

Coventry City Council
Minutes of the Meeting of the Audit and Procurement Committee
held at 2.30 pm on Monday, 22 September 2025

Present:

Members: Councillor R Lakha (Chair)
Councillor M Ali
Councillor J Blundell
Councillor A Hopkins
Councillor A Jobbar

By Invitation: Councillor R Brown (Cabinet Member for Strategic Finance and Resources)

Employees (by Directorate):

Finance and Resources B Hastie (Director of Finance and Resources), R Amor, P Helm, K Makwavarara, T Pinks, K Tyler

Law and Governance L Knight, A West

People Services S Chilton (Director of People Services), J Pay

Apologies: Councillor P Male

Public Business

17. Declarations of Interest

There were no disclosable pecuniary interests.

18. Minutes of Previous Meeting

The minutes of the meeting held on 21st July 2025 were agreed and signed as a true record.

There were no matters arising.

19. Exclusion of Press and Public

RESOLVED that the press and public be excluded under Sections 100(A)(4) of the Local Government Act 1972 for the consideration of the following private reports on the grounds that the reports involve the likely disclosure of information defined in Paragraphs of Schedule 12A of the Act as indicated, and that in all circumstances of the cases, the public interest in maintaining the exemption outweighs the public interests in disclosing the information:

Minute	Report Title	Paragraph(s) of
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Number		Section 12A of the Act
28	Procurement and Commissioning Progress Report	3
29	Consideration of Approval of Severance Packages	1, 2 and 3

20. **2024/25 External Audit Plan (Grant Thornton)**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer) in relation to the 2024/25 External Audit Plan.

The Audit Plan provides details of the planned scope and timing of the audit of the Council's accounts. As the focus of the audit is risk based, the external auditor, Grant Thornton, have been liaising with the Council's management update their understanding of the nature of risks that could impact on the audit plan. The findings from this work were detailed in the 'informing the risk assessment' report, set out at Appendix 2. The auditors would design an audit programme tailored to address the risks and circumstances at Coventry City Council. The key risks identified in the Audit Plan were:

- Management override of controls
- The revenue cycle includes fraudulent transactions
- The expenditure cycle includes fraudulent transactions
- Valuation of land and buildings, and investment properties
- Valuation of the pension net asset / liability
- Accounting for the Group and related disclosures
- Valuation of long-term investments
- Equal pay claims
- IRFS 16 Implementation

In support of the audit of accounts, Grant Thornton had reviewed the contents in place for the Council's key financial systems. The outcome from this work was detailed in the 2023/24 IT audit findings' report, set out at Appendix 3. Although there were some areas for improvement identified, there were no significant deficiencies in IT controls relevant to the audit of financial statements.

The Committee noted that in September 2024, the Government passed legislation designed to address the backlog in the completion of local authority accounts. The legislation specified deadlines for the completion of audit work for particular financial years. In the event of uncompleted audits by the specific deadlines, the auditors would be required to issue either qualified opinions or disclaimers, as appropriate.

Primarily due to delays in the publishing of the audited 2019/20 accounts, the publication and audit of the Council's 2020/21, 2021/22, 2022/23 and 2023/24 accounts were delayed. As the deadline for publishing of the audited accounts in relation to these years was 28th February 2025, there was not sufficient time to

carry out the full audit for these years, and the external auditor issued disclaimed opinions for these years.

As a result, the audit of the 2024/25 accounts would also need to be adapted to reflect the fact that the Council's prior four years accounts have not been audited, so reliance could not be placed on brought forward balances. The deadline for the publishing of the audited 2024/25 accounts has been set as the 27th February 2026.

RESOLVED that, the Audit and Procurement Committee:

- 1. Note the details presented in the 2024/25 Audit Plan.**
- 2. Note the findings detailed in the 'Informing the audit risk assessment – 2024/25' report.**
- 3. Note the findings detailed in the 2024/25 IT audit findings' report.**

21. Local Code of Corporate Governance 2025/26

The Audit and Procurement Committee considered a report of the Director of Law and Governance, which set out the revised Local Code of Corporate Governance following a review.

The CIPFA / Solace Framework defined governance as “the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.” The Council has a range of measures in place to ensure that governance in the organisation is managed effectively and works hard to ensure that these arrangements are robust and meet best practice. This is achieved through a range of policies, plans, procedures such as the Constitution (including codes of conduct for Members and employees), the One Coventry Plan, the Medium Term Financial Strategy and policies on whistleblowing, tackling fraud and corruption and managing risk.

