



Brent

MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE
Tuesday 15 March 2022 at 6.00 pm

PRESENT: Councillor , Councillor and Councillors Long, Kansagra and Johnson
Independent Member

Also Present: Councillors

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

Apologies for absence were received from Councillors Akram, Donnelly Jackson, Lo and Naheerathan.

2. **Declarations of Interest**

3. **Deputations (if any)**

None.

4. **Minutes of the previous meeting**

It was **RESOLVED** that the minutes of the previous meeting held on 31 January 2022 be approved as a correct record.

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

Min 8 – External Audit Appointment for 2023/24 to 2028/29

Members were updated that Full Council had agreed to proceed with the invitation from Public Sector Audit Appointments (PSAA) to opt into the sector led option in relation to the appointment of external auditors from 2023/24.

6. **Standards Report (Including gifts and hospitality)**

Debra Norman, Director Legal, HR, Audit & Investigations, introduced a report updating the Audit and Standards Advisory Committee on gifts and hospitality registered by Members, and the attendance record for Members in relation to mandatory training sessions.

In considering the report the Committee noted:

- No gifts or hospitality had been registered by Members since October 2021.
- All mandatory training had been completed by Members, with the exception of Data Protection/GDPR training, which 13 Members had still to complete. This

was noted as being an important training module, given Members' role as their own data controller.

The Committee was then invited to raise questions on the report, which are summarised below:

- It was clarified that Councillor Johnson had completed his mandatory GDPR training, which was noted.
- In terms of the mandatory training to be completed by members returned as part of the Council's new Administration following the local elections in May 2022, members were advised that a number of sessions had been included as part of the Member Induction Programme for these.
- Considering reasons for Members not completing mandatory training, it was asked whether this training could be carried out in person. It was highlighted that where Members had struggled to complete training online, they had been invited to the Civic Centre to complete training in person.

As no further issues were raised the Chair thanked Debra Norman for the update and it was it was **RESOLVED** to note the contents of the report.

7. **Annual Standards Report**

Debra Norman, Director of Legal, HR, Audit & Investigations, introduced the item which presented the Monitoring Officer's Annual Report to the Audit and Standards Advisory Committee (ASAC) for 2021. The report provided an update on Member conduct issues and the work of the Audit and Standards Advisory Committee, the Audit and Standards Committee (ASC) and the Monitoring Officer during 2021.

In considering the report the Committee noted:

- In terms of the Audit and Standards Advisory Committee, this had met five times during 2021 in order to discuss matters relating to standards, policy and procedure, and gifts and hospitality. Details of the range of issues considered had been set out in section 3.1 of the report.
- During January to December 2021, the Audit and Standards Committee had met on three occasions to discuss and ratify the annual governance statement, the statement of accounts and changes to the Financial and Procedural Rules governing the Mayor's Charity Appeal.
- The appointment of new Independent Persons and co-opted members which had been undertaken during 2021. One Independent Person (Nigel Shock) was due to stand down in May 2022, with a recruitment process currently underway to fill the position, once it became vacant.
- In terms of complaints against members, nine had been received during 2021. Of these three had been resolved at initial assessment stage without requiring the involvement of an Independent Person and none had been upheld.
- The update provided in relation to Gifts and Hospitality and low number of declarations as a result of the lockdown and other restrictions during the pandemic.

The Committee was then invited to raise questions on the report, which are summarised below:

- In terms of complaints against members further clarification was sought on the apologies provided for aspects of their behaviour by two of the councillors complained against and how this related to no cases being upheld. It was explained that when a Member had formally apologised in response to a complaint this was taken into consideration as part of the overall final assessment.
- Though the complaints only amount to a small number, it was asked whether there were any trends or patterns that had emerged, and it was responded that there was no general trend observed.

As no further issues were raised it was **RESOLVED** to note the contents of the report.

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

Katie Smith, Head of Executive and Member Services, introduced a report providing a summary of the Member Learning Development (MLD) Programme since the last report to the Committee in March 2021; and information regarding the Members' Expenses Scheme.

