



Minutes of a meeting of the Corporate Governance Committee held at County Hall, Glenfield on Friday, 23 January 2026.

PRESENT

Mr. S. L. Bray CC (in the Chair)

Mr. J. Boam CC	Mr. J. Miah CC
Mrs. N. Bottomley CC	Mr. P. Morris CC
Mr. S. Bradshaw CC	Mr. J. T. Orson CC
Mrs. L. Danks CC	Mrs. R. Page CC
Mr. G. Grimes	Mr. J. Pilgrim
Mrs. K. Knight CC	Mr. B. Piper CC
Mr. J. McDonald CC	

48. Minutes.

The minutes of the meeting held on 24 November 2025 were taken as read, confirmed and signed.

49. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 34.

50. Questions asked by members under Standing Order 7(3) and 7(5).

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

51. Urgent Items.

There were no urgent items for consideration.

52. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

No declarations were made.

53. Presentation of Petitions under Standing Order 35.

There were no petitions.

54. External Audit of the 2024/25 Statement of Accounts, Annual Governance Statement and Pension Fund Accounts - Update.

The Committee considered a report of the Director of Corporate Resources which presented an update on the external audit of the 2024/25 financial statements. Copies of

the report and supplementary report, both marked 'Agenda Item 7', are filed with these minutes.

The Chairman welcomed Ms Helen Lillington from Grant Thornton LLP, the Council's external auditors, to the meeting.

It was reported that, since the last meeting, the necessary adjustments had been made and the audit had now been completed; this would be signed on 29 January with an unmodified opinion.

RESOLVED:

That the Auditor's updated Audit Findings report be noted and the updated letter of representation be approved.

55. Treasury Management Strategy Statement 2026/27.

The Committee considered a report of the Director of Corporate Resources which provided an opportunity to review the Treasury Management Strategy Statement, which included the minimum revenue provision policy statement and the annual investment strategy for 2026/27. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

It was noted that the Treasury Management Strategy Statement formed part of the Medium Term Financial Strategy, which was due to be considered by the Council at its meeting on 18 February 2026.

RESOLVED:

That the report be noted and it be recommended that the County Council approves the Treasury Management Strategy Statement 2026/27.

56. Quarterly Treasury Management Report.

The Committee considered a report of the Director of Corporate Resources which provided an update on the actions taken in respect of treasury management for the quarter ending 31 December 2025 (quarter 3). A copy of the report marked 'Agenda Item 9' is filed with these minutes.

A member commented that returns had been good over the past year, but queried whether consideration needed to be given to amending any investments as a result of the proposed local government reorganisation. In response, the Director of Corporate Resources stated that this was not currently the case as the outcome of LGR was unknown. However, assurance was given that it would not be necessary to end any existing loans early.

RESOLVED:

That the report be noted.

57. Risk Management Update.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to present the Corporate Risk Register for approval, along with the Risk Management Policy Statement and Strategy, Insurance Policy and Property and Occupants Risk Management. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

As part of this item, the Committee also received a presentation from the Data Protection Officer on the emerging risk of the use of Artificial Intelligence technologies. A copy of the presentation is filed with these minutes.

Arising from the discussion, the following points were made:

Presentation

- i) In response to a query around how the Council was monitoring the use and development of AI, the Director of Corporate Resources stated that risk assessments were living documents and the data protection impact assessments were never closed. If an issue arose, it was possible to review this and continually monitor any risks.
- ii) In terms of training around AI, assurance was sought that this would be mandatory for all members of staff. The Director of Corporate Resources commented that a large number of staff throughout the authority would not use AI in their roles. However, a module on AI had now been included in the GDPR training, which was mandatory for all staff.
- iii) In regard to the use of Co-pilot, this was generally welcomed, but there was concern around information being altered so that it was incorrect. A query was raised around what was in the Policy to give a third party an opportunity to change information and challenge that something was incorrect. Assurance was given that, regarding hallucination, there were protections in place for staff if their data was being processed incorrectly and there was a right to rectification, but it was acknowledged that it could be difficult to stop applications such as Google. Human oversight was considered essential and it was important to ensure that people did not become lazy by allowing AI applications to carry out their work. Many larger applications using AI had follow up meetings to ensure that they were doing what was expected and it was known that, in some instances, staff were not using the AI tools they had available. This would all continue to be monitored.
- iv) A member queried whether there was a procedure to follow if receiving a letter/email which was known to have been produced using AI and contained incorrect data. Essentially, human oversight in this instance was critical and there would be concern if letters were being produced without any human input whatsoever. Members of the public were able to complain using the Council's Complaints Procedure, but it was generally expected that departments would use common sense to ensure that information being sent out was correct.
- v) In response to a question around how many County Council employees had completed the training, it was stated that the GDPR training had been introduced in September 2025 and currently, 71% of staff had completed it. However, reminders were sent to those who had not yet undertaken the training, so the number was increasing continually and approximately 95%

were expected to have completed the training by summer. It was also the intention to ensure all staff had read the Policy so consideration was being given to whether specific AI training was required. An internal audit on governance arrangements had previously been undertaken, but there would now be a greater focus on the applications being used throughout the authority to ensure that these were being used appropriately.

