



**MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE**  
**Wednesday 20 March 2019 at 6.00 pm**

**PRESENT:**

Mr Ewart (Chair), Councillors A Choudry (Vice-Chair),  
Donnelly-Jackson and Nerva.

**Independent Members:** Sheila Darr and Karen McArthur

**Independent Advisor:** Vineeta Manchanda

**Also Present:** Councillor S Choudhary, Nigel Shock (Independent Person) and William Goh (Independent Person).

**1. Apologies for absence and clarification of alternate members**

The following apologies for absence were received:

- Councillor Kansagra
- Councillor Naheerathan
- Margaret Bruce (Independent Member)
- Robert Cawley (Independent Member)
- Kier Hopley (Independent Person)

**2. Declarations of Interest**

In relation to Agenda item 12 - London Counter Fraud Hub, David Ewart (Chair) declared a personal interest as he was a former Director of Finance at Ealing Council, and currently a CIPFA Member.

**3. Deputations (if any)**

There were no deputations.

**4. Minutes of previous meetings**

**RESOLVED** that the minutes of the Audit and Standards Advisory Committee, held on 5th February 2019, be approved as an accurate record.

5. **Matters arising (if any)**

In relation to the Minutes of the Audit and Standards Advisory Committee, held on 5 February 2019, it was NOTED:

**Minute 14 - Counter Fraud Quarterly Progress Report 2018/19**

That Michael Bradley would arrange to recirculate the response provided on the request for additional information regarding the investigation of cases involving Blue Badge Fraud.

On the subject of informing the LGA about the cost of prosecuting the cases of Blue Badge fraud vis-à-vis what the defendants had been sentenced to pay, Michael Bradley (Head of Audit and Investigations, Brent Council) advised that whilst this could be explored there was a need to recognise that the level of fines imposed were matters relating to the wider sentencing regime within the criminal justice system and as such were beyond the immediate remit of the LGA.

**Minute 17, Meeting between Chair, Vice-Chair and Independent Members.**

The Chair advised that he would look to progress this outside of the meeting.

**Minute 19, Independent Advisor to the Committee**

The Chair was pleased to announce and welcome Vineeta Manchanda as the newly appointed Independent Advisor to the Committee.

**Minute 19, Lender Option Borrower Option Loans (LOBO)**

The LOBO briefing note had been well received by Councillors and would also be provided for the Independent Members. In terms of the objection to the Council's Accounts, Members were advised that an update was expected shortly from KPMG which once available, would be shared with the Committee.

6. **Annual Review of the Member Development Programme and Members' Expenses**

The Committee received a report from Thomas Cattermole (Head of Executive and Member Services, Brent Council) providing a summary of the Member Development Programme since May 2018 and details of the Members' Expenses Scheme.

The Committee noted the update provided on delivery of the Member Development Programme including the number and range of sessions along with attendance at each event (as detailed in Appendix 1 & 2 of the report).

The programme had included for the first time a "Be a Councillor" event run prior to the local elections, which had been well attended and received. The content of the Member Learning and Development sessions had been supported by a Member Needs Analysis Programme which had helped shape the Member Learning &

Development Strategy and Programme. In addition, the Committee noted the successful retention by the Council of the Member Development Charter Plus Award (Gold Standard). Development of the programme was overseen by a Member Learning and Development Steering Group which not only kept the training offer under review but also monitored attendance and provided cross-party ownership of the process. Feedback had also been sought from Members, with the results being used to assist in identifying future learning and development needs. Details on the Members Need Analysis Programme had been set out in Appendix 4 of the report with the final assessment in relation to the Charter Plus Award provided in Appendix 5 of the report.

The Committee welcomed the report which also provided an overview in relation to Members Expenses claimed during 2017-18

During the discussion, the following points were noted:

- Concerns were highlighted in relation to variation between attendance rates for individual councillors at Member Learning and Development sessions. Whilst attendance levels at sessions had been encouraging and with the exception of certain sessions attendance was not mandatory, the Committee noted that not all councillors had engaged in the process and were keen to ensure that attendance continued to be monitored through the Steering Group and encouraged via the Groups. It was noted that non-attendance at mandatory sessions would be taken up via the Political Groups;
- In terms of development and engagement in the Learning and Development offer available, Members were keen to explore how this could be extended beyond the Steering Group to involve a wider group of councillors and ensure details were circulated as widely as possible on all sessions available. As an example reference was made to a recent session, held about key parking issues, which whilst extremely informative had not been well attended;
- In terms of wider issues raised in relation to Members Attendance, the Committee noted the need to recognise the wider representational role played by members which it was felt would not be fully reflected in terms of their attendance record at formal committee meetings or Learning and Development Sessions. As an example there was also a need to reflect on time spent on task groups, regular surgeries and other ward related and case-work activities with attendance alone not necessarily a complete indicator of gauging the overall performance of Members. It was, however one of a range of important factors, with the Committee, therefore, keen to ensure monitoring continued via the appropriate Group mechanisms; and
- The range of Learning and Development opportunities available also included a number of external events and conferences although the Committee recognised that courses and training events that involved an overnight stay or long distance travel would not always be suitable for people with child-care and other similar responsibilities. In these cases, Members were keen for alternative options to be considered/provided, wherever possible. In response, Thomas Cattermole (Head of Executive and Members Services, Brent Council) indicated that the Council operated a needs-based training and development approach. It endeavoured to host local courses and events to

