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Coventry City Council

Minutes of the Meeting of the Audit and Procurement Committee held at 2.30 pm on Monday, 16 March 2026

Present:

Members: Councillor R Lakha (Chair)
Councillor A Hopkins
Councillor A Jobbar
Councillor Lepoidevin (Substitute for Councillor J Blundell)
Councillor P Male
Councillor B Singh (Deputy Chair)

Employees (by Directorate):

Finance and Resources E Dewar, P Helm, T Pinks, K Tyler

Law and Governance R Amor, A West

Apologies: Councillor J Blundell

Public Business

55. Declarations of Interest

There were no disclosable pecuniary interests.

56. Minutes of Previous Meeting

The minutes of the meeting on 2nd February 2026 were agreed and signed as a true record. There were no matters arising.

57. Exclusion of Press and Public

RESOLVED that the Audit and Procurement Committee agrees to exclude the press and public under Sections 100(A)(4) of the Local Government Act 1972 relating to the private report in Minute 66 below headed 'Six Monthly Procurement Progress Report' on the grounds that the report involves the likely disclosure of information as defined in Paragraph 3 of Schedule 12A of the Act, as it contains information relating to the financial affairs of a particular person (including the authority holding that information) and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

58. 2025-26 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 2025/26 External Audit Plan provided by the Council's external auditor, Grant Thornton.

The Audit Plan provided details of the planned scope and timing of the audit of the Council's accounts. As the focus of the audit is risk based, Grant Thornton had

been liaising with the Council's management to 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 in Appendix 2 to the report.

The auditors design an audit programme that is tailored to address and assess the risks. Key risks identified in the Audit Plan are:

- 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

In support of the audit of the accounts, Grant Thornton review the controls in place for the Council's key financial systems. The latest outcome from this work is detailed in the '2024/25 IT audit findings' report which was presented to the Audit and Procurement Committee alongside the 2024/25 Audit Plan in September 2025. Although there were some areas for improvement identified, there were no significant deficiencies in IT controls relevant to the audit of financial statements. The 2025/26 IT audit had been scheduled for April 2026 and will specifically review the Business World Cloud Migration which took place in February 2026, with findings and assurances being fed into the Main Audit.

In September 2024, the Government passed legislation designed to address the backlog in the completion of local authority accounts. This legislation specified deadlines for the completion of audit work for particular financial years. In the event of uncompleted audits by the specific deadlines, 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 subsequent four years, 2020/21, 2021/22, 2022/23 and 2023/24 accounts were delayed. As the deadline for publishing 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.

The audit of the 2024/25 accounts was signed off and approved in February 2026, however, to reflect the fact that the Council's prior four years accounts have not been audited, reliance could not be placed on brought forward balances. This resulted in the 2024/25 audited accounts continuing to be issued with a disclaimed opinion.

The Audit Plan for 2025/26 reflected the continued application of the backstop arrangements and acknowledges limited assurance over opening balances and reserves. The Council's strategic objective remains the rebuilding of audit assurance following the prior period disclaimers.

Whilst the Plan refers to rebuilding assurance over time, further detailed discussion was scheduled with Grant Thornton later in March regarding the scope, phasing and timing of regaining assurance work during 2025/26 and beyond. The outcome of those discussions will be reported back to the Committee as appropriate.

Members asked questions and received information about the approach to specific risks.

RESOLVED that the Audit and Procurement Committee:

- 1) Note the details presented in the 2025/26 Audit Plan.**
- 2) Note the findings detailed in the ‘Informing the audit risk assessment – 2025/26’ report.**

59. 2025/26 Third Quarter Financial Monitoring Report (to December 2025)

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer) that had also been considered by Cabinet at its meeting held on 10th February 2026 (their Minute 60/25 referred) that advised of the forecast outturn position for revenue and capital expenditure and the Council’s treasury management activity as at the end of December 2025. The net revenue forecast position after management action was for spend in 2025/26 of £1.6m over budget. Whilst not a wholly comparable position, at the same point in 2024/25, there was a projected overspend of £7.0m.

