



Leicester
City Council

Minutes of the Meeting of the
GOVERNANCE AND AUDIT COMMITTEE

Held: Monday, 23 June 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 Rae Bhatia

Bipon Bhakri – Independent Member

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1 Welcome and Apologies for Absence

Cllr Kaur Saini, as Chair, welcomed all those present to the meeting.

There were no apologies for absence.

2 Declarations of Interest

Members were asked to declare any interest they had in the business to be discussed on the agenda.

There were no declarations of interest.

3 Minutes of the Previous Meeting

RESOLVED:

That the minutes of the previous meeting held on 24 March 2025 be confirmed as a correct record.

4 Membership of the Commission 2025/26

RESOLVED:

That the membership of the Governance and Audit Committee for the 2025/2026 municipal year be noted.

5 Dates of Meetings for the Commission 2025/26

RESOLVED:

That the dates of meetings for the Commission for the 2025/2026 municipal year be noted.

6 Terms of Reference

RESOLVED:

That the Terms of Reference for the Commission be noted.

7 Contract Procedure Rules

The Head of Procurement submitted a report to the Governance and Audit Committee which presented the Contract Procedure Rules.

The Head of Procurement presented the report, providing an overview on the Procurement Act 2023, and summarised the changes made to the Council's Contract Procedure Rules to bring the document in-line with the Act. The Director of Finance noted that comments made by the Committee would be considered at the upcoming meeting of the Full Council on 3rd July 2025, who are being asked to approve the document.

Members of the Committee discussed the report, and the following points were highlighted:

- It was asked if a separate document could be provided showing the changes. It was noted that this was difficult as the changes were significant. For example, Section 21 of the Contract Procedure Rules did not necessarily correspond with the old section 21 as several sections had been removed and new sections inserted. In addition, there had been a change in terminology and flow of the rules to reflect the Procurement Act.
- It was agreed that the Director of Finance would provide an online briefing session to all Councillors ahead of Council on the 3rd July, to provide an overview on the new Act and the changes to the Contract Procedure Rules.
- A question was raised by a Member of the Committee enquiring about the possibility of additional focus on the local supply chain. It was noted that the Principles and Objectives within the Contract Procedure Rules detail the aims of procurements and one of these is supporting small and medium suppliers to submit tenders (namely have regard to barriers faced by SMEs). The Council provides support to suppliers wanting to submit bids to the Council through provision of information on our website and in-person training. It was further noted that there were a variety of options available, which included strengthening wording to place additional focus on the local supply market in the Preliminary Market Engagement section and could be explicitly stated on the Council's procurement website pages and scoring system.

- A Member of the Committee enquired about how Councillors should manage direct contact from local suppliers interested in Council contracts. The Director of Finance noted that the point will be taken back and agreed to be included in a Member's Bulletin.
- Following questions about how the Council was embedding and testing the principles of the Contract Procedure Rules in Council processes, it was noted that internal auditors had been commissioned to review procurement areas within the Council and that any areas of concern would result in recommendations. The Committee will be provided an update on the outcome of these audits in their regular updates from internal audit.
- The Head of Procurement and the Procurement Team had conducted several training sessions with officers involved in procurement across the Council. This included both in-person sessions and virtual sessions. It was noted that these training sessions had resulted in good attendance and engagement from officers.
- Members noted that the changes made to the Contract Procedure Rules would result in more costly procurement and queried how the Council could streamline costs while adhering to the new requirements of the Procurement Act. The Director of Finance noted that the changes were being managed by the current resources available, resulting in additional strain on teams to ensure the Council's compliance with the Act. It was further noted that the emphasis was to ensure the processes were as efficient as possible.

The Chair thanked officers for the report.

RESOLVED:

1. That the report be noted and that comments made by the Committee be taken into consideration at the upcoming meeting of the Full Council.
2. That a briefing session on the higher-level Contract Procedure Rules document be conducted prior to the next meeting of the Full Council.
3. The Committee asked the Executive to have consideration and additional emphasis on engagement with local suppliers.
4. A member note would be provided on how Councillors manage direct contact from Suppliers.

8 **External Audit Plan and Risk Assessment**

The Director of Finance submitted a report to the Governance and Audit Committee which presented the External Audit Plan report for 2024/2025.

William Howard, Auditor at Grant Thornton, presented the item and provided a summary of the findings in the report.

Members of the Commission discussed the report, and the following points were raised:

- Members inquired as to whether there was a process in place for staff to self-report any apprehensions they may have about signing off expenditure requests, highlighting concerns regarding the stringency of checks when purchase orders are submitted. It was clarified that when a purchase order was raised by a member of staff, the request gets sent to budget holders for approval. It was further noted that there were substantive testing processes in place that the

- auditors undertake to review any inconsistencies such as journal entry testing targets.
- Members requested further clarity on the timetable of activities presented in the report. It was noted that there was a significant number of activities in previous years that were delayed, such as PPE evaluations. Processes have since been put in place in the Finance Team to ensure that issues are flagged earlier, and officers were meeting more regularly in-person.
 - Members drew attention to page 87 of the agenda pack regarding the valuation of Council housing and questioned whether areas were considered when analysing property types, referencing that similar types of buildings were valued differently depending on the area it was located in. It was noted that there were multiple different types of beacons split between area and location. Overall members were happy and welcomed the incorporation of building valuations into the report.
 - Members enquired about whether the new Contract Procedure Rules policy would add any additional risks to the risk register. It was noted that the Contract Procedure Rules did not directly form part of the audit process at this point in time.

RESOLVED:

That the report be noted.

9 Action Tracker

The Chair reminded Members of the Commission that the Governance and Audit action tracker had been added as a standing item to all future agendas to provide an update on all actions taken from committee meetings.

Members of the Commission discussed the action tracker and suggested the following points:

- That feedback on Local Procurement Supply plans be added as an action to the action tracker.
- That further information regarding the Strategic Risk Register be provided to members of the Commission. It was noted that this point would be taken outside of the meeting.

RESOVLED:

1. That the action tracker be noted.
2. That an action on local procurement supply plans be added as an action to the action tracker.

10 Any Other Urgent Business

There being no other business, the meeting closed at 6:15pm.