provide suitable opportunities and best value for money. In terms of requests for the programme to include Disability Awareness, as well as Mental Health training he advised these sessions had already been identified for inclusion within the programme for 2019/20.

As no further issues were raised the Chair thanked officers for the comprehensive nature of the report.

**RESOLVED** that:

- (1) To note the work being undertaken by the Member Learning and Development Steering Group in ensuring effective training and development for Brent's elected representatives which responded both to the Council's corporate priorities and councillors' individual training needs.
- (2) In view of comments raised at the meeting, the Committee supports the wider monitoring of Member attendance via appropriate Group mechanisms with details of the existing monitoring details on the Council's website to be made as prominent as possible.

#### 7. **Annual Standards Report (including a quarterly update on Gifts & Hospitality)**

The Committee received a report from Debra Norman (Monitoring Officer and Director of Legal & HR, Brent Council) who presented the Monitoring Officer's Annual Report to the Audit and Standards Advisory Committee for 2018. The report included an update on Member conduct issues, work of the Audit and Standards Advisory Committee, the Audit and Standards Committee and the Monitoring Officer during 2018.

The report included updates relating to the following categories:

- The Audit & Standard Advisory Committees work during 2018 following the merger between the Audit Advisory and Standards Committee;
- Complaints against Members - The Committee was pleased to note the outcomes in the cases referred to as well as the relatively low level of complaints received;
- Gifts & Hospitalities registered by Members from Dec 18 – 8 March 19 (as detailed in Appendix 1 of the report);
- Two Monitoring Officer Advice Notes (MOANs) issued; and
- Consultation Outcome from the Committee on Standards in Public Life - with a summary of the recommendations against the Council's current practice detailed in Appendix 3 of the report.

In response to a query, the Monitoring Officer undertook to provide information about the indemnity status for Independent Members of the Committee.

David Ewart (Chair) thanked the Monitoring Officer for a comprehensive report.

**RESOLVED** that the Committee notes the content of the report.

## 8. **Draft Internal Audit and Investigations Annual Plan 2019/20**

The Committee received a report from Michael Bradley (Head of Internal Audit and Investigations, Brent Council) which set out the draft Internal Plan for 2019/20, and also provided the basis on which the plan has been prepared.

The Committee noted that the Plan had been based on the assessment of departmental and corporate risks and had been designed to provide assurance on the adequacy of the Council's governance, risk management and internal control framework. In addition, the report had also provided details on the planned allocation of investigation resources.

David Ewart (Chair) stated that this was an important piece of work and invited comments and feedback from the Committee on the draft Plan.

The following comments were highlighted in relation to the items identified within the Plan:

- Audit 6 (Voluntary Sector Funding) - Members enquired about planned consultation with the voluntary sector in terms of their views on the funding allocation process, capacity to deliver, and outcomes, in terms of the various grant funding available. In response, Michael Bradley (Head of Internal Audit and Investigations, Brent Council) stated that the level of engagement with voluntary sector organisations would need to be determined as part of the development of the scope for the audit. Carolyn Downs (Chief Executive, Brent Council) also took the opportunity to remind the Committee that the Internal Audit process had been designed to focus on the control environment and safeguards in place for effective corporate monitoring, rather than wider policy issues such as the access to funding. She informed the Committee that Peter Gadsdon (Director Performance Policy & Partnerships, Brent Council) was undertaking a full review of voluntary and community sector needs and support with a report due to be presented to Cabinet in April 2019.
- Peter Gadsdon also assured Members that any grant awarded would be based on a clear contract agreement which was carefully monitored against targets.
- Audit 8 (Prevent) - Members advised they would be keen to include an assessment on how far the Prevent programme was now embedded within Brent's Corporate Strategies. In response, Michael Bradley advised that he would be happy to provide the Committee with further detail on the scope of the audit; and
- In relation to the update on the draft investigations and Counter Fraud Plan, David Ewart (Chair), drew the Committee's attention to the allocation of resources detailed within Appendix 2 of the report which highlighted 85% being focused on external fraud mitigation.

David Ewart (Chair) thanked officers for the update and it was **RESOLVED** to approve the content of the 2019/20 Internal Audit Plan (as set out in Appendix A of the report).

