



## Full Council

9<sup>th</sup> July 2018

### Report from the Chief Finance Officer

For Information

### Report from the Vice-Chair of the Audit and Standards Advisory Committee

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Non-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>	1
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	Conrad Hall, Chief Finance Officer 020 8937 6528 <a href="mailto:conrad.hall@brent.gov.uk">conrad.hall@brent.gov.uk</a>

#### 1.0 Purpose of the Report

- 1.1 This report provides a summary of the activities carried out by the Council's Audit and Audit Advisory Committees since the last update provided to Full Council on 22 January 2018.

#### 2.0 Recommendations

- 2.1 Full Council is asked to note the contents of the report.

#### 3. Detail

- 3.1. The committee has met twice since the last update was provided to Council – on 10<sup>th</sup> January and 20<sup>th</sup> March 2018. This paper is a brief update on the areas covered in those meetings.

#### 3.2 Audit Advisory Committee – 10<sup>th</sup> January 2018

### Objections to the Accounts Regarding the Payment to the Council's Former HR Director

The Committee were advised of the outcome of the Objections to the accounts regarding the payments made to the Council's former HR Director and also of the recommendations made for improvement,

### Emergency Preparedness Task Group

Following the tragic fire at Grenfell Tower, a joint Task Group was formed between members of the Audit Advisory Committee and each of the scrutiny committees, to assess Brent's emergency preparedness. The Committee considered a report which set out the Task Group's findings and recommendations.

### External Audit Progress Report and External Audit Plan 2017/18

The Committee considered the External Audit Progress Report summarising the auditing activities undertaken by KPMG in December 2017 and providing an overview of actions to be completed by the next meeting of the Audit Advisory Committee in March 2018.

### Proposed Changes to the Planning Code of Practice

The report advised Members of proposed changes to the Council's Planning Code of Practice.

### Payroll Audit Report

The report included findings, risks and recommendations and the actions agreed by management following an audit of the Council's Payroll arrangements.

### Pensions Administration Audit Report

The report included findings and actions agreed by management following a recent audit of the Council's Pensions Administration arrangements.

### Strategic Risk Register

The Committee received one of a series of periodic report on the corporate risks currently facing the Council.

### Preparing the Annual Internal Audit Plan 2018/19

The Committee received an update on the process for preparing the Internal Audit annual plan for 2018/19 with input sought from the Audit Advisory Committee on areas where they think independent assurance may be beneficial.

#### Closure of Accounts 2017/18

The Committee received an update on the plans in place to close the 2017/18 accounts, and prepare and publish the statements within the revised and much earlier statutory deadlines for 2017/18.

#### Treasury Management Strategy 2018/19

The Committee considered the draft Treasury Management Strategy for 2018/19.

#### Internal Audit & Counter Fraud Progress Report for the Period 1 September - 31 December 2017

The Committee received an update on the progress against the internal audit plan for the period 1 September 2017 to 31 December 2017. The report also provided a summary of counter fraud work for the period.

#### Public Sector Internal Audit Standards (PSIAS) Progress Report

Members were informed of the progress on implementing the action plan that was produced after a self-assessment of the Internal Audit service against the Public Sector Internal Audit Standards (PSIAS).

### **3.3 Audit Advisory Committee – 20th March 2018**

#### External Audit Progress Report

The Committee considered the External Audit Progress Report summarising the auditing activities undertaken by KPMG in January 2018 and providing an overview of actions to be completed by the next meeting of the Audit Advisory Committee in July 2018.

#### External Audit Report on grants and returns 2016/17

The Committee considered a report detailing the results of work the Council's External Auditor carried out on the Council's 2016/17 grant claims and returns.

#### Review of the Use of the Regulation of Investigatory Powers Act (RIPA) Powers in 2017

The Committee received an update on 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).

#### Update on the operation of i4B Holdings Ltd

Members were provided with an update on the performance, future plans and audit arrangements of the Council's wholly owned company, i4B Holdings Ltd.

#### Public Sector Internal Audit Standards (PSIAS) Action Plan

Members were informed of the progress on implementing the action plan that was produced after the self-assessment of the Internal Audit service against the Public Sector Internal Audit Standards (PSIAS).

#### Internal Audit and Counter Fraud Progress Report (Quarter 3)

The Committee received an update on the progress against the Internal Audit Plan for the period 1 January 2018 to 28 February 2018 as well as a summary of counter fraud work for the period 1 October 2017 to 31 December 2017 (Quarter 3).

#### Draft 2018/19 Internal Audit Annual Plan

The Committee received the draft Internal Plan for 2018/19 having noted the basis on which the Plan had been prepared.

- 3.4 Looking forward, Annual Council on 14<sup>th</sup> May 2018 agreed a number of changes to the Council's committee structure. These were designed to streamline the Council's governance arrangements whilst also maintaining appropriate levels of overview and accountability. The changes agreed included a merger of the Standards and Audit and Audit Advisory Committees in order to bring together the two main bodies responsible for the oversight of governance matters across the Council. These arrangements have been introduced for the 2018/19 municipal year and will involve the Committee taking responsibility for advising the Council on standards related matters as well as continuing its role in relation to the audit function; reviewing corporate governance; the effectiveness of internal control; the management of risks and scrutinising key financial information such as the accounts and lending and borrowing.
- 3.5 In addition to the existing Independent Chair, the four current independent co-opted members who previously served on the Standards Committee have now become full members of the merged Standards and Audit Advisory Committee with the ability to participate and/or vote in respect of both audit and standards related items, should the need arise. On audit matters, the Committee will also continue to have the support of an independent and expert advisor.
- 3.6 A programme of dates for the merged Committee has been agreed for the 2018/19 municipal year on which updates will continue to be provided at future Council meetings.

#### **4.0 Financial Implications**

- 4.1 There are no financial implications arising from this report.

## **5.0 Legal Implications**

5.1 There are no legal implications arising from this report.

## **6.0 Equality Implications**

6.1 There are no diversity implications arising from this report.

## **7.0 Consultation with Ward Members and Stakeholders**

7.1 Not applicable

## **8.0 Staffing/Accommodation Implications (if appropriate)**

8.1 There are no staffing and accommodation implications arising from this report.

**Report sign off:**

**Conrad Hall**

Chief Finance Officer