In considering the report the Committee noted:

- Since the previous report in March 2021, 24 Member Learning & Development sessions had been delivered four of which had been compulsory. Despite the challenges, the delivery training had continued during the pandemic involving a shift to online sessions via Zoom and MS Teams. The use of these online digital platforms for training and also meetings had not resulted in any security breaches whilst still enabling interactive sessions to be provided and increased participation among Members. From May 2022 (following removal of covid restrictions) the plan was to run mixture of face to face and online training sessions with sessions focussed on skills development or where networking would be key, face to face formats would be used.
- The key role played by the Member Learning and Development Steering Group in providing a lead along with constructive input and evaluation on the effectiveness of the Member Training and Development Programme.
- The use of feedback to help shape and develop the Member Development Programme with the approach also subject to regular review by an external assessor (the Local Government Association and London Councils). The Council was most recently assessed in November 2021 with the assessment concluding that Brent Council continued to meet the standard of the Councillor Development Charter Plus, the highest award available. Whilst the assessment highlighted the continued success and commitment to member development across the Council and lead provided through the Member Development Steering Group a number of areas for suggested improvement were also highlighted. These included – the inclusion of face to face sessions within the induction programme to encourage networking; the prioritisation of new councillors and those with specific responsibilities when formulating Personal Development Plans; develop corporate ownership of the mentoring programme; the tailoring of sessions for different groups of councillors and considering the establishment of individual accreditation for councillors.

- In regards to Member Expenses, detailed of expenses claimed had been provided within Appendix 3 of the report with the majority relating to childcare costs given the restrictions on travel and in person meetings due to the pandemic.
- Following on from the update provided in relation to completion of mandatory training as part of the quarterly standards update report, the proposal to introduce an “Acceptable Use Statement” for councillors to sign when receiving their new IT devices following the local election in May 2022. This would require members to agree to complete their mandatory training, including Data Protection/GDPR, or risk having IT access blocked recognising the increased focus on compliance around issues related to GDPR and cyber security.

The Committee was then invited to raise questions on the report, which are summarised below:

- In relation to the Council’s mentorship programme, it was asked whether this had been assessed as part of the review. It was clarified that this had been reformed to a ‘buddy’ system in order to make the scheme more approachable for new Members.
- In terms of the overview provided within Appendix 1 of the report relating to the upcoming member learning and development sessions and development of the programme following the local elections in May 2022 members were keen to ensure this included provision on effective chairing and conduct at meetings.
- Whilst welcoming development of the proposed “acceptable use statement” members were keen to ensure members completion of the necessary mandatory training was kept under, particularly due to the sensitivity related to data which was handled by Members.

As no further issues were raised, Officers and Members were thanked for their efforts and it was **RESOLVED**

- (1) To note the work being planned by the Member Learning and Development Steering Group in ensuring effective training and development for Brent’s elected representatives (as detailed within Appendix 1 of the report) alongside Member feedback on training and support received so far.
- (2) To approve to the introduction of an ‘acceptable use statement’ obliging members to complete annual mandatory training on data protection (as detailed within section 5.4 of the report).
- (3) To note that the Council had received London Councils’ Councillor Development Charter Plus accreditation in December 2021 and the positive feedback received as part of the assessment process. (as detailed within Appendix 2 of the report).
- (4) To note the expenses claimed by Members in the course of their work in 2021-22 (as detailed within Appendix 3 of the report).

9. **Review of the use of Regulation of Investigatory Powers Act (RIPA) Powers**

Debra Norman, Director of Legal, HR, Audit and Investigations, introduced a report detailing the Council's use and conduct of surveillance techniques in accordance with the Regulation of Investigatory Powers Act (RIPA) 2000; and complies. In presenting the report, Members were advised that this was in compliance with the obligation to undertake an annual review as set out in Brent Council's RIPA policy and procedures.

In considering the report the Committee noted:

- That the Council was subject to periodic inspection by the Office of Surveillance Commissioners (now superseded by the Investigatory Powers Commissioner's Office) with these focused on RIPA policies, procedures and practice. The last inspection had been undertaken on the 9 March 2020, when it was noted that the Inspector had been very impressed with Brent, with no recommendations having arisen from the inspection.
- The Monitoring Officer was also required to keep the Council's RIPA policy and procedures under review with Audit & Standards Advisory Committee also undertaking a formal scrutiny role in terms of use of RIPA.
- In terms of the current review period no changes had been proposed to the current policy and there had been no RIPA Directed Surveillance or Covert Human Intelligence Source (CHIS) authorisations sought.

The Committee was then invited to raise questions on the report, which are summarised below:

- Clarification was sought as to whether the use of video/security doorbells fell within the remit of RIPA powers with members advised they would not, although details would need to be sought regarding how these were monitored.
- In terms of work to support the police members were advised that whilst RIPA powers were usually sought in relation to Council activity, there was scope to use in support of investigations being undertaken with the Police. Members noted, however, that the predominate use of RIPA powers was currently focussed around trading standards enforcement activity e.g. test purchases of age restricted products and more occasionally in the context of serious fraud investigations.

As no further comments were raised the Chair thanked Debra Norman for the update and it was **RESOLVED** to note the contents of the report.