The Council continued to face budget pressures within Adult Social Care, Property Services and Development, City Services and Regeneration and Economic Development. 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 was projected to be £174m 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 Council will continue to monitor this position and ensure projects are delivered within available resources.

Members of the Committee asked questions and received assurance on matters including changes in the forecast since the previous quarter’s report.

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

60. Quarter Three Internal Audit Progress Report 2025/2026

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer) which provided an update on the internal audit activity for the period April to December 2025, against the Internal Audit Plan for 2025-26. The report was presented in order for the Audit and

Procurement Committee to discharge its responsibility 'to consider summaries of specific internal audit reports as requested' and 'to consider reports dealing with the management and performance of internal audit'.

At its meeting on the 2nd February 2026, the Audit and Procurement Committee had received an update on the resource position within the Internal Audit Service and noted that the Internal Audit Plan had been amended to 550 days, which reflected the impact of unplanned absence in the Service and the time taken to implement the agreed service redesign.

The key target facing the Internal Audit Service is to complete 90% of its work plan by the 31st March 2026. As at the end of December 2025, the Service had completed 53% of the Audit Plan against a benchmark of 75% (which reflects delivery of 100% of the Plan.) It was recognised that performance was below expectation, with the impact of the unplanned absence being visible in the quarter three performance. However, notwithstanding this, based on an assessment of performance as at February 2026, it was predicted that the Service would achieve over 80% of the plan by the end of March 2026. It was also noted that whilst the audits which were required to be completed to achieve 90% of the plan may not be finalised by the end of March 2026, the work in support of them would be substantially complete.

It was the view of the Chief Internal Auditor that these issues would not, in any significant respects, impact on the ability to deliver the annual internal audit conclusion.

Appendix 1 of the report provided a list of the audits finalised between April and December 2025, along with the level of assurance provided. At 31st December 2025, the following audits were in progress:

- Ransomware Threat
- Noise Team Rotas
- Property Disposals
- Allowances and Overtime
- Security Certificates
- Governance over AI
- Housing Benefits (Domestic Abuse refuse cases)
- Payroll
- Commercial Property Rent
- Purchasing Cards (Children's and Education)
- Formal Follow Up – Broad Heath Primary School

Details of a selection of key reviews completed in this period were provided at Appendix Two to the report. In all cases, the relevant managers had agreed to address the issues raised in line with the timescales stated. These reviews would be followed up in due course and the outcomes reported to the Audit and Procurement Committee.

RESOLVED that the Audit and Procurement Committee:

- 1. Notes the performance as at quarter three against the Internal Audit Plan for 2025-26.**
- 2. Notes the summary findings of the key audit reviews (attached at Appendix Two).**

61. Internal Audit Recommendation Tracking Report

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer) which provided an update on the progress made in implementing internal audit recommendations between January 2025 and January 2026.

The Global Internal Audit Standards in the UK Public Sector requires that “Internal auditors must confirm that management has implemented internal auditor’s recommendations or management’s action plans following an established methodology.” As reflected within its terms of reference, the Audit and Procurement Committee is required to receive reports on Internal Audit’s follow up process.

Given the number of audits that the Internal Audit Service completes every year, it was critical that it has a robust procedure in place for ensuring that it obtains appropriate assurance that audit recommendations have been implemented but does so in an efficient and proportionate way. Where appropriate, Internal Audit defines within its audit reports the follow up process to those responsible for the system / area under review and a date is agreed by when this will take place.

The key consideration that determined the follow up procedure adopted was the level of assurance provided in the audit report, with the follow up procedure being either a self-assessment process or a formal follow up review.

Overall, it was believed that the procedure achieves the right balance between ensuring action is taken in response to risks identified by Internal Audit and allowing the Service to focus on delivering the Annual Audit Plan.