- vi) A member commented on the AI systems being used by other local authorities and whether these had been considered by the County Council. A potential reduction in costs was also raised, and whether this would lead to a reduction in staffing. Discussions had taken place with other local authorities who were more advanced in the use of chat bots, and assurance was given that the County Council was at the development staff. Tests were taking place with applications to ensure that there were no errors before they were put into the public domain. It was anticipated that one system would be ready in the near future, following appropriate risk assessments being completed. Regarding savings, this was difficult to quantify, in particular Co-pilot, which was being used to help staff carry out their day to day roles. It was hoped that this would ultimately lead to greater effectiveness and deliver some efficiency savings, but no one had yet been made redundant as a result of this.

Main Report

- vii) In relation to the structure of risk management roles and responsibilities, and the roles of the Cabinet, Lead Members and Chief Officers, there had been considerable change recently, including two of the three statutory officers leaving and membership of the Committee. A query was raised as to whether these changes posed any risk and whether any mitigation had been developed against any identified risks. The Director of Corporate Resources acknowledged that any change created an element of risk, at both a political and officer level. Assurance was given that mitigations were identified from the changes and training and relevant information had been provided to those who needed it. Chief Officers were required to brief their lead members on potential risks within their service areas and the Chief Executive's departmental risk register had included a plan to mitigate the Chief Executive and Monitoring Officer leaving the organisation. It was also noted that, following the 2025 County Council elections, a more formal induction programme for new members had been established.

RESOLVED:

- a) That the current status of the corporate and strategic risks facing the County Council be noted;
- b) That recommendations be made on any areas which might benefit from further examination;
- c) That it be recommended that the Cabinet approves the revised Risk Management Policy Statement and Strategy and the Insurance Policy, with delegation to the Director of Corporate Resources to amend it if necessary;
- d) That the update on the work undertaken and planned work of the Property and Occupants Risk Management Group be noted.

58. Global Internal Audit Standards in the UK Public Sector - Governance Documents.

The Committee considered a report of the Director of Corporate Resources which provided details about important governance documents required for conformance with Global Internal Audit Standards, effective in the UK public sector from 1 April 2025. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

In terms of the Internal Audit Strategy, a draft document had been developed to cover the period January 2026 to 31 March 2028. This period was deliberate because of the unknown outcomes of the pending local government reorganisation.

Work continued on the Strategy and the CIPFA Code of Practice for the Governance of Internal Audit in Local Government and an update on implementation would be presented to the Committee in June.

RESOLVED:

- a) That the results and improvements required following the Head of Internal Audit Service provisional self-assessment against the Code of Practice for the Governance of Internal Audit in Local Government be noted;
- b) That the draft Internal Audit Strategy – January 2026 to March 2028 be noted;
- c) That a delegation to the Director of Corporate Resources to make any necessary minor changes to either document be agreed.

59. Changes to the Contract Procedure Rules.

The Committee considered a joint report of the Director of Corporate Resources and the Director of Law and Governance which provided an overview of the forthcoming changes to the Contract Procedure Rules. Following consideration by the Committee, the Rules would be presented to the County Council for approval. A copy of the report, marked 'Agenda Item 12', is filed with these minutes.

In response to a question around whether there was any flexibility to the Rules to ensure contracts weren't delayed as a result of the procurement process, the Director of Corporate Resources stated that Rule 21 afforded the ability to direct award to a provider in such circumstances. However, the reason for this had to be justified.

RESOLVED:

That the revised Contract Procedure Rules be endorsed and approval by the County Council be recommended.

60. Changes to the Council's Modern Slavery Statement.

The Committee considered a joint report of the Director of Corporate Resources and the Director of Law and Governance which presented the revised Modern Slavery and Human Trafficking Statement. A copy of the report marked 'Agenda Item 13' is filed with these minutes.

The Statement would undergo an annual review to ensure its continued relevance and would be presented to the Committee if there were any significant changes.

RESOLVED:

That the revised Modern Slavery and Human Trafficking Statement be approved.

61. Whistleblowing Report.

The Committee considered a joint report of the Director of Law and Governance and Director of Corporate Resources which provided a summary of the concerns raised under the Council's Whistleblowing Policy during the calendar year 2025 and the Council's response to the issues, including any organisational learning, along with updates to the current Whistleblowing Policy. A copy of the report marked 'Agenda Item 14' is filed with these minutes.

During the last year, two referrals had been made, with both being found to be unsubstantiated. A number of other issues had been raised under the Whistleblowing Policy, but it had been felt more appropriate for these to be referred directly to managers under HR procedures.

The suggested updates to the Policy were highlighted and it was felt that its promotion was important. The Policy would continue to be kept under review as part of the annual reporting cycle to the Committee.

RESOLVED:

That the report and the proposed annual reporting cycle to this Committee on the effectiveness of the policy be noted.

62. Date of next meeting.

RESOLVED:

That the next meeting of the Committee be held on Friday 27 March 2026 at 10.00am.