10. **To review performance & management of i4B Holdings Ltd and First Wave Housing Ltd**

9.1 Report from Chair of I4B Ltd

Martin Smith, Chair of I4B Holdings Ltd, introduced the report providing an update on i4B Holdings Ltd.'s recent performance, 2022-23 Business Plan, risk register, accounts outturn, development strategy and audit arrangements.

In considering the report the Committee noted:

- As at December 2021 i4B had housed 364 families within Brent, the majority of whom had previously been accommodated within Temporary Accommodation, highlighted the ongoing social benefit of the operation of the company.
- In the last 18 months, i4B had expanded to provide accommodation to Key Workers in Brent at less than the market rate, which comprised of 153 units located within Wembley Park.
- It was forecast that i4B would, from the next financial year, move into operational profit enabling further investment in the supply of good quality which properties.
- The update provided in terms of operational performance, with the two main issues identified being major void re-let times and rent collection. Work was ongoing with Brent Housing Management (BHM) to improve performance in relation to void re-let times based around implementation of a voids improvement action plan on which progressed continued to be closely monitored. In terms of the reduced performance in rent collection levels this was subject to further investigation in order to identify reasons and the main drivers in terms of arrears with current processes due to be reviewed in order to identify any improvements, particularly given the impact of the current cost of living crisis and the risks posed in relation to modelling of the business plan.
- The risk profile of i4B, which had been adjusted to reflect the company now operating as a sustainable rather than newly established venture and with the main risks identified as detailed within Appendix 1 of the report.
- Looking forward, the development of the 2022-23 Draft Business Plan and Development Strategy reflecting the strategic objectives and key priorities for the company across 2022-23 which included not only continuing to increase the supply of affordable housing and delivery of safe and sustainable homes but also addressing the supply of accommodation for large families, as well as supporting individuals and families with disabilities.

The Committee was then invited to raise questions on the report, which are summarised below:

- In clarifying the terms of i4B's loan agreement with the Council, members were advised that the loan charges reflected the cumulative costs since the establishment of i4B and were not a new cost.
- In terms of the business model, it was noted that it was more prudent for i4B to purchase properties, as it was not bound by the same conditions imposed upon the Council with the strategy structured on a commercial basis.
- Querying the cost of upgrading energy performance of properties, it was asked what impact this would have on i4B. In response, members were advised this had been recognised as an issue with modelling undertaken to assess the most cost effective way of undertaking the works.
- In response to a query, further clarification was provided in relation to the financial benefits received by the Council in relation to operation and the funding of i4B, with specific focus on the reduction in costs relating to use of temporary accommodation.
- In relation to the performance issues identified around rent collection levels and arrears, it was felt this had been mainly driven as a result of the pandemic

- with the potential to be further exacerbated as a result of the cost of living crisis.
- It was asked for the number of voids in i4B's portfolio, and it was confirmed that this number currently totally 80 properties, with 60 of these being newly purchased.
 - Noting the risks and challenges including rising inflation and the impact of the cost of living crisis, details were sought on the extent to which these had been forecast over the longer term. On the basis that rents would also continue to increase, it was noted that inflation was not expected to represent a major risk. i4B's borrowing costs were also fixed over the long-term, which provided assurance against rising interest rates.
 - When asked whether gas safety performance levels were an issue, it was noted that this had been reflected within the risk register with mitigating actions in place to address the issue.
 - With the global rise in energy prices details were sought as to whether these costs had been forecasted as part of future financial forecasts. Given the recent nature of events in Ukraine these were still to be fully factored into development of the Business Plan.

As no further comments were raised it was **RESOLVED** to note the contents of the update report.

10.2 Report from Chair of FWH Ltd

Martin Smith, Chair of FWH Ltd, introduced the report providing and update on First Wave Housing (FWH) Holdings Ltd.'s recent performance, Business Plan 2022-23, risk register and audit arrangements.

In considering the report the Committee noted:

- The difference between FWH and i4B which whilst operating as separate entities were both wholly owned by the London Borough of Brent and consisted of the same Board Members. In terms of FWH's role in supporting the pursuit of Brent's housing objectives the company was more focused on housing management, with a secondary role as a registered housing provider.
- The current breakdown of housing stock managed through FWH, which now included the transfer of properties at Granville New Homes, as detailed within section 35 – 3.6 of the report.
- The update provided in terms of operational performance, which the main focus in relation to improvement of void turnaround times and repairs with a series of improvement actions and robust performance management having been implemented.
- Financially, FWHs position was relatively stable, with the company turning over a profit, before depreciation, of around £1 million per year. It was updated that during the current year this was lower than normal, due to the costs associated with the Waking Watch as part of the programme of fire safety measures.
- Looking forward, the development of the 2022-23 Draft Business Plan and Development Strategy reflecting the strategic objectives and key priorities for the company across 2022-23 which (as for i4B) included not only continuing to

- increase the supply of affordable housing but also delivery of safe and sustainable homes and provision of a consistently good housing service.
- The risk update provided in relation to FWH which, as detailed within Appendix 1 of the report, were broadly similar in scope to those outlined for i4B.

