Coventry City Council
Minutes of the Meeting of the Audit and Procurement Committee held at 2.00 pm on Monday, 22 June 2026

Present:

Members:	Councillor S Nazir (Chair) Councillor A Bryant Councillor D Clark Councillor M Heaven Councillor C Phillips Councillor H Rehman Councillor K Sandhu (Deputy Chair)
Other Members:	Councillor F Beechey

Employees (by Directorate):

Finance and Resources	B Hastie (Director of Finance and Resources), T Pinks. K Tyler
Law, Governance and Safer Communities	L Knight, A West

Public Business

1. **Declarations of Interest**

There were no disclosable pecuniary interests.

2. **Minutes of Previous Meeting**

The minutes of the meeting held on 16th March 2026 were confirmed and signed as the Council's formal record of the meeting.

3. **Annual Governance Statement 2025/26**

The Audit and Procurement Committee considered a report of the Director of Law, Governance and Safer Communities, that provided details of the results of the annual review of effectiveness of the Council's governance arrangements and sought approval for the Annual Governance Statement, attached as an appendix to the report, which forms part of the Statement of Accounts for 2025-26.

Coventry City Council was responsible for ensuring that its business was conducted in accordance with the law and proper standards, and that public money was safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this responsibility, the City Council was responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk. To demonstrate such arrangements, the City Council had adopted a Local Code of Corporate Governance, which was consistent with the principles reflected in the CIPFA / SOLACE framework and guidance 'Delivering Good Governance in Local Government' (2016).

The Annual Governance Statement (AGS) explained how Coventry City Council had complied with the Code and in doing so, reflected the requirements of the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2024, which required all relevant bodies to conduct a review of the effectiveness of its system of governance and prepare an Annual Governance Statement. The AGS also detailed key governance / control issues that the Council faced in the coming year.

For 2025-26, the Council was required to publish its unaudited Statement of Accounts by 30th June 2026. The AGS formed part of the Statement and consequently was required to be approved at this time to support the Council in meeting this deadline.

Whilst processes were in place to monitor key elements of the governance framework through-out the year, for example through the work of Internal Audit, the Corporate Governance Steering Board and the Council's Audit and Procurement Committee, an annual review was also undertaken as part of the production of the AGS for the year. The purpose of the review was to provide assurance that the arrangements set out in the Local Code of Corporate Governance continued to be fit for purpose and identified key governance issues for the forthcoming year. The annual review considered information from a number of sources with the outcomes reviewed and agreed by the Corporate Governance Steering Board and Leadership Team. Details of the matters for 2025-26 were set out in the report.

Based on the outcomes of the review, the overall opinion that had been reached was that reasonable assurance could be provided that the Council's governance arrangements continued to be regarded as fit for purpose in accordance with the governance framework. The basis of this opinion, including the key findings from the review, were also set out in the report.

The AGS also set out the key governance issues that the Council faced in the coming year. Section 5.2 of the Statement appended to the report provided details of these areas, along with the actions the Council's plans to take in 2026/27 in relation to these issues.

RESOLVED that the Audit and Procurement Committee:

1. **In considering the findings of the review of effectiveness of the Council's governance arrangements, confirms its satisfaction with the level of assurance provided that arrangements are fit for purpose.**

2. **In considering the Annual Governance Statement, attached as Appendix One to the report, approves the Statement which will accompany the 2025-26 Statement of Accounts.**

4. **Internal Audit Annual Report 2025/26**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources, that summarised the Internal Audit Plan for 2025-26, which included a summary of the performance of Internal Audit and the Chief Internal Auditor's conclusion on the overall adequacy and effectiveness of Coventry City Council's risk management, internal control, and governance arrangements for the financial year 2025-26.

The Committee approved the Council's Internal Audit Plan for 2025/26, attached at Appendix 1, at its meeting on 23rd June 2025. During the last financial year, the Committee received progress reports summarising completed audit activity in February and March 2026. Reports are submitted to the Committee to discharge its responsibility, as reflected in the terms of reference, "to consider the Head of Internal Audit's Annual Report and Opinion, and a summary of internal audit activities (actual and proposed) and the level of assurance given within the Annual Governance Statement incorporated in the Annual Accounts".

It was noted that the work of the Internal Audit Service is governed by the Global Internal Audit Standards in the UK Public Sector, which sets the standards for the professional practice of Internal Audit and serve as a basis for evaluating and elevating the quality of the internal audit function. The standards came into effect on 1st April 2025 and replaced the Public Sector Internal Audit Standards which previously applied.

The key target for the Internal Audit Service was to complete 90% of its agreed work plan by 31st March 2026. Whilst the plan was originally developed on the basis of an estimate of 650 available audit days, this was subsequently amended to 550 days as a result of unplanned absence within the Service and the time taken to implement the agreed service redesign. The change was reported to the Audit and Procurement Committee in February 2026 (minute 49/25 referred). Consequently, the performance of the Service was assessed against the revised audit plan of 550 days. The Service delivered 84% of the plan and whilst it was recognised that performance was below target, it was not viewed that it materially impacted on the ability to provide an annual audit conclusion. Of the nine audits which formed part of the 2025-26 audit plan which were not completed by the end of March 2026, one has now been finalised, one is at draft report stage and the remaining seven are ongoing / have been rescheduled. In addition to the delivery of the Plan, the Service has a number of other performance indicators which underpinned its delivery. A table in the report detailed the performance of Internal Audit for 2025-26.

