

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Stenson House, London Road, Coalville, LE67 3FN on WEDNESDAY, 4 FEBRUARY 2026

Present: Councillor R Sutton (Chair)

Councillors P Moulton, D Cooper, D Everitt, E Hutchinson, R Johnson, P Montgomery, G Rogers, J G Simmons and A Wilson

Officers: Ms K Beavis, L Flinders, Mr G Hall, Ms E Lant, Mr S Outama, Mr P Stone and Mrs R Wallace

37. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors R Boam and N Smith.

38. DECLARATION OF INTERESTS

There were no declarations of interest.

39. MINUTES

Consideration was given to the minutes of the meeting held on 12 November 2025.

It was noted that the Independent Members were not included in the attendance list, and it was agreed to amend the minutes accordingly.

It was moved by Councillor G Rogers, seconded by Councillor J Simmons and

RESOLVED THAT:

Subject the amendment as detailed above, the minutes of the meeting held on 12 November 2025 be confirmed as an accurate record of proceedings.

40. OUTSTANDING ACTIONS UPDATE

Consideration was given to any outstanding actions.

The current outstanding actions were acknowledged. It was noted that due to the focus on the budget setting process in recent months, some actions had been delayed. Meetings would be set up in due course with the Chair and Deputy Chair to address the outstanding actions.

41. COMMITTEE WORK PLAN

Consideration was given to the committee work plan.

The Committee noted that the Statement of Accounts item scheduled for April would not be required due to the recent publication of both the 2023/24 and 2024/25 Statement of Accounts.

42. STATEMENT OF ACCOUNTS UPDATE

The Strategic Director of Resources presented the report.

The Committee were pleased to see that the accounts were published earlier than the required backstop date and the finance team were thanked for their hard work. The

Chair's initials

Strategic Director of Resources echoed the comments and offered his thanks to officers for their hard work alongside the ongoing budget process.

The Chair thanked the Committee for their comments and the report was noted.

43. INTERNAL AUDIT PROGRESS REPORT

The Audit Manager presented the report.

Several questions of clarity were asked by Members and responses provided by officers.

In relation to the outstanding trade waste audit recommendations, a Member commented on the checks and balances for collections, and queried what was being done to ensure only permitted waste was placed in the bins. In the absence of the relevant officer, it was agreed to provide a response outside of the meeting.

In relation to the outstanding housing materials audit recommendations, Members made the following comments:

In relation to audit recommendation 8, recording, managing and monitoring van stock, a Member raised concerns regarding the possible risk of stock becoming misappropriated. The Head of Housing assured the committee that all stock was monitored and the recommendation was aimed at the stock recording process.

In response to a question from a Member, the Head of Housing agreed to provide further information on where larger stock items such as doors and radiators were stored outside of the meeting, but assured that the Housing Repairs Team Manager was working on improving time efficiency for repairs staff on matters such as collecting stock.

In relation to the outstanding financial systems audit recommendations, the following comments were provided:

In response to a question from a Member, the Strategic Director of Resources provided an update on the progress of the debt recovery process which was ongoing.

In response to a question from a Member regarding authorising purchase orders, the Strategic Director of Resources confirmed that work was underway with the new supplier regarding the administration and security of the process to ensure internal controls were correct.

During a discussion on the recommended budget holder training, the Strategic Director of Resources confirmed that an e-learning module was being developed which would also be part of new staff inductions moving forward.

Comments were made on the historical duplicate payment issues, and it was confirmed that work had been undertaken and the recommendation was now complete.

It was agreed to provide a more detailed narrative on audit recommendations in future reports, so that Members could see the progress being made.

In relation to the extended recommendations within the report, the following comments were made:

In response to a question from a Member regarding asbestos management, it was confirmed that a private contractor had been employed as it was deemed more cost effective than to not complete the outstanding work.

A discussion was had on the capital programme management recommendation and whether this was linked to the Unit 4 system. The Strategic Director of Resources explained that it was in relation to the tracking of expenditure to enable the statement of accounts to be closed and was due to the delay in the accounts. It was acknowledged that this would be reported to Cabinet later in the month and therefore the recommendation would then be signed off.