Of the 281 actions followed up, 61% had been implemented based on both the formal and self-assessment follow up method. This compared to 65% the previous year.

The implementation rate of 45% for formal follow up reports had decreased since the previous year (53%) although it was noted that this may have reflected the smaller number of actions followed up by this process in the current period.

The implementation of 63% for self-assessment had also decreased since last year (72%). It was noted that this may reflect that additional scrutiny was now being applied to self-assessments with clarity being sought where managers did not provide sufficient information to support their assessment.

Directorate trackers were in place for each Director to assist them to monitor progress and ensure that actions will be implemented by the due date. In addition,

the quarterly performance indicator forms part of the Leadership Board dashboard. Further measures had also recently been taken to support the gradual improvement of implementation rates. This included further development of the directorate trackers, specific discussions at the draft report stage on the importance of the timely implementation of agreed actions, and enhancements to the follow up process to make officers more accountable for lack of progress. The Chief Internal Auditor was due to attend Leadership Board in April 2026 to discuss the follow up process further.

After the follow up had been completed, the results were collated within Internal Audit. If progress was not consistent with expectations, audit management would determine the next course of action.

Based on the reasons for the lack of progress, the following courses of action were available:

- Revised implementation dates are agreed for outstanding actions.
- Concerns raised through the management structure to ensure senior managers are aware of both the lack of progress made and the risks still facing a service.
- As a last resort, to ask the Audit and Procurement Committee to intervene and seek prompt action from the relevant manager.

RESOLVED that the Audit and Procurement Committee, notes the progress made in implementing audit recommendations and confirms its satisfaction with this and the proposed action by the Chief Internal Auditor for audits where actions remain outstanding.

62. **Corporate Risk 2026**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer) that set out the outcome of the review of the Corporate Risk Register 2026, and incorporated 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 in March 2024 that the Audit and Procurement Committee would receive the Corporate Risk Register twice a year in line with the 2024 Grant Thornton value for money report.

It was noted that by having arrangements in place to identify and manage risks, the Council increased its ability to achieve corporate and operational objectives and reduces the chance of failure. Good risk management also increased the Council's ability to cope with developing and uncertain events. The Corporate Risk Register should identify the risks that threaten the successful implementation of the One Coventry Plan.

The Corporate Risk Register had been reviewed in consultation with the Leadership Board and the allocated Risk Owners. 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. The report also indicated what the risk score had been when the Committee last received a report in September 2025.

The report indicated that two risks had been added to the Register:

- Risk 42 – Statutory Engineering Inspections
- Risk 43 – Elections

No risks had been removed following this review of the Risk Register.

The residual score for Risk 1 – Finance had been reduced reflecting the Council's financial resilience for the three year settlement period.

It was reported at the meeting that the residual risk score for Risk 35 - The threat of Cyber-attack to the delivery of One Coventry priorities had recently been increased.

Members asked questions and received answers about the approach to risks associated with the all-out elections to take place in May, the risks associated with equal pay claims and how this was being approached and the measures in place to support well-being of councillors.

RESOLVED that, the Audit and Procurement Committee:

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

63. **Outstanding Issues**

The Audit and Procurement Committee considered a report of the Director of Law and Governance that confirmed there were no outstanding issues.

RESOLVED that the Audit and Procurement Committee notes that there were no outstanding issues.

64. **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 issues considered by the Committee during the Municipal Year 2025/2026.

RESOLVED that the Audit and Procurement Committee, notes the Work Programme for 2025/2026.

65. **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.

66. **Six Monthly Procurement Progress Report**

The Audit and Procurement Committee considered a report of the Director of Law and Governance, which provided an update on the procurement and commissioning undertaken by the Council since the last report to Committee on 22nd September 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 24 reports and the Procurement Board 29 reports.

In addition, there had been a total of 35 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. **Confirms 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.**

67. **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 3.30 pm)