

**Coventry City Council**  
**Minutes of the Meeting of the Audit and Procurement Committee**  
**held at 2.30 pm on Wednesday, 29 January 2025**

Present:

Members: Councillor R Lakha (Chair)  
Councillor M Ali  
Councillor J Blundell  
Councillor A Jobbar  
Councillor P Male  
Councillor B Singh

By Invitation A Smith (External Auditor – Grant Thornton)

Employees (by Directorate):

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

Law and Governance L Knight, L West

People's Services A LeCras

Apologies: Councillor A Hopkins

### **Public Business**

#### **43. Declarations of Interest**

There were no disclosable pecuniary interests.

#### **44. Minutes of Previous Meeting**

The minutes of the meeting held on 25<sup>th</sup> November 2024 were agreed and signed as a true record.

With regards to minute 37/24, headed "Annual Compliance Report 2023 – Regulatory and Investigatory Powers Act (RIPA) 2000", the Committee noted that a briefing note relating to the use of RIPA powers in respect of fly-tipping had been circulated earlier that day.

#### **45. Grant Thornton - Interim Auditor's Annual Report on Coventry City Council 2023/24**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources, which set out the external auditor, Grant Thornton's, report on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources for the financial year 2023/24.

In addition to the external audit of the statutory statement of accounts, the Council's external auditor are required under the National Audit Office (NAO) Code of Practice to carry out an annual audit which tests arrangements that the Council

has in place to ensure economy, efficiency and effectiveness in its use of resources.

The Appendix to the report set out the Auditor's report for 2023/24, including recommendations where they consider improvements may be made, plus a management response for each. It also presented progress on previously made recommendations.

The equivalent report for 2022/23 was considered and noted by this committee at its meeting on 18 March 2024 (Minute 52/23 refers).

The Committee noted that the external auditors are required to prepare their report based on the following specified criteria:

- Financial sustainability: how the Council plans and manages its resources to ensure it can continue to deliver its services.
- Governance: how the Council ensures that it makes informed decisions and properly manages its risks.
- Improving economy, efficiency and effectiveness: how the Council uses information about its costs and performance to improve the way it manages and delivers its services.

A number of the improvement recommendations reflected in the 2022/23 report had now been resolved, with the remainder identified as 'in progress' within the 2023/24 report. It is expected that these will also be addressed prior to the next annual audit for 2024/25.

Grant Thornton had identified as part of the 2023/24 audit report, 5 new improvement recommendations which had been accepted, and a management response had been included.

**RESOLVED that, the Audit and Procurement Committee note the auditors Interim Annual Audit report for 2023/24, appended to the report submitted, including the key and improvement recommendations contained within.**

**46. 2024/25 Second Quarter Financial Monitoring Report (to September 2024)**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources, which advised of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of September 2024.

The Committee noted that the report had also been considered by Cabinet at its meeting held on 10<sup>th</sup> December 2024 (their Minute 45/24 refers).

The net revenue forecast position after management action was for spend in 2024/25 of £10.2m over budget. Whilst not a wholly comparable position, at the same point in 2023/24 there was a projected overspend of £11.5m. Appendices to the report provided Revenue Position: a Detailed Service Breakdown of Forecast Outturn Position; the Capital Programme: Analysis of Budget/Technical Changes; the Capital Programme: Analysis of Programme Acceleration/(Rescheduling); and Prudential Indicators.

The Council continued to face budget pressures within both Adults and Children's social care, Housing, and City Services. Other overspends were also being reported in Property Services and Business, Investment and Culture. These financial pressures were being caused by a combination of legacy inflation impacts, continued increases in service demand, complexity of cases and social care market conditions, income shortfalls due to reduced activity, and slippage in the delivery of some service savings.

The Council's position included a significant number of one-off actions that had been applied to reduce the overspend. Recognising that the underlying position was significantly higher, further urgent action was required to address the pressure in year and to prevent the 2025/26 position increasing to unmanageable levels.

The Council's capital spending this year was projected to be £143m 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 and high borrowing rates continued to affect capital projects. The assumption was that stand-alone projects that were already in-progress would be delivered as planned but that future projects that had not yet started would need to be re-evaluated to determine their deliverability within previously defined financial budgets.

The materiality of the financial pressures, both revenue and capital, had reaffirmed the imperative to maintain strict financial discipline and re-evaluate the Council's medium-term financial position. This would be a priority across all services as the Council developed its future budget plans in the coming months.