The Chair thanked the Committee for their comments and the report was noted.

44. ANNUAL REVIEW OF THE CODE OF CONDUCT COMPLAINTS ARRANGEMENTS

The Legal Team Leader – Governance, presented the report.

Discussions were had on the proposed change regarding an additional stage in the process which allowed the Monitoring Officer to reject complaints received that were over 3 months old, some Members questioned the appropriateness of the time limit. It was acknowledged that guidance stated a 6-month time limit, and the rationale for the proposal and the flexibility for exceptional cases was explained. Following a debate on the matter, it was suggested that the report to Council include more detail clarifying the reasoning for the proposal, Members agreed.

The work of the Cross Party Working Group was noted and the members were thanked for the time taken on the review.

It was moved by Councillor P Moulton, seconded by Councillor R Johnson and

RECOMMENDED THAT:

Council adopts the amendments to the Code of Conduct Complaints Arrangements at its meeting on 19 February 2026 with effect from 20 February 2026.

45. ANNUAL REVIEW OF THE COUNCIL'S CONSTITUTION

The Legal Team Leader – Governance, presented the report and referred to the additional papers circulated at the meeting.

In relation to a question on the award of grants delegation and the link to the Legacy Fund as part of the upcoming budget proposals, the Strategic Director of Resources explained that several grants would still require approval and therefore the minor change to the delegation was still required. The Legacy Fund would have its own approval process which was yet to be agreed.

The Chair spoke strongly against the proposed changes within the Audit and Governance Committee terms of reference in relation to the wording 'those charged with governance', due to concerns that it went against the CIPFA guidance on the language required. It was felt that further consideration was required on these proposals before being presented to Council. The Committee supported the approach.

The work of the Cross Party Working Group was noted and the members were thanked for the time taken on the review.

It was moved by Councillor P Moulton, seconded by Councillor D Everitt and

RESOLVED THAT:

The amendment to the Audit and Governance Committee section of the constitution be reconsidered by officers prior to approval by Council due to the language change going against CIPFA guidance.

RECOMMENDED THAT:

- 1) Council adopts the amendments to the constitution, subject to the removal of the 'review of the Audit and Governance Committee' section as detailed above, at its meeting on 19 February 2026.
- 2) The changes come into effect from 1 March 2026, except for the amendments to the Appointments Committee to come into force in May 2026.

46. STANDARDS AND ETHICS REPORT - QUARTER 3

The Legal Team Leader – Governance, presented the report.

No comments were made and the report was noted.

47. REVIEW OF CORPORATE GOVERNANCE POLICIES - INFORMATION GOVERNANCE FRAMEWORK

The Strategic Director of Resources presented the report.

The importance of the policies was acknowledged, and officers were thanked for their continuing work on information governance.

The report was noted.

48. CORPORATE RISK UPDATE

The Strategic Director of Resources presented the report.

The Chair referred Members to the additional papers in which an updated risk register was included with changes clearly indicated.

In response to a question from a Member regarding the upcoming Procurement Act changes, the Strategic Director of Resources explained that work was ongoing with the external procurement advisor, and he was hoping to have more detail in the next update to committee.

In relation to corporate risk number 35 – Local Plan, concerns were raised that the risk score was low considering the current timeframe for submitting the plan. The Strategic Director of Resources acknowledged the concerns and agreed to review the risk level with planning officers.

In relation to corporate risk number 21 – driver and fleet compliance, Members questioned the high-risk score. The Strategic Director of Resources agreed to provide more detail for the next update to the committee.

The Committee noted the Corporate Risk Register and the comments made would be fed back to the Council's Corporate Risk Group.

49. EXCLUSION OF PRESS AND PUBLIC

RESOLVED THAT:

In pursuance of Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the remainder of the meeting on the grounds that the business to be transacted involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act and that the public interest in maintaining this exemption outweighs the public interest in disclosing the information.

50. ANNUAL IT HEALTH CHECK REPORT

The Strategic Director of Resources presented the report.

Member discussed the contents of the report, and several questions of clarity were answered by officers.

The report was noted.

The meeting commenced at 6:30pm

The Chair closed the meeting at 8:42pm