The Local Code of Corporate Governance, attached as Appendix 1, was a refresh of the previous code with work undertaken with internal stakeholders to ensure it reflected the current position of the organisation and the One Coventry approach. The Local Code set out the Council's specific arrangements for putting the principles of good governance into practice. It draws on examples provided in the Framework, but also reflects systems and processes which are specific to the Council.

The principles of good governance, as detailed in the Framework, are:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes

- Developing the entities capacity, including the capability of its leadership and individuals within it.
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit, to deliver effective accountability.

The Council adopted a Code of Corporate Governance in 2017. In 2023, the Code was reviewed in light of best practice and has this year been updated again to reflect the current governance arrangements in place within the Council's and has been reviewed by the Council's Corporate Governance Group. Consideration of the Code by the Audit and Procurement Committee supports comprehensive understanding of governance across the organisation and would assist the Committee in discharging its role in relation to the Annual Governance Statement.

The Committee noted that the report would also be considered by the Ethics Committee at its meeting scheduled for 25th September 2025.

RESOLVED that the Audit and Procurement Committee considered the Local Code of Corporate Governance 2025/26 and confirmed its satisfaction that the Code accurately represents the Council's governance arrangements.

22. **2025/26 First Quarter Financial Monitoring Report (to June 2025)**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer), which set out the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of June 2025.

The report had previously been considered by the Cabinet at its meeting on 26th August 2025 (their minute 22/25 refers).

The Cabinet had approved the Council's revenue budget of £296.7m and a capital programme of £171.6m on 25th February 2025. The current 2025/26 revenue forecast was for net expenditure to be £1.6m over budget (after management action). The reported forecast at the same point in 2024/25 was an overspend of £7.1m which reflected pressures relating primarily to social care activity and price.

The report indicated that the Council continued to face budget pressures within Adults' Social Care, with overspends also being reported in Property Services and Development, Regeneration and Economic Development and City Services. These financial pressures were being caused by a combination of continued service demand, complexity and market conditions in social care, legacy inflation impacts, and income shortfalls due largely to the economic climate.

The Council's capital spending 2025/26 was projected to be £187.6m and included major schemes progressing across the city. The size of the programme and the nature of the projects within it continued to be fundamental to the Council's role within the city. Although prevailing inflation rates looked to be stabilising, legacy inflationary pressures continued to affect capital projects. The position would continue to be monitored to ensure projects are delivered within available resources.

The report also indicated that, whilst it was not unusual to experience a forecast overspend at this point, it was essential that the Council maintain strict financial discipline to operate within approved budgets. The revenue budgets and forecast positions were detailed in the report and were analysed by service area.

An explanation of the major forecast variances was detailed in the report and further details provided in Appendix 1 to the report. The report also outlined details of movement in the capital budget, the Treasury Management position and the Commercial Investment Strategy.

RESOLVED that, the Audit and Procurement Committee note the content of the report and confirms that it has no recommendations for the Cabinet.

23. **Annual Fraud & Error Report 2024/2025**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer), that provided a summary of the Council's anti-fraud and error activity undertaken by the Internal Audit Service for the financial year 2024/25.

The report documented the Council's response to fraud and error during 2024/25 and was presented to the Audit and Procurement Committee in order to discharge its responsibility, as reflected in its terms of reference 'to monitor Council policies on whistle blowing and the fraud and corruption strategy.

The work of the team had focused on four main areas:

- Business Support Grants
- National Fraud Initiative
- Referrals and investigations considered through the Council's Fraud and Corruption Strategy
- Fraud awareness

A summary of the key activity that had taken place in the four main areas, including the cases that had been identified and their outcomes, was set out in the report together with details of the work undertaken for the National Fraud Initiative and the number of referrals by source in 2024/25 which included figures from the previous three financial years. The Committee noted that one of the investigations carried out had identified a significant fraud, amounting to £17k and that a criminal prosecution had been undertaken, resulting in a custodial prison sentence and the recovery of the £17k.

The report indicated that the Local Government Transparency Code required local authorities to publish information in relation to fraud on an annual basis and in 2024/25:

- The number of occasions powers under the Prevention of Social Housing Fraud Regulations 2014 (or similar) had been used was nil as the Council does not own its own housing stock;
- The total number of employees undertaking investigations of fraud was 1 (estimated FTE 0.25);

- The total number of professionally accredited counter fraud specialists was 1 member of the Internal Audit Service who held the CIPFA Certificate in Investigatory Practice;
- The total amount spent by the authority on the investigation and prosecution of fraud was £4,823.43 (direct costs only, not including salary costs);
- The total number of fraud cases investigated was 12 (this only included corporate fraud investigations, not investigations linked to the National Fraud Initiative or business grants).

RESOLVED that, having considered the Annual Fraud and Error Report 2024/25, the Audit and Procurement Committee noted the report.