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

#### 47. **Information Governance Annual Report 2023-2024**

The Audit and Procurement Committee considered a report of the Director of Law and Governance that provided a summary of the Council's performance during 2023/2024 in responding to requests for information received under Data Protection legislation. It also reported on the management of data protection security incidents and/or those reported to the Information Commissioner's Office (ICO) and on data protection training.

Information was one of the Council's greatest assets and its correct and effective use was a major responsibility and was essential to the successful delivery of the Council's priorities. Ensuring that the Council had effective arrangements in place to manage and protect the information it held, both personal and business critical information, was a priority.

Data protection legislation set out the requirements on organisations to manage information assets appropriately and how they should respond to requests for information. The ICO was the UK's independent supervisory authority set up to uphold information rights in the public interest, promote openness by public bodies and data privacy for individuals, and monitors compliance with legislation.

The Information Governance (IG) function supported the Council's compliance with the UK General Data Protection Regulations (GDPR), Data Protection Act (DPA) 2018, Freedom of Information Act 2000 (FOIA) and Environmental Information Regulations (EIR). The Council had a statutory obligation to comply with this framework by responding appropriately to requests and managing personal data lawfully. The Information Governance Team assist the organisation in meeting these requirements by monitoring internal compliance, informing and advising on data protection obligations, providing advice and guidance and raising awareness on data protection matters.

The landscape in which public authorities were now operating had continued to change since the introduction of the GDPR and subsequently UKGDPR and the new Data Protection Act 2018 (DPA 2018) in 2018.

In March 2023, the Government introduced the Data Protection and Digital Information Bill which did not complete its passage through parliament prior to the UK parliamentary general election being called for July 2024. The new Government had subsequently introduced to parliament the Data (Use and Access) Bill with the stated purpose to "unlock the secure and effective use of data for the public interest". While it retained some of the measures proposed in its predecessor, others were amended and some new elements introduced. Implications for local government would be monitored as the Bill progressed to ensure that the City Council would be able to meet the new requirements when they are introduced.

In June 2022, the ICO set out a revised approach to working more effectively with public authorities. This approach has seen an increased use of the ICO's wider powers under data protection law, including warnings, enforcement notices and reprimands as well as changing its approach to the application of fines in the public sector and the ICO is currently considering the next steps.

The number of Freedom of Information Requests received by the Council in 2023/24, 1428 was higher (232) from the previous 2022/23 year. The Council responded to 81% of FOIA/EIR requests within the target time of 20 working days in 2023/24 which was a decrease on the previous year. While this replicated the improvement in performance seen after the introduction of a new management system, performance remained below the 90% threshold set by the ICO.

The Council received 30 requests for internal reviews in the year 2023/24 (down from 37 the previous year) and responded to these with the following outcomes:

- 10 were not upheld – the exemptions that had been applied were maintained and no further information was provided;
- 6 were not upheld – but advice or clarification was provided;
- 4 were partially upheld – some further was information provided;
- 7 were upheld - information was provided;
- 3 were withdrawn.

No complaints were made to the ICO during 2023/24, compared to 12 complaints the previous year.

286 valid Subject Access Requests (SARs) were received during 2023/24, an increase of 13 on the previous year. While the Council received fewer SARs than other information requests, many of these were complex and could involve managing significant amounts of sensitive information. The number of requests relating to Children's Social care, as well as the number of SARs to which extensions were applied due to their size and/or complexity both slightly increased. The completion rate within the target time had increased to 84% in 2023/24, up from 79% the previous year.

The Council received 12 requests to carry out an internal review into a SAR application during 2023/24, the same as the previous year. In 9 cases, further information was provided which was located through further searches based on information provided by the requester or by reviewing the information which had originally been redacted. Where information was not provided, this was due to the original exemptions being upheld or information not being held by the Council.

No complaints were made to the ICO related to Subject Access Requests in 2023/24.

In respect of data security incidents, protecting information from theft, loss, unauthorised access, abuse and misuse was crucial in order to reduce the risk of data breaches or financial loss incurred through noncompliance with key legislation. The IG data protection security incident reporting process supported the Council's objective that breaches were managed promptly, and outcomes of investigations were used to inform reviews of the control measures in place to keep personal information secure.

