



**Audit and Standards Advisory Committee**  
29 July 2020

**Report from the Director of Finance**

**Audit of the 2019/20 Statement of Accounts - update report**

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
<b>No. of Appendices:</b>	None
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	<p>Daniel Omisore Deputy Director of Finance 020 8937 3057 <a href="mailto:Daniel.Omisore@brent.gov.uk">Daniel.Omisore@brent.gov.uk</a></p> <p>Ben Ainsworth Head of Finance (Chief Accountant) 020 8937 1731 <a href="mailto:Ben.Ainsworth@brent.gov.uk">Ben.Ainsworth@brent.gov.uk</a></p>

## 1.0 Purpose of the Report

- 1.1 This report provides an update on the progress made to date on the audit of the Council's 2019/20 Statement of Accounts.

## 2.0 Recommendation(s)

- 2.1 The Committee is asked to note the progress made to date including the elements of the accounts where further audit work is still required, and;
- 2.2 To note the revised timetable set out in paragraph 3.7.

### **3.0 Detail**

- 3.1 At the May 2020 meeting of the Audit and Standards Advisory Committee officers introduced the 2019/20 draft accounts for consideration and comment. Subsequent to this, in early June formal notice was published on the Council's website advising that the unaudited statement of accounts would be available for a period of time for any interested person to inspect and make copies of the accounts and any related documents. The formal inspection period was open for 30 days and ended on the 17 July 2020. At the time of writing there were no requests for information/clarification or objections to the 2019/20 accounts during this period.

#### Brent Council Accounts

- 3.2 The audit itself commenced on 15<sup>th</sup> June 2020. Grant Thornton (GT) were provided with a copy of the draft accounts and a complete set of working papers. Officers have made steady progress in resolving audit queries, at the last count responding to over 100 queries covering all areas of the accounts. Separate to this, our auditors have undertaken a series of technical reviews of the draft statement and the queries arising from this are currently being responded to. All of which has been achieved whilst working remotely.
- 3.3 Some of the main areas of outstanding work relates to going concern and post balance sheet events, completion of the sample testing of income, expenditure, assets and liabilities and audit quality reviews where the work of junior audit staff is reviewed by senior managers. Further details are included on a separate GT report included elsewhere on the agenda.
- 3.4 Given the amount of audit work remaining and expected timeframes, the accounts are expected to be completed by mid-August. Formal presentation and sign off of the audited statement of accounts has therefore been deferred until the 8<sup>th</sup> September 2020 meeting.

#### Subsidiary Company Accounts (I4B Holdings Limited/First Wave Housing)

- 3.5 Following the comments of the committee last year, the scheduling of the audit for i4B and FWH was brought forward to ensure completion prior to finalising the group accounts position. At the date of despatch of this report, both audits have been largely completed, with only minor queries remaining. The draft audit finding reports have been issued and were presented to the I4B and FWH board on 16 July 2020. Although the accounts of the subsidiaries are yet to be formally agreed the following paragraphs summarise the current position for both companies.
- 3.6 Audit work is substantially complete, subject to the following outstanding matters summarised below:
- Final internal quality control reviews.
  - Financial statement review procedures, including consideration of the disclosures relating to the 'material valuation uncertainty'
  - Completion of going concern reviews

### Timetable

- 3.7 As noted above, subject to maintaining the current trajectory the audit of the group accounts are on course to be completed in August 2020 and will therefore be presented at the 8<sup>th</sup> September meeting of the Audit & Standards Committee.

#### **4.0 Financial Implications**

- 4.1 None specifically arising from this report.

#### **5.0 Legal Implications**

- 5.1 None specifically arising from this report.

#### **6.0 Equality Implications**

- 6.1 None specifically arising from this report.

#### **Report sign off:**

***Minesh Patel***  
***Director of Finance***