24. **Corporate Risk**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer), which provided the Committee with the outcome of the review of the Corporate Risk Register 2025/26. This provided the Committee with an overview of the Council's corporate risk profile and the controls in place to address these risks.

The Audit and Procurement Committee's Terms of Reference requires the Committee to monitor the effective development and operation of risk management within the Council. It was agreed on 18th March 2024, that the Committee would receive the Corporate Risk Register twice a year, in line with the Grant Thornton value for money report.

The Corporate Risk Register should identify the risks that threaten the successful implementation of the One Coventry Plan.

The Committee noted that the Corporate Risk Register at Appendix 1 to the report had been reviewed in consultation with the Leadership Board and the allocated Risk Owner. It identified the main risks facing the Council, the impact of the risk, the inherent risk score before risk mitigation, the risk mitigations, the risk score after the mitigations are applied and where responsibility lies for the Council's response. In addition, the final column identified the risk score when the Committee last received the report in March 2025.

There were some changes to the Corporate Risk Register from the previous report to the Committee.

Risks Added:

- There were no new risks added in the August 2025 register.

Risks Removed:

- Risk 5 – Workforce Delivery of Council Priorities
- Risk 21 – Business Growth and Investment
- Risk 22 – Children's Workforce Stability
- Risk 24 – Climate Change and Sustainability
- Risk 34 – Investments in Companies
- Risk 38 – Illegal Migration Act 2023

- Risk 41 – Sufficiency of homes for Children in Care

Risks where the residual risk score has decreased:

- There were no new risks where the residual score had reduced.

Risks where the residual risk score had increase:

- Risk 35 – The threat of Cyber-attack to the delivery of One Coventry priorities

RESOLVED that the Audit and Procurement Committee:

- 1. Notes the current Corporate Risk Register, indicating that they had satisfied themselves that corporate risks were being identified and managed.**
- 2. Confirms that they have not identified any areas where they require additional information.**
- 3. Approves the bringing of a further risk management report to the Audit and Procurement Committee in March 2026.**

25. Outstanding Issues

The Audit and Procurement Committee considered a report of the Director of Law and Governance that identified issues on which a further report/information had been requested or was outstanding so that the Committee were aware of them and could manage their progress.

Appendix 1 to the report provided details of an issue where a report had been requested to a meeting along with the anticipated date for consideration of the matter.

Appendix 2 of the report provided details of an item where information had been requested outside the formal meeting.

RESOLVED that the Audit and Procurement Committee notes the Outstanding Issues report.

26. Work Programme 2025/2026

The Audit and Procurement Committee considered a report of the Director of Law and Governance that detailed the Work Programme of scheduled issues to be considered by the Committee during the Municipal Year 2024/2025.

RESOLVED that the Audit and Procurement Committee notes the Work Programme for 2025/26.

27. Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.

There were no other items of public business.

28. **Procurement and Commissioning Progress Report**

The Audit and Procurement Committee considered a report of the Director of Law and Governance that provided an update on the procurement and commissioning undertaken by the Council since the last report to Committee on 17th March 2025. Details of the latest positions in relation to individual matters were set out in the Appendices to the report.

The report contained information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972 as amended. The grounds for privacy were that it contained information relating to the financial and business affairs of a particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighed the public interest in disclosing the information.

The report indicated that since the last Committee when the procurement report had been presented, the Procurement Panel had received 47 reports and the Procurement Board 41 reports.

In addition, there had been a total of 48 exceptions. An exception to the Contract Procedure Rules may be granted subject to conditions, such as urgency, single source availability, technical nature etc. An exception could not be granted where a breach of any UK legislation would be incurred.

Members asked questions and received assurances at the meeting from officers on individual matters.

RESOLVED that the Audit and Procurement Committee:

- 1. Notes the current position in relation to the Commissioning and Procurement Services.**
- 2. Agrees that no recommendations are to be made to the Cabinet Member for Strategic Finance and Resources, Cabinet or Council, on any of the matters reported.**

29. **Consideration of Approval of Severance Packages**

The Audit and Procurement Committee considered a private report of the Director of Regeneration and Economy that sought approval of a severance package which had occurred due to changes in the Regulatory Service that has had to review the way in which the service operated in response to an expanded remit and responsibilities arising from new statutory obligations.

Part 21 of the Council's constitution required that any severance package for an employee of the Council which exceeds £100,000 should be determined by the Audit and Procurement Committee. The calculation of the value of an exit package included the costs to the Authority, as well as payments / benefits to the employee.

RESOLVED that the Audit and Procurement Committee approves the severance payment on early retirement as calculated.

30. **Any other items of private business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of private business.

(Meeting closed at 4.35 pm)