The Council actively encouraged the reporting of near misses and potential breaches to identify learning, promote awareness and reduce the likelihood of a serious breach to information even though not all reported incidents would have resulted in a breach. Even where there was no breach, incidents could provide valuable insight into training requirements and processes and procedures which may need to be strengthened as a preventative measure. When investigating data protection security incidents, the Data Protection Team routinely consider resultant training needs and provide advice and guidance as required. Messages continue to be provided to staff alerting them to the need to protect personal data and use it appropriately.

In 2023/24, 176 reports of information security incidents were sent to the Data Protection Team, a decrease from 219 in the previous year. Of these, 103 did not involve a breach of personal data. These included for example near misses, loss or theft of equipment, cases where technical measures prevented access to data and incidents where a breach was contained. Of the incidents where a breach of personal data was identified, 70 were identified as low risk, 1 medium and 1 high. The majority of reports were classified as information being disclosed in error with 57 reports relating to technical/procedural errors, 28 reports relating to loss or theft of hardware and 1 to unauthorised access.

The GDPR introduced requirements for personal data breaches that meet certain thresholds to be reported to the ICO. Two self-reports were made to the ICO during 2023/2024.

One complaint was made to the ICO during 2023/2024 related to the council's Data Protection Obligations. The ICO confirmed that they did not intend to take regulatory action and provided guidance to the council on measures to implement to avoid future incidents.

Data Protection training was key to ensuring staff were aware of their responsibilities. Training was currently delivered through the Council's e-learning platform and annual completion of the data protection course was mandatory for all staff with access to personal data. Staff who did not have access to a computer in their role (not office based) and those with minimal personal data involved in their role were provided with appropriate level training. This ensured that an appropriate level of understanding and awareness was reached that was relevant to their role/responsibilities. For the 2023/24 year, the Council reported a completion rate of the Council's mandatory data protection training of 95%. The Elected Member Training and Development Strategy, introduced for the 2022/23 year, also included data protection training.

The Data Security and Protection Toolkit was an online tool that allowed relevant organisations that processed health and care data to measure their performance against data security and information governance requirements which reflected legal rules and Department of Health policy. The self-assessment tool enabled the Council to demonstrate that it could be trusted to maintain the confidentiality and security of personal information, specifically health and social care personal records. All organisations that had access to NHS patient data and systems used this Toolkit to provide assurance that they were practicing good data security and that personal information was handled correctly. For the 2023/24 reporting period, the Council met all of the mandatory requirements and was assessed as meeting required standards.

#### **The Audit and Procurement Committee:**

- 1. Note the Council's performance of Freedom of Information, Subject Access and other Data Protection Act requests, including the outcomes of internal reviews and the number and outcome of complaints made to the ICO.**
- 2. Note the reporting and management of data security incidents.**
- 3. Note data protection training compliance**
- 4. Did not identify any comments or recommendations.**

#### **48. Half Year Fraud and Error Report 2024 / 2025**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources that provided a summary of the Council's anti-fraud and error activity undertaken by the Internal Audit Service during the first half of the financial year 2024-25.

Fraud in the public sector had a national focus through the publication of "Fighting Fraud and Corruption Locally – The Local Government Counter Fraud and Corruption Strategy". Whilst the national strategy states that the level of fraud in the public sector is significant, the current trends in fraud activity includes areas which Coventry City Council does not have responsibility for, for example, social housing, and the levels of identified / reported fraud against the Council remain at relatively low levels, in terms of both numbers and value.

The report documented the Council's response to fraud and error during the first half of the financial year 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 Internal Audit Service was responsible for leading on the Council's strategic response to the risk of fraud and error. The work of the team had focused on three main areas during 2024-25: National Fraud Initiative; Referrals and Investigations considers through the Council's Fraud and Corruption Strategy; and Fraud awareness.

A summary of the key activity that has taken place during 2024-25 to date were:

National Fraud Initiative (NFI) – The NFI exercise was led by the Cabinet Office. The exercise took place every two years and matched electronic data within and between public bodies, with the aim of detecting fraud and error. Internal Audit work in 2024-25 had been mainly focused on collating and submitting the datasets for the next exercise. This was completed in early October 2024. The matches were released in January 2025 and form part of the planned programme of work for 2025/26. Matches relating to council tax single person discounts were released annually and now fall under the responsibility of the Revenues and Benefits Service.

Referrals and Investigations – From time to time, the Internal Audit Service would receive referrals or were asked to assist with investigations relating to employee misconduct and other fraud against the Council involving external individuals. Table two within the report indicated the number of referrals by source in 2024-25, along with figures for the previous three financial years.

