attached at appendix B, to those charged with Governance and passed any comments to the External Auditor.</p>
Decision makers/	

decision deadline	

Item ID	115723
Item Title	FINANCE UPDATE
Summary	<p>The Director of Finance submitted a report to the Governance and Audit Committee informing of updates including the improvements on accounts at Leicester City Council.</p> <p>Amy Oliver, Director of Finance, provided an update on the Council's ongoing efforts to enhance financial processes, including continuous training and internal reviews.</p> <ul style="list-style-type: none"> • The committee discussed the impact of the recent cyber incident, which has caused delays and may affect the 2023/24 deadlines. • Emphasis was placed on maintaining strong internal controls and effective governance, particularly considering the challenges to financial sustainability. • The committee acknowledged the steps being taken to improve these processes and stressed the importance of robust governance and risk management practices. <p>RESOLVED: The Governance & Audit Committee noted the report.</p>
Decision makers/ decision deadline	

Item ID	115724
Item Title	PRIVATE SESSION
Summary	<p>RESOLVED: That the press and public be excluded during consideration of the following reports in accordance with the provisions of Section 100A(4) of the Local Government Act 1972, as amended, because they involve the likely disclosure of 'exempt' information, as defined in the Paragraphs detailed below of Part 1 of Schedule 12A of the Act, and taking all the circumstances into account, it was considered that the public interest in maintaining the information as exempt outweighed the public interest in disclosing the information. Paragraph 3 - Information relating to the financial or business affairs of any particular person.(including the authority).</p>
Decision makers/ decision deadline	

Item ID	117644
Item Title	FUTURE PROVISION OF THE INTERNAL AUDIT SERVICE
Summary	<p>The Head of Finance submitted a report on the planned changes to the future provision of the Internal Audit Service and work taking place to identify a new provider.</p> <p>Head of Finance, Colin Sharpe presented the report. Members of the Committee discussed the report and raised a number of points to which officers provided further explanations and assurances. The Chair thanked officers for the report.</p> <p>AGREED:</p> <ol style="list-style-type: none"> 1. That the report be noted. 2. That any comments made in the meeting be taken into consideration during future progress on the procurement of a new internal auditor.
Decision makers/ decision deadline	

Item ID	115719
Item Title	ANY OTHER BUSINESS
Summary	There being no further business, the meeting closed at 19:30pm
Decision makers/ decision deadline	