



Leicester
City Council

Minutes of the Meeting of the
GOVERNANCE AND AUDIT COMMITTEE

Held: WEDNESDAY, 27 SEPTEMBER 2023 at 5:30 pm

P R E S E N T:

Councillor Kaur Saini (Chair)
Councillor Surti (Vice Chair)

Councillor Dave

Councillor Whittle

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12. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Kitterick.

13. DECLARATIONS OF INTEREST

Members were asked to declare any interests they had in the business on the agenda.

There were no declarations of interest.

14. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting of the Governance and Audit Committee held 19 July 2023 be confirmed as a correct record.

15. EXTERNAL AUDIT ANNUAL REPORT 2021/22 (THE VALUE FOR MONEY REPORT)

The external auditor introduced the report and provided an overview of the External Audit Report for 2021/22, this was the final piece of work for the 2021/22 audit. It was noted that:

- The overall position was that risks of significant no weakness had been identified in the year.
- There was a reported improvement in the direction of travel in two of the three criteria.

- There had been a review of the Council's decision making process which involved 2 case studies, no evidence of significant weakness was found in this review.
- Recommendations under the financial sustainability criteria were focused on maintaining reserves at sustainable levels and ensuring focus on a credible savings plan. These were due to a concerning outlook for the Council's finances which had led to a large amount of uncertainty regarding post 2023/24.
- At the present time savings that could be delivered were operational savings that could be delivered as business as usual.

In response to Member questions, it was noted that budgeting discussions were built into the auditing process. Officers and auditors met regularly to share intelligence on the present financial outlook and any large decisions would be shared with the auditors when appropriate.

Auditors noted that they were willing to provide summaries of auditing and financial processes for Members.

With regard to connectivity between auditing documentation and the strategic risk register, it was noted that there was alignment in the sense that financial sustainability was the number 1 risk on the register. Auditors did consider the risk register themselves.

In response to question about learning from other Councils, it was noted that common themes across different Councils were reviewed but that due to different reporting methods it was difficult to make comparisons between Councils.

A question was asked relating to the renewal of the Biffa contact. It was noted that a strategy was being worked on and would go to the relevant Scrutiny Commission when necessary.

RESOLVED:

That the Committee notes the report.

16. EXTERNAL AUDIT PLAN 2022/23

The external auditor submitted a report on the External Audit Plan 2022/23. It was noted that:

- This report formalised the indicative risks previously brought to the Committee.
- Main areas of focus continued to be the valuation of Council land, buildings, and dwellings, the management of pensions, and the risk of management override of control. These risks were deemed significant due to the higher risk of material misstatement.
- Additional accounting considerations were required due to the surplus in pensions evaluations.
- The majority of progress against prior year recommendations were listed

as tbc on the grounds of the audit being a work in progress.

- Future work would be focused on financial sustainability due to the financial climate.
- Auditors had also asked the Council about emerging issues such as RAAC and equal pay in order to receive reassurance.
- Notice would shortly be provided relating to the publishing of the final accounts for the year. Publishing would be done after the statutory deadline however this was not uncommon for a Local Authority.

A progress update on the RAAC work was requested.

RESOVLED:

1. That the Committee notes the report.
2. That the Committee requests a progress update on RAAC work.

17. INTERNAL AUDIT PLAN 2023/24 AND PROGRESS UPDATE

The internal auditor from Leicestershire County Council submitted a report on the Internal Audit Plan 2023/24 which provided a progress update. It was noted that conversations had taken place with the external auditor to ensure there was no duplication. The risks outlined were similar to that of other Local Authorities.

In response to a question on those audit reviews listed as cancelled, it was noted that these should be considered not definitively cancelled but just lowered in priority.

On the progress report, it was noted that one plan had been closed down and no new plans had been received since the last report. There had been good progress on the jobs in the plan, but summary of recourse had been slowed down to a member of staff being on jury duty.

RESOLVED:

That the Committee notes the report.

18. REGULATION OF INVESTIGATORY POWERS ACT 2000 - BI - ANNUAL REPORT JANUARY - JUNE 2023

The Head of Information Governance and Risk submitted a bi-annual report. It was noted that there had been no use of the power during the period in question.

RESOLVED:

That the Committee notes the report.

19. PROCUREMENT ANNUAL REPORT 2022/23

The Head of Procurement submitted the annual report for 2022/23. It was noted that there had been a extra resilience with regards to waivers. Advance notice had been brought to the Council of changes to regulations proposed in the Procurement Bill going through Parliament. Processes were being examined in light of this.

In response the questions it was noted that:

- On the approach to waivers, difficult decisions had to be made and the position now was to consider the most efficient approach.
- With regard to break clauses in to-let contracts, the intention was to embed this into existing contracts soon. The economic benefit of this approach to letting needed to be considered on a case-by-case basis.
- The reduction in the value of waivers was due to a robust approach being taken.

RESOLVED:

That the Committee notes the report.

20. ANY OTHER BUSINESS

There being no other business the meeting closed at 8.31pm.