



MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE
Wednesday 24 April 2019 at 6.00 pm

PRESENT: Mr David Ewart (Independent Chair), Councillor A Choudry (Vice-Chair), Naheerathan, Nerva and Long

Independent (co-opted) Members: Margaret Bruce

Independent Advisor: Vineeta Manchanda

Also Present: Nigel Shock (Independent Person)

1. Apologies for absence and clarification of alternate members

The following apologies for absence were received:

- Councillor Donnelly-Jackson (with Councillor Long attending as a substitute)
- Robert Cawley (Independent co-opted Member)
- Karen McArthur (Independent co-opted Member)
- Keir Hopley (Independent Person)

2. Declarations of Interest

None received.

3. Deputations (if any)

There were no deputations.

4. Minutes of the previous meeting

RESOLVED that the minutes of the Audit and Standards Advisory Committee held on Wednesday 20 March 2019 be approved as an accurate record.

5. Matters arising (if any)

The following issues were noted in relation to Matters Arising from the minutes of the Audit and Standards Advisory Committee held on 20 March 2019:

Minute 5: Matters Arising – Lender Option Borrower Option Loans (LOBO)

Conrad Hall (Chief Finance Officer) advised that no further update had been received from KPMG in relation to the outstanding objection raised on the Council's Accounts.

Minute 8: Draft Internal Audit and Investigation Annual Plan 2019/20 – Audit 6 (Voluntary Sector Funding)

Carolyn Downs (Chief Executive) confirmed that the outcome of the review relating to voluntary and community sector needs and support had been presented to Cabinet on 15 April 19. A copy of the Cabinet report would be provided for all members of the Audit & Standards Advisory Committee.

Minute 10: Review of the use of the Regulation of Investigatory Powers Act (RIPA) Powers in 2018

In response to further details being sought on the reasons for RIPA powers not being used to tackle issues around the sale of knives, Carolyn Downs advised that the current focus was on the use of Trading Standards rather than RIPA powers to regulate the sale of knives, including the ability to undertake test purchases both in shops and via the internet.

6. External Audit Progress Report and Sector Update

The Committee received a report from the Council's External Auditors (Grant Thornton) setting out the progress in delivering their external audit responsibilities to the Council and also providing an overview of emerging national issues and developments relevant to Brent as a local authority.

The report was introduced by Paul Dossett (Grant Thornton Engagement Lead) who highlighted the following key issues:

- The progress being made in relation to the 2018/19 Financial Statements and Value for Money Audits. Interim work had now been completed on the Financial Statements and Accounts with no issues having been identified at this stage for the attention of the Committee. The final Audit findings (including the value for money conclusion) would be presented to the Committee in July, with the final audit opinion due to be issued by the 31st July 2019.
- The programme of 2018/19 audit deliverables.
- The results of the interim External Audit work along with the impact of the findings on the accounts audit approach, with the Committee noting as a further area for consideration the approach in relation to validation of housing stock;
- Planned 2018/19 audit timeline.
- The External Audit commitment from Grant Thornton, attached as Appendix 1 to the report.

In addition, the Committee's attention was drawn to the sector update which provided an up to date summary of emerging national issues and developments and included updates in relation to the following areas:

- Public Sector Audit Appointments (PSAA) report on Auditors work 2017/18;
- National Audit Office (NAO) Local Auditor report 2018 along with an outline of the reports they had produced in relation to Local Authority Governance, Planning for New Homes and Pressure on Children's Social Care;
- CIPFA revised Financial Resilience Index Plans and Social Care risk tool; and

- The arrangements and preparations in relation to planning for Brexit.

The Committee thanked Paul Dossett for the update provided and **RESOLVED** to note the Audit Progress report and Sector Update.

7. Annual Governance Statement

The Committee received a report from the Chief Finance Officer setting out the draft Annual Governance Statement (AGS) for 2018/19, as required under the Accounts and Audit Regulations 2015.

In considering the report the Committee noted:

- The seven core governance principles introduced by CIPFA upon which the review of governance arrangements and production of the AGS had been based, as detailed in section 3.4 of the report;
- The one item identified as a significant governance issue during 2018/19 which had related to a review of Accounts Payable as a result of a fraud investigation and led to a number of management actions being taken to address the control issues identified;
- The importance of the AGS in outlining the Council's framework of control in relation to its Governance arrangements and in terms of managing risk.

Members were advised that they were being invited to comment on the draft AGS in advance of its formal consideration and approval by the Audit and Standards Committee. The following issues were raised:

- (a) Members identified a need to ensure that the governance arrangements included reference to the company structure established by the Council and associated control mechanisms in place, given the specific governance requirements under which each company operated;
- (b) Members were advised that no further significant changes had been identified as part of the annual update of the AGS. The Committee supported the increased focus on risk management and anti-fraud activity and were pleased to note the review of effectiveness as an ongoing process providing a clear oversight on governance related issues.

As no further issues were highlighted the Advisory Committee **RESOLVED** to endorse, subject to the comments above, the draft 2018/19 Annual Governance Statement for reference on to the Audit and Standards Committee for formal approval.

8. Any other urgent business

8.1 Advisory Committee Work Programme

The Committee noted the 2019/2020 Work Programme which had been circulated to all members in advance of the meeting via email. Members were asked to feedback any comments on the outline programme of work to James Kinsella (Governance Manager) and it was **RESOLVED** that the Work Programme be included for ongoing review as an agenda item for all future meetings.

8.2 Vote of Thanks – Conrad Hall (Chief Finance Officer)

David Ewart (Chair) advised members that this would be Conrad Hall's final meeting prior to him moving to take up his new position at the London Borough of Newham. He therefore took the opportunity, on behalf of the Committee, to formally thank Conrad for his support to not only the Committee but also the Council as a whole and to pass on his best wishes for the future.

These comments were fully support by Councillor Choudry (as Vice-Chair) who highlighted the clear guidance and support which had been provided by Conrad in relation to the Council's finances during challenging times, which he advised had been much valued and appreciated by all Members.

The meeting closed at 6.19 pm

DAVID EWART
Chair