The Committee was then invited to raise questions on the report, which are summarised below:

- Clarification was sought as to why the repair issues identified at Granville New Homes had not been flagged as an earlier risk. In response the Committee was advised that the full extent of works required at the Granville New Home Blocks had only become clear following extensive investigations commissioned on behalf of FWH. Once identified work had been carried out to identify a solution that would allow the works to be completed as effectively and quickly as possible whilst also maintaining the viability of FWH which approval now having been obtained to the progress the solution in a way that was also affordable for the Council's HRA and General Fund and also maintained the rights and rents of tenants. Details of the approach which had been agreed were set out in section 5 of the report.
- In response to concerns previously highlighted around fire safety at Granville New Home Blocks and the installation of fire safety measures, the Committee was advised that a waking watch had been introduced in order to address the risks identified.
- In relation to the rating of the risks identified in relation to enhanced legal standards relating to H&S compliance members were advised that further details would be sought as to why these scores were higher within the FWH risk register than for i4B.
- In reference to consultation with residents on Granville New Homes proposals, it was asked whether this had resulted in a reduction in rental costs to residents, to which it was confirmed that it had not.

As no further comments were raised it was **RESOLVED** to note the contents of the update report.

11. **Draft Internal Audit Strategic Plan and Counter Fraud Plan for 2022/23**

Darren Armstrong, Head of Audit and Investigations, introduced a report which set out the draft Internal Audit Strategic Plan, and the Counter Fraud Plan for 2022-23.

In considering the report the Committee noted:

- Both plans set out how the Internal Audit and Counter Fraud functions would seek to deploy and utilise their resources in the year ahead.
- The Internal Audit plan had been incorporated as part of a wider Internal Audit Strategic Plan, as per best practice guidance. The plan had been developed in collaboration with Strategic Directors senior officers in order to address the statutory requirements and keys risks identified for the Council. Development had also included a review of departmental risk registers and Internal Audit Programme in order to ensure the Plan (as detailed within Appendix 1 of the

- report) had been aligned with available resource within the Internal Audit service.
- The Internal Audit Plan also contained an assurance map, which detailed Internal Audit coverage across the Council's strategic risks (as at summer 2021) from 2018-19 to 2022-23. The alignment of the audit plan and the work of Internal Audit to the Council's strategic risks represented good practice and helped to demonstrate how Internal Audit added value.
 - In terms of the Counter Fraud Plan (as detailed within Appendix 2 of the report), this had been split between reactive and proactive work. Reactive work largely comprised of referrals from internal, housing and external fraud work, whereas the proactive work was generated from within the service in response to a range of fraud risks including reactive fraud types as well as well as fraud prevention controls.

The Committee was then invited to raise questions on the report, which are summarised below:

- It was asked how risks around Children & Adult Social Care, Cyber Security and climate issues had been incorporated within the Internal Audit Plan. It was clarified that Cyber Security featured as part of the assurance map, and conversations were ongoing with the other departments and services to ensure that the necessary resource was available to cover the issues highlighted.
- Reference was made to the Casey Review and recommendations relating to the hosting of future large scale events at Wembley Stadium and whether these had been incorporated in any way within the Plan. In response members were advised that these had been used to assist in informing the relevant risk registers as part of the development of the Plan.

As no further issues were raised, it was **RESOLVED** that the Committee approve the draft Internal Audit Strategic Plan and Counter Fraud Plan for 2022-23.

12. **External Audit Update- Verbal Report**

Sophia Brown, Senior Manager, Grant Thornton, introduced a verbal update on the progress being made by Grant Thornton as the Council's auditors.

- Members were updated that certification work had been completed for 2021/22, though work around Teachers' Pensions was still to be finalised as a result of evidence needing to be obtained from external payroll providers. Council Officers were liaising with schools to resolve this issue.
- In terms of 2022/23, it was updated that work was underway to carry out risk assessment and planning work, with an audit plan due to be presented to Members at the next Audit and Standards Advisory Committee.

As no issues were raised, it was **RESOLVED** to note the verbal update provided.

13. **Review of the Committee's Forward Plan**

It was **RESOLVED** to note the Committee's Forward Plan, and also to note that this would be reassessed ahead of the beginning of the new Municipal Year.

14. **Any other urgent business**

None.

The meeting closed at 7.28pm

David Ewart
Chair

The meeting closed at Time Not Specified

David Ewart
Chair