## 9. **Annual Report and Certification of Grants and Returns 2017/18**

The Committee received a report from KPMG summarising the results of their work carried out on the Authority's 2017/18 grant claims and returns. It included the work KPMG completed under the Public Sector Audit Appointment (PSAA) certification arrangements, as well as the work completed on other returns under separate engagement terms.

As it had not been possible for a representative from KPMG to attend the meeting, Conrad Hall (Chief Finance Officer, Brent Council) advised that he would deal with any questions the Committee may have on the report and if not able to respond would arrange for KPMG to provide a written response.

In relation to the findings and recommendation relating to the Housing Benefit Subsidy Claim, the Chair felt that it would be appropriate to request a future update from the Internal Audit team rather than KPMG on the actions taken to address the issue. Concerns were also raised by Members about the increased fee charged by KPMG for the certification work, although it was recognised that this was prescribed and very little could, therefore, be done about it at this stage.

**RESOLVED** that:

- (1) The Committee agrees to accept and note the report.
- (2) An update be requested from Internal Audit on the actions undertaken to address the findings and recommendations made by KPMG in relation to the Housing Benefit Subsidy Claim.

## 10. **Review of the Use of the Regulation of Investigatory Powers Act (RIPA) Powers in 2018**

The Committee received a report from Debra Norman (Director of Legal and HR Services, Brent Council) reviewing the Council's use and conduct of covert surveillance techniques when investigating serious criminal offences relying on the powers made available to local authorities in Part II of the Regulation of Investigatory Powers Act 2000 (RIPA). Included as part of the report were:

- The latest version of Brent Council's RIPA Policy and Procedures (Appendix 1);
- A Guidance note provided for all staff on the use of Social Media and Internet (Appendix 2);
- Protocol for the use of Brent Public CCTV Systems for Surveillance (Appendix 3); and
- OSC Inspection Report (November 2016).

The Committee noted the update provided in relation to use of RIPA powers along with the control measures in place. At first, directed surveillance or the use of a CHIS had to be assessed in detail and authorised in writing internally by a senior officer keeping necessity and proportionate factors in mind. Subsequently, it had to be approved by a magistrate before the authorisation takes effect. In addition, there was an additional internal 'oversight' by the Council's Monitoring Officer, who also acted as the Council's Senior Responsible Officer (SRO) for the purposes of the Home Office codes of practice.

The Committee was made aware that the Council's use of its RIPA powers was also overseen externally by the Investigatory Powers Commissioner (IPC), formerly the Office of Surveillance Commissioners (OSC). Inspections on the Council's use of RIPA were undertaken every two to three years. The most recent Council inspection was on 8 November 2016 with details provided in Appendix 4 of the report. As a result of the review the Chief Surveillance Commissioner wrote to the Council's Chief Executive acknowledging that the inspector considered the Council's policy and procedure document to be "*excellent*". Describing the Council's standards as "*impressive*" and noting that "*the attitude of the Council to the need for training and awareness is sensible and far sighted*". No formal recommendations were made but "*some suggestions were offered for 'fine tuning'*" - all of which had been actioned.

In response to a query, Debra Norman responded that these powers had not tended to be used to tackle issues regarding the sale of knives. The focus to date had been on alcohol and tobaccos sales.

David Ewart (Chair) thanked officers for the detailed report.

**RESOLVED** that:

- (1) The Committee note the contents of the report which set out the arrangements to ensure compliance with RIPA and the statutory Codes of Practice.
- (2) The Committee note no significant policy changes had been recommended as a result of the current review.

## 11. **Corporate Risk Register Update**

The Committee received an updated Corporate Risk Register from Michael Bradley (Head of Internal Audit and Investigations, Brent Council) following a review of the effectiveness of the Risk Management approach and a series of workshops with departmental management teams.

In accordance with the terms of reference for the Audit and Standards Advisory Committee, the report was presented to '*enable the Committee to monitor the effective development and operation of risk management and corporate governance in the Council.*'

David Ewart (Chair) highlighted the importance in the regular and ongoing monitoring process involving the Committee noting that the risks identified in the

report would be supported by more detailed descriptions and actions at departmental levels.