It was important to note that there was no mechanism for determining the number of reports the Council should receive on an annual basis and it was very difficult to anticipate or identify the reasons behind fluctuations in numbers. It was also worth noting that this information only reflected referrals made in respect of concerns relating to fraud and corruption and did not include other matters raised under the Whistleblowing Policy.

Of the nine referrals received, four led to a full investigation. The reasons for referrals not resulting in a full investigation included (a) initial assessment / fact finding did not find any evidence to support the allegations (b) appropriate action had already been taken, e.g. the fraud had been prevented, and (c) the nature of the event meant it was impractical to pursue further.

In addition to the four investigations highlighted above, three further investigations were carried forward from 2023-24. Six investigations related to fraud / theft or other activities linked to obtaining a financial benefit and one related to a Code of Conduct matter. Three out of the seven investigations were still on-going, whilst of the remaining four:

- One case involved a direct payment, administration of the payments was moved to a managed account and action had been taken to recover monies.
- One case involved the provision of false information to support a claim for homelessness assistance, the Council ended its duty to provide temporary accommodation.
- For one case, a formal re-setting of standards took place.
- In one case, the concern was not substantiated.

Fraud Awareness – In 2024-25 to date, the Internal Audit Service had attended a number of training sessions with employees from Adult Social Care to raise awareness of the types of fraud that could occur within the social care environment, and particularly within direct payments. The Service also delivered a fraud awareness session to colleagues from Human Resources as part of their away day

Significant frauds - Within the International Auditing Standards, there were clear expectations around the level of oversight that the Audit and Procurement Committee should have in relation to the risk of fraud within the Council. This included an expectation that appropriate detail was provided around significant fraud. The following principles had been applied when defining significant fraud:

- A financial impact in excess of £10,000.
- Frauds of under £10,000 can be included if the Chief Internal Auditor considers this justified by the nature of the fraud.
- In terms of establishing when a fraud has occurred, this is normally defined as occurring when the disciplinary process has been concluded, although in cases not involving employees, this will be linked to other management action, such as criminal prosecution.

In the period April 2024 to September 2024, no significant frauds had been concluded.

**RESOLVED that the Audit and Procurement Committee note the anti-fraud and error activity undertaken during the first half of the financial year 2024/25.**

49. **Complaints to the Local Government and Social Care Ombudsman 2023 /2024**

The Audit and Procurement Committee considered a report of the Chief Executive, regarding complaints to the Local Government and Social Care Ombudsman 2023/24.

The Committee noted that the report had also been considered by the Cabinet Member for Policy and Leadership at his meeting held on 5<sup>th</sup> December 2024



(Minute 9/24 refers) and the Ethics Committee at its meeting held on 9<sup>th</sup> January 2025 (Minute 18/24 refers).

The Local Government and Social Care Ombudsman (LGSCO) was the final stage for complaints about Councils, all adult social care providers (including care homes and home care agencies) and some other organisations providing local public services. It was a free service that investigated complaints in a fair and independent way and provided a means of redress to individuals for injustice caused by unfair treatment or service failure.

Coventry City Council's Complaints Policy sets out how individual members of the public could complain to the Council, as well as how the Council would handle their compliments, comments and complaints. The Council also informed individuals of their rights to contact the LGSCO if they were not happy with the Council's decision once they had exhausted the Council's complaints process.

The LGSCO issued an annual letter to the Leader and Chief Executive of every Council, summarising the number and trends of complaints dealt with relating to that Council that year. The latest letter, issued on 17<sup>th</sup> July 2024, covered complaints to the LGSCO relating to Coventry City Council between April 2023 and March 2024 (2023/24).

The report set out the number, trends and outcomes of complaints to the LGSCO relating to Coventry City Council in 2023/24. It focused on upheld complaints, service areas with a high number of complaints, compliance with Ombudsman's recommendations, learning from complaints, comparisons with prior years, and how we compare to other local authorities.

**RESOLVED that, the Audit and Procurement Committee:**

- 1. Considered the Council's performance in relation to complaints to the LGSCO.**
- 2. Note the Council's updated complaints process and guidance.**
- 3. Reviewed and were assured that the Council takes appropriate action in response to complaints investigated and where the Council is found to be at fault.**

**50. 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**

51. **Work Programme 2024/2025**

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 2024/2025.**

52. **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 3.37 pm)