



Leicester
City Council

Minutes of the Meeting of the
GOVERNANCE AND AUDIT COMMITTEE

Held: Monday, 14 July 2025 at 5:30 pm

P R E S E N T :

Councillor Kaur Saini (Chair)
Councillor Russell (Vice Chair)

Councillor Bajaj
Councillor Joel

Councillor Kitterick
Councillor Dr Moore

Councillor Osman

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1 Apologies for Absence

Apologies were received from Councillor Rae Bhatia who was substituted by Councillor Osman. Apologies were also received from Independent member Bipun Bhakri.

2 Declarations of Interest

There were no Declarations of Interest.

3 Draft Statement of Accounts and Annual Governance Statement 2024/25

The Director of Finance presented the Draft Statement of Accounts and Annual Governance Statement for 2024/25.

Members raised the following points:

- The Director of Finance clarified that rental income from the Housing Revenue tenants is reinvested into the housing stock and could not be used to fund general fund services.
- A member observed that the accounts provided within the agenda packs were complex and detailed for members to absorb in advance of the committee. The Director of Finance confirmed that the format is determined by accounting

- standards and follows a prescribed structure. The draft statements are published in advanced, enabling members to view and raise queries.
- In relation the fixed assets held by the Council, the Director of Finance explained that these figures related to a wide range of assets, such as schools, which are valued but not generally available for disposal. Where appropriate the Council may consider disposing of assets to achieve capital receipts, but any decision would consider the loss of associated rental incomes and without a capitalisation directive could not be used for revenue purposes.
 - A member praised the narrative regarding children's homes and requested that the associated data be presented separately from schools in the narrative report.

RESOLVED

Action Point - Consideration be given to update the narrative statement to separately show the investment in children's homes from schools

The Governance and Audit Committee noted the content of the report and made comments.

4 Annual National Fraud Initiative 2024/25

The Corporate Investigations Manager presented the Annual National Fraud Initiative for 2024/25.

Members sought clarification on the below points:

- The Corporate Investigations manager informed that the National Fraud Initiative matches data such as payroll records to identify potential duplicates and confirmed that participation in the initiative is mandatory. It was noted that the number of significant findings had been relatively low in recent years.
- The Corporate Investigations Manager agreed that a report against comparative authorities could be useful as they can help illustrate the effectiveness of the Council's existing controls and checks.

RESOLVED

Action Point – To look to include comparator information in future reports.

The Governance and Audit Committee noted the content of the report.

5 Counter Fraud Annual Report 2024/25

The Corporate Investigations Manager presented the Counter Fraud Annual Report 2024/25 outlining the key points during the year, including the applications refused because of counter fraud measures. The committee was informed that the service continued to undertake checks with other authorities in the region and to benefit from participation in the National Anti-Fraud Network.

Members sought clarification on the below points:

- A member noted that Right to Buy had been addressed within the report but queried whether school place allocation, particularly for secondary schools, was also subject to fraud prevention checks. The Corporate Investigations Manager confirmed that checks are completed in this area.

- The Corporate Investigations Manager explained that the team works closely with the Revenues team to carry out various checks to confirm whether properties are genuinely occupied. Where verified increases in occupancy are identified, this information is passed to the Revenues team to update council tax records.
- It was noted that Housing Benefit fraud had been investigated by DWP since 2016.
- The Corporate Investigations Manager confirmed that in relation to Council Tax, investigation work remains part of the Council's remit, and appropriate action is taken where fraudulent activity is suspected or identified.

RESOLVED

The Governance and Audit Committee noted the content of the report.

6 **Head of Internal Audit Service Annual Report 2024/25**

The Head of Internal Audit Service presented the Annual Report for 2024/25, which:

- Summarised work completed during the year, including seven reports, as detailed in Annex A.
- The report also highlighted areas for improvement and included follow-up sections where actions were confirmed as satisfactorily addressed.
- The Head of Internal Audit confirmed that administrative reporting processes were in place in line with the Internal Audit Charter, which governs the relationship between Internal Audit and the Committee. Six high-priority recommendations were noted.

Members sought clarification on the below points from the Head of Internal Audit:

- The Head of Internal Audit clarified that “implemented” is used for brevity in the report but reflects that an action has been completed, and thorough processes have been undertaken and improvements made.
- The Head of Internal Audit noted that the school finance had been reported previously, with both critical and substantial findings but only new reports were included in the current annex.
- A member asked whether schools with unsustainable balances would be identified in collaboration with the finance team. The Director of Finance confirmed that school finance is an important audit area which is reviewed each year, where the governance arrangements indicate that a school requires support to move out of a deficit position. The outcomes are monitored, and issues can be revisited if necessary.
- Following a request Head of Internal Audit agreed that metadata and narrative detail could be used to provide a fuller picture and enhance the presentation of reports.

RESOLVED

Action Point - to provide a copy of the schools' internal audit report.

Action Point - Future reports to incorporate qualitative as well as quantitative data where possible.

Noted the results of internal audit work undertaken, and the opinion of the Head of Internal Audit that Reasonable Assurance can be provided on the

adequacy and effectiveness of the council's framework of governance, risk management and internal control.

Noted the outcome of Veritau's quality assurance and development arrangements, including the confirmation that the internal audit service conforms to public sector internal auditing standards.

Noted that no significant control weaknesses have been identified by internal audit during the year which are considered relevant to the preparation of the Annual Governance Statement.

Approved the draft internal audit charter.

7 Regulation of Investigatory Powers Act 2000 - Bi-Annual Performance January-June 2025

The City Barrister and Head of Standards submitted the Regulation of Investigatory Powers Act 2000 (RIPA) Bi-Annual Performance Report July 2024 – December 2024 to the Governance and Audit Committee. The Principal Lawyer presented the report.

Points highlighted included:

- The Council continues to ensure compliance with RIPA requirements through the delivery of refresher training. Two training sessions have been booked to ensure officers understand RIPA and the circumstances they may be exercised.
- Officers are reminded that if their activities fall within the scope of RIPA, even where the powers are not actively used, they must ensure compliance with all statutory requirements.

Members sought further clarification and raised the below points:

- A member sought clarification regarding the performance of the Council's RIPA applications. The member noted that the bi-annual report covered the period from January to June 2025 but referred to the previous reporting periods where there had been no authorisations for several years and queried the asked for clarification on when these powers could be applied.
- In response, the Principal Lawyer confirmed that the use of RIPA powers must relate to the investigation of a criminal of a criminal offence and is subject to certain statutory restrictions. They emphasised that the powers cannot be used for just any type of request.

RESOLVED

The Governance and Audit Committee received the report and noted its contents.

8 Insurance Annual Report 2024/25

Stephen White, Insurance Claims Officer, presented the Insurance Annual Report 2024/25 to the Governance and Audit Committee.

RESOLVED

The Governance and Audit Committee noted the contents of the report, and the Council's approach to ensuring it is managing the financial risk associated with insurance claims.

9 Action Tracker

RESOLVED

A member requested that only actions which have been completed to be stated as closed to understand which actions are still outstanding.

10 Any Other Urgent Business

There was no other urgent business.

11 Private Session

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).

12 Future Provision of the Corporate Investigations Service

RESOLVED

The Governance and Audit Committee voted in favour of the recommendations that:

The intention to transfer the Corporate Investigations Service to Veritau Public Sector Ltd with effect from 1 October 2025.

The service transfer will be implemented by means of a variation to the existing Services Agreement with Veritau, which already includes provision for counter fraud services.