



Leicester
City Council

Minutes of the Meeting of the
GOVERNANCE AND AUDIT COMMITTEE

Held: WEDNESDAY, 10 JULY 2024 at 5:30 pm

P R E S E N T :

Councillor Kaur Saini (Chair)
Councillor Adam Clarke (Vice Chair)

Councillor Adatia
Councillor Osman

Councillor Cassidy
Councillor Kitterick

Also Present:

Mr Bipun Bhakri – Independent Member

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1. APOLOGIES FOR ABSENCE

The Chair welcomed all to the meeting and led on introductions.

Apologies were received from Cllr Joel.

2. DECLARATIONS OF INTEREST

Members were invited to declare any interests they had in the business to be discussed.

There were no declarations were made.

3. MINUTES OF THE PREVIOUS MEETING

AGREED:

That the Minutes of the meeting held 13th March 2024 and 18th April 2024 was a true and accurate record.

4. HEALTH & SAFETY ANNUAL REPORT 2023/24

The Director of Corporate Services submitted a report to the Governance and Audit Committee which presents the Health and Safety Report 2023-24.

The Corporate Health and Safety Manager presented the Health and Safety Report for 2023/24, detailing safety management systems and audit outcomes.

Members discussed the report and the following points were raised:

- Members discussed the 8% improvement in corporate-level performance.
- Concerns were raised regarding mental health-related absences, accounting for 15,000 lost days and a cost of £1.9 million. Members requested a more detailed report on mental health issues in future reports.
- Members requested for more narrative on actions being taken in future reports and additional details on gas safety checks.

AGREED:

The Committee noted the report.

5. COMMITTEE'S ANNUAL WORK PERFORMANCE REPORT

The Director of Finance submits a report to the Governance and Audit Committee which presents the Committee's Annual Work Performance Report.

The Head of Finance presented the Committee's Annual Work Performance Report.

- Members discussed the ongoing police investigation into a cyber security attack and its financial implications, the Director of Finance noted that a paper on Cyber Security would go to the next Committee meeting.
- It was noted that some reporting requirements were unmet due to a report pending until September.
- Members were informed that an Outturn paper would be going to the Overview Select Committee and a briefing will be sent to councillors updating on reserve positions on the week commencing 22nd of July.
- Members requested to ensure the inclusion of financial sustainability in the work plan for each meeting.

AGREED:

The Committee approved the report.

6. ANNUAL NATIONAL FRAUD INITIATIVE 2023/24

The Director of Finance submits a report to the Governance and Audit Committee which presents the Annual National Fraud Initiative for 2023-24.

The Corporate Investigations Manager presented the Annual National Fraud Initiative report, noting the data sets reviewed and instances of suspected fraud.

- Members discussed issues related to small business rates relief and duplicate payments, which had been recovered.

AGREED:

The Committee noted the report.

7. COUNTER FRAUD ANNUAL REPORT 2023/24

The Director of Finance submitted a report to the Governance and Audit Committee which presents the Counter Fraud Annual Report for 2023-24

The Corporate Investigations Manager presented the annual report provided insight into proactive and reactive fraud prevention activities.

- Members discussed the impact of business rate reliefs and the need for future government policies.
- Members requested that there is a process of checking a verifying non-students in student accommodation and provide feedback.

AGREED:

The Committee noted the report.

8. HEAD OF INTERNAL AUDIT SERVICE ANNUAL REPORT 2023/24

The Director of Finance submitted a report to the Governance and Audit Committee which presents the Head of Internal Audit Service Annual Report for 2023-24.

The Head of Internal Audit presented the annual report, which included an assessment of governance frameworks and systems.

- Members discussed that although the report highlighted positive performance, areas for improvement were identified.
- Members raised questions about the substantial value of contract rollovers and their potential impact, particularly in light of issues faced by schools with financial troubles. He expressed concerns about the committee's role in overseeing these contracts and preventing micromanagement, while ensuring proper accountability.
- The Director of Finance explained the measures in place to oversee contract spending, including corporate dashboards and procurement controls that ensure contracts go through the finance system for monitoring.
 - Members requested more detailed report on contract rollovers, particularly in housing, and further clarification on the role of the committee in addressing these issues.
- The Head of Internal Audit noted the positive outcomes from external quality assessments, with the council retaining a "generally conforms" rating, reflecting good practices. Despite a slight drop in the number of audits undertaken due to capacity, the team exceeded targets for audit

input, with a high percentage of time contributed by senior auditors and managers.

- Members suggested that contract waivers be brought as a specific item to the committee in August for further discussion.
- Members raised questions regarding the granularity of the audit data, particularly on page 55, and noted the importance of accountability mechanisms to ensure follow-up on audit recommendations.

AGREED:

The Committee noted the report.

9. INSURANCE ANNUAL REPORT 2023/24

The Director of Finance submitted a report to the Governance and Audit Committee which presents the Insurance Annual Report for 2023-24.

The Head of Finance presented the Insurance Annual Report, highlighting trends in public liability claims, particularly related to highway maintenance.

AGREED:

The Committee noted the report.

10. SCHEDULE OF MEETINGS AND WORKPLAN

The Director of Finance provided the current work programme to the Governance and Audit Committee.

The Director of Finance provided the current work programme, with an addition to include financial sustainability in every meeting.

AGREED:

The Committee considered and amended the workplan as necessary.

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 INTERNAL AUDIT SERVICE

The Director of Finance submits a report to update the Committee with the progress being made to engage a new internal audit service provider.

The Director of Finance updated the Committee on the progress in engaging a new internal audit service provider. Members of the Committee discussed the report and raised a number of points to which officers provided further explanations and assurances.

AGREED:

The Committee noted the report and agreed to the planned transition.

13. ANY OTHER BUSINESS

There was no further business.