The Global Internal Audit Standards in the UK required that the Internal Audit Service developed and maintained a quality assurance and improvement programme that covered all aspects of the internal audit activity. Details of the matters included in the 2025-26 Programme were set out in the report. Actions to work towards conformance with the new Standards had progressed. However, there had not been an opportunity to undertake a full baseline assessment against the new Standards in 2025-26. As such, it was the Chief Internal Auditor's conclusion that the Internal Audit Service partially conformed with Global Internal Audit Standards in the UK Public Sector. It was not viewed that any non-conformance would affect the overall scope or operation of internal audit activity.

It was noted that the Service did conform with the previous standards which were in force, which was confirmed though external quality assessment.

The Global Internal Audit Standards in the UK Public Sector highlights that a key responsibility of Internal Audit was to provide an annual internal audit conclusion and report that could be used to inform the Annual Governance Statement. The conclusion must cover the overall adequacy and effectiveness of the organisation's framework of governance, risk management and internal control. In providing the conclusion, the Chief Internal Auditor confirmed that the Internal Audit Service was organisationally independent. The Service reported functionally to the Audit and Procurement Committee and had an approved Internal Audit Charter which set out the purpose, authority, responsibility and position of the Internal Audit Service within the Council.

The table at 4.2 of the Appendix detailed the audit reviews that had been carried out in the financial year 2025-26, along with the level of assurance provided. In the Chief Internal Auditor's view, sufficient assurance had been obtained to form a reasonable conclusion on the adequacy and effectiveness of Coventry City Council's risk management, internal control, and governance arrangements. This took into account the internal audit work performed during 2025-26 and other sources of assurance

It was the Chief Internal Auditor's conclusion that reasonable assurance could be provided that there was generally an effective and adequate framework of governance, risk management and internal control in place designed to meet the Council's objectives. This means that there was generally an appropriate level of control for managing the majority of the significant inherent risks to the Council's objectives to a reasonable level. Through Internal Audit work, actions were agreed to improve the governance, risk management and the internal control environment and assisted the Council in achieving its objectives. A defined process existed within the Service to gain assurance that all actions agreed had been implemented on a timely basis. It was noted that, in reaching this conclusion, assurance can never be absolute; cannot eliminate all risk and cannot provide absolute assurance of effectiveness.

The Committee asked a number of questions, particularly in relation to AI and information security / accuracy and risk management. It was agreed that the most up to date reports on Cyber Security and Risk Management would be circulated to Committee members.

RESOLVED that Audit and Procurement Committee:

1. **Notes the Internal Audit Annual Report 2025-26 (attached at appendix one).**

2. **Notes the summary findings of key audit reviews (attached at appendix two) that have not already been reported to Audit and Procurement Committee during the municipal year 2025-26 and which are relevant to the Internal Audit conclusion.**

3. **Approves the performance objectives for the Internal Audit Service for 2026-27.**

4. Approves the Internal Audit Charter as included in the Annual report.

5. **Internal Audit Plan 2026/27**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources, that provided draft Internal Audit Plan for 2026/27 to allow the Committee to express its views on the extent and nature of the planned coverage. The draft Internal Audit Plan was appended to the report.

The Audit and Procurement Committee, within its terms of reference, was required to 'Consider the Head of Internal Audit's Annual Report and Opinion, and a summary of internal audit activities (actual and proposed) and the level of assurance given within the Annual Governance Statement incorporated in the Annual Accounts'. In terms of proposed audit activities, the draft Internal Audit Plan documented the outcome of the audit planning process for 2026-27. The report provided the mechanism for allowing the Audit and Procurement Committee to discharge its responsibility but also enabled the Committee to support delivery of the Internal Audit Charter by approving the Internal Audit plan.

Internal Audit was an essential part of the Council's corporate governance arrangements. In considering the Global Internal Audit Standards in the UK Public Sector, Internal Audit was defined as "An independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes."

The priorities of internal audit activity were determined through the development of an annual risk-based Internal Audit Plan. The report documented the planning process and identified the outcome of this process, namely the draft Internal Audit Plan for 2025-27. Details of the objectives that the Service aimed to achieve, were set out in the report. The results of the initial assessment of priorities for the Draft Audit Plan 2026-27 were set out in Appendix 1.

As a result, it was believed that the draft Audit Plan for 2026-27 was sufficient for the work required to report on governance, the management of risks and internal controls in the year and to prepare the annual conclusion and report.

RESOLVED that, the Audit and Procurement Committee considered and approves the draft Internal Audit Plan for 2026-27, attached as Appendix 1 to the report.

6. **Outstanding Issues**

The Audit and Procurement Committee considered a report of the Director of Law, Governance and Safer Communities, 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.

It was noted that there were currently no outstanding issues.

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

7. **Work Programme 2026/2027**

The Audit and Procurement Committee considered a report of the Director of Law, Governance and Safer Communities, that detailed the Work Programme of scheduled issues to be considered by the Committee during the Municipal Year 2026-27.

The Committee recommended that an item be added to the Work Programme relating to AI. It was reported that there is currently an ongoing piece of work in relation to AI and that, upon its conclusion, a report be submitted to the Committee.

In addition, the Committee requested that a report be added to the Work Programme relating to highways procurement. It was reported that this would be included within the regular Procurement and Commissioning Report listed on the Work Programme.

RESOLVED that the Audit and Procurement Committee notes the Work Programme for 2026-27.

8. **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.

(Meeting closed at 3.35 pm)