During the discussion, the following key points were noted:

- Members were supportive of the overall methodology being used to assess risk and felt the heat map was very useful. It was suggested, however, that in addition to impact and likelihood a third element be included as part of any assessment relating to the extent of control and influence over the issue identified. In response Michael Bradley advised that these were issues taken into account as part of the assessment process within the consequences identified in relation to each risk materialising;
- In relation to Risk M (consultation with Brent's Communities), the Committee highlighted the need for this to reflect the impact in relation to community cohesion, which it was agreed would be clarified further;
- In response to a query about the format of the information, it was clarified that the Council considered the score and mitigation factors as part of the overall assessment process but the detail was not generally reported at this more strategic level. As the published version of the register had some parts of the text cut off at the bottom of each page it was agreed that a revised version of the complete document would be re-circulated for members following the meeting;
- The Committee felt that distinguishing between budget overspend and savings not achieved as risks was useful;
- In relation to Risks N & O relating to the Brexit - the Committee noted the work being undertaken via a cross Council Working Group to ensure the risks identified were subject to ongoing monitoring and assessment. Carolyn Downs (Chief Executive) also highlighted the work being co-ordinated at a pan London level via London Council's; and
- In relation to Risk E (Recruitment and Retention), details were sought on the number of "hard to fill" posts across the Council. In response, Carolyn Downs (Chief Executive) advised that key areas of the focus remained Children social workers and also Town Planners, Building Control Officers and Planning lawyers and highlighted the specific mitigation measures that had been established in an attempt to address the recruitment and retention of staff in these areas. A request was made that information about the Corporate Risk Register as well as 'hard to recruit and retain' posts should be included in the Members' Bulletin with brief information and links to relevant documents.

Members welcomed the report, which they felt should be made available on a wider basis to all members via either the Members Bulletin or other appropriate links.

**RESOLVED** that:

- (1) The current corporate risk register and heat map included at Appendix A to the report be noted.

- (2) In addition to making the report available to all Members', attention be drawn to the revised Risk Register as part of the next update provided by the Vice-Chair on the work of the Committee at Full Council.

## 12. **London Counter Fraud Hub**

The Committee received the report on the 'London Counter Fraud Hub' from Conrad Hall (Chief Finance Officer, Brent Council) which highlighted that the Council was considering entering into a contract as a Participating Authority, with the final award of a contract to be by way of an individual Cabinet Member decision.

The Committee noted the financial implications relating to the proposed decision, which David Ewart (Chair) felt represented a sensible proposal indicating clear finances and good risk analysis with mitigation.

**RESOLVED** that the Committee note the information provided and that on the basis of the comments from the Committee, the Deputy Leader (Portfolio Holder for Finance) proposed to make the following decisions:

- (1) The Council joins the London Counter Fraud Hub as a participating authority through the collaborative contract let by the London Borough of Ealing and awarded to CIPFA Business Ltd ("the Agreement.");
- (2) The Council authorises the provision to the Hub of council data to CIPFA for the purposes of preventing and detecting fraudulent or erroneous activity; and
- (3) The council notes that the contract would be for a period of seven years without break clauses.

## 13. **Internal Audit External Quality Assessment update**

The Committee received an update on the external assessment of internal audit from Michael Bradley (Head of Internal Audit and Investigations, Brent Council). This was conducted during October 2018 in accordance with Standard 1312 of the UK Public Sector Internal Audit Standards (PSIAS). The principal objective of the assessment was to assess the internal audit's conformance to the PSIAS. In response to a query, it was noted that 'Conformed' was the highest possible rating in this area.

The outcome of the assessment reflected a professional and successful Internal Audit service and demonstrated a good level of compliance with the PSIAS. The service had a high degree of independence, in fulfilling the definition of internal auditing and was judged to be 'Generally Conformed'.

David Ewart (Chair) thanked officers for the report and noted the ongoing work being undertaken to progress the actions identified in relation to Item - 1220, Due Professional Care as highlighted in the Action Plan detailed in Appendix A of the report.

**RESOLVED** that:

- (1) The Committee note the content of the report.
- (2) A further update on progress in completing the improvements identified within the Action Plan be provided to the Committee at its meeting in July 2019.

14. **Update on Financial and Procedural Rules Governing the Mayor's Charity Appeal**

The Committee received a report from Debra Norman (Monitoring Officer and Director of Legal & HR, Brent Council) on the recommended changes to be made to the financial and procedural rules for governing the Mayor's Charity Appeal.

David Ewart (Chair) felt that the approach identified was sensible and represented best practice with clear rules needing to be clarified in relation to the operation of the Charity.

On this basis, it was **RESOLVED** that the Committee note and recommend the contents of the report and the proposed changes relating to the financial and procedural management of the Mayor's Charity Appeal as set out in Appendix One of this report to the Audit & Standards Committee for formal adoption.

15. **Forward Plan and Agenda for the next meeting**

The Committee **RESOLVED** to note the content of the Forward Plan.

16. **Any other urgent business**

David Ewart (Chair) announced that it was the last meeting of Sheila Darr (Independent Member) as she had decided to step down as a co-opted member of the Committee. On behalf of the Committee, Mr Ewart thanked Ms Darr for her engagement and service to the Committee, Ms Darr thanked the Committee for their kind words and support over the years and stated that she now wanted to focus on other issues closer to her heart. She wished everyone well for the future.

The meeting closed at 7.15 pm.

David Ewart  
Chair