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|                                 | <p align="center"><b>Full Council</b><br/>25 November 2019</p>  |
|  | <p align="center"><b>Report from the Vice Chair of the<br/>Audit &amp; Standards Advisory<br/>Committee</b></p> |
| <p align="center"><b>Update Report from the Vice-Chair of the Audit and<br/>Standards Advisory Committee</b></p> |   |

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| <b>Wards Affected:</b>  | All   |
| <b>Key or Non-Key Decision:</b>   | Non-key   |
| <b>Open or Part/Fully Exempt:</b><br><small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small> | Open  |
| <b>No. of Appendices:</b>   | None  |
| <b>Background Papers:</b>   | None  |
| <b>Contact Officer(s):</b><br><small>(Name, Title, Contact Details)</small>   | Debra Norman, Director of Legal, HR, Audit and Investigations<br>Tel:020 8937 1578<br>Email: <a href="mailto:debra.norman@brent.gov.uk">debra.norman@brent.gov.uk</a> |

1. **Purpose of the Report**

- 1.1 This report provides a summary of the activities carried out by the Council's Audit and Standards Advisory Committee (ASAC) since the last update provided in September 2019. The ASAC is responsible for considering and advising the relevant council bodies on various governance matters relating to audit activity, the council's regulatory framework, and members' standards of conduct.
- 1.2 The report also summarises the activities of the Audit and Standards Committee which is responsible for various governance matters including reviewing and approving the Annual Statement of Accounts, adopting the council's Annual Governance Statement and promoting high standards of conduct by members and co-opted members

2. **Recommendation**

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

3. **Detail**

- 3.1 The ASAC has met once since the last update was provided to Council on 16th September, 2019. This paper is a brief update on the areas covered in that meeting with some additional information on counter fraud activity and Internal Audit.

### **Audit and Standards Advisory Committee – September 2019**

#### 3.1.1 i4B and FWH accounts assurance-testing and the Council's audit process

The report provided an update to the Committee on:

- the progress of FWH and i4B company audits, and
- the proposed new tender and schedule for next year's audit.

#### 3.1.2 Additional Audit Fees

The report provided a brief note on the additional audit fee for KPMG on previous objections to the Council's accounts.

#### 3.1.3 Performance and management of i4B Holdings Ltd

The Committee was provided with a report from i4B Holdings Limited (i4B), with the Council as its shareholder.

#### 3.1.4 Performance and management of First Wave Housing Ltd

The Committee was provided with an update report from First Wave Housing Limited (FWH), with the Council as its guarantor.

#### 3.1.5 Internal Audit Progress Report

The report provided an update on the progress against the Internal Audit Plan between 1 April and 31 August 2019.

#### 3.1.6 Counter Fraud Progress Report

The report provided an update on counter fraud work undertaken between 1 April and 31 August 2019.

#### 3.1.7 Strategic Risk Register Update

This report provided an updated version of the Corporate Risk Register. In accordance with the terms of reference for the 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.'

#### 3.1.8 Treasury Management Mid-term Report

The report updated Members on recent treasury activity.

#### 3.1.9 The Annual Audit Letter

The Council's external auditors, Grant Thornton, produced a report following completion of the audit of accounts and an Annual Audit Letter. The letter was intended to identify any changes to the accounts, unadjusted misstatements or material weaknesses in controls identified during the audit work. It also provided the findings from the value for money conclusion for the year.

### 3.1.10 External Audit Progress Report and Sector Update

The paper provided the Committee with a report on progress in delivering Grant Thornton's responsibilities as the Council's external auditors. It also included a summary of emerging national issues and developments that may be relevant to Brent as a local authority.

### 3.1.11 Update on review the performance of the Committee (self-assessment)

This report provided an update about the effectiveness of Committee following a training workshop held after the previous meeting facilitated by a CIPFA trainer.

## 3.2 **Additional Information:**

### 3.2.1 The Audit and Investigations team are moving forward on a number of initiatives outside of the reports summarised above. Key items are highlighted below:

- **Blue Badge Misuse**  
New protocols have been in place since April 2019 with the parking contractor (Serco). Brent Parking have increased fraud referrals to the Investigations team significantly which is leading to more prosecutions, cautions and warnings.
- **Anti-Fraud Data Pilots**  
We are running pilots with an anti-fraud company called Cifas on accessing data from the National Fraud Database (NFD) and Internal Fraud Database (IFD). These allow us to access information that will assist in preventing and detecting external and internal fraud.
- **ID checking**  
The investigations team is leading on a pilot of a new anti-fraud tool called IDs can – this can enhance our ability to check the validity of people's ID when they apply for jobs or to access any of the council's services. If the pilot is successful, we believe that this will enhance control in key areas.
- **Staffing**  
We now have a full complement of Internal Audit staff after three recent recruits- two of these are in post, one starting on 4/11. The Counter Fraud posts are also full. I am happy that we have a very strong team in place across both disciplines.

- Internal Audit Planning  
The Internal Audit team is starting to do some early planning for the 2020/21 annual Internal Audit Plan and will be meeting with key stakeholders for initial discussions. As always, any proposals from members are most welcome.

#### 4. **Summary**

- 4.1 I am very pleased with the progress being made. The Internal Audit Investigations team are working to full strength especially on various investigations matters. Over the coming months, budgets will be scrutinized and this will also be a challenging task. I, myself the Deputy Leader and Finance Director attended the 2019 Finance Conference allowing us the opportunity to network with other stakeholders on the challenging task in Audit generally.

**Report sign off:**

**Councillor A. Choudry**  
Vice-Chair Audit & Standards  
Advisory Committee