



Audit and Standards Committee

Wednesday 22 September 2021 on the rising of the Audit & Standards Advisory Committee

Conference Hall - Brent Civic Centre, Engineers Way, Wembley, HA9 0FJ

Please note that this meeting will be held as a socially distanced physical meeting with all Committee members required to attend in person.

Guidance on the safe delivery of face-to-face meetings is included at the end of the agenda front sheet.

Due to current restrictions and limits on the socially distanced venue capacity, any press and public wishing to attend this meeting are encouraged to do so via the live webcast. The link to attend the meeting will be made available [HERE](#)

Membership:

Members

Councillors:

Lo (Chair)
Akram
Donnelly-Jackson
Johnson
Kansagra
Long
Naheerathan

Substitute Members

Councillors:

Afzal, S Choudhary, Colacicco, Gbajumo, Kabir and
W Mitchell Murray

Councillors:

Colwill and Maurice

For further information contact: Andrew Phillips, Governance Officer
Tel: 020 8937 4219; Email: Andrew.Phillips@brent.gov.uk

For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit:

www.brent.gov.uk/committees

Notes for Members - Declarations of Interest:

If a Member is aware they have a Disclosable Pecuniary Interest* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest** in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also significant enough to affect your judgement of a public interest and either it affects a financial position or relates to a regulatory matter then after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

***Disclosable Pecuniary Interests:**

- (a) **Employment, etc.** - Any employment, office, trade, profession or vocation carried on for profit gain.
- (b) **Sponsorship** - Any payment or other financial benefit in respect of expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) **Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) **Land** - Any beneficial interest in land which is within the council's area.
- (e) **Licences**- Any licence to occupy land in the council's area for a month or longer.
- (f) **Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) **Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

****Personal Interests:**

The business relates to or affects:

- (a) Anybody of which you are a member or in a position of general control or management, and:
 - To which you are appointed by the council;
 - which exercises functions of a public nature;
 - which is directed is to charitable purposes;
 - whose principal purposes include the influence of public opinion or policy (including a political party or trade union).
- (b) The interests a of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

or

A decision in relation to that business might reasonably be regarded as affecting the well-being or financial position of:

- You yourself;
- a member of your family or your friend or any person with whom you have a close association or any person or body who is the subject of a registrable personal interest.

Agenda

Introductions, if appropriate.

Item **Page**

1 Apologies for Absence and clarification of alternate members

2 Declarations of Interest

Members are invited to declare at this stage of the meeting, the nature and existence of any relevant disclosable pecuniary or personal interests in the items on this agenda and to specify the item(s) to which they relate

3 Deputations (If any)

To hear any deputations received from members of the public in accordance with Standing Order 67.

4 Minutes of the previous meeting 1 - 2

To approve the minutes of the previous meeting held on Monday 26 July 2021 as a correct record

5 Statement of Accounts 3 - 10

To receive an update on the Council's Annual Statement of Accounts.
(republished with report on 21 September 2021)

The Committee is being asked to formally consider the update following its consideration by the Audit & Standards Advisory Committee.

Ward Affected:
All Wards

Contact Officer: Minesh Patel
Director of Finance
Tel: 020 8937 4043
Email: Minesh.Patel@brent.gov.uk

Date of the next meeting: **To be advised**

Guidance on the delivery of safe meetings at The Drum, Brent Civic Centre

- We have revised the capacities and floor plans for event spaces to ensure they are Covid-19 compliant and meet the current social distancing guidelines.
- Attendees will need to maintain the necessary social distance at all times.

- Signage and reminders, including floor markers for social distancing and one-way flow systems are present throughout The Drum and need to be followed.
- Please note the Civic Centre visitor lifts will have reduced capacity to help with social distancing.
- The use of face coverings is encouraged with hand sanitiser dispensers located at the main entrance to The Drum and within each meeting room.
- Those attending meetings are asked to scan the coronavirus NHS QR code for The Drum upon entry. Posters of the QR code are located in front of the main Drum entrance and outside each boardroom.
- Although not required, should anyone attending wish to do book a lateral flow test in advance these are also available at the Civic Centre and can be booked via the following link:
<https://www.brent.gov.uk/yourcommunity/coronavirus/covid-19-testing/if-you-dont-have-symptoms/>



Brent

MINUTES OF THE AUDIT AND STANDARDS COMMITTEE
Held in the Conference Hall, Brent Civic Centre on Monday 26 July 2021 on the
rising of the Audit and Standards Advisory Committee

PRESENT: Councillor Lo (Chair) and Councillors Akram (in remote attendance) Kansagra, Long and Nahareethan.

Also Present: Councillor McLennan (Deputy Leader and Lead Member for Resources), David Ewart (Independent Chair of the Audit & Standards Advisory Committee), Mark Mills and Javed Ansari (in remote attendance) (Independent Co-Opted Members Audit & Standards Advisory Committee) and Vineeta Manchanda (Independent Advisor Audit & Standards Advisory Committee).

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

Apologies were received from Councillor Donnelly Jackson, Councillor Johnson and Carolyn Downs (Chief Executive – with Peter Gadsdon attending as her representative).

2. **Declarations of Interests**

None.

3. **Deputations (if any)**

None.

4. **Minutes of the previous meeting**

RESOLVED to approve the minutes of the last meeting of the Committee held on Tuesday 8 September 2020.

6. **Annual Governance Statement 2020-21**

The Committee received the report from the Director of Legal, HR, Audit & Investigations setting out the draft Annual Governance Statement (AGS) for 2020/21, as required under the Accounts and Audit Regulations 2015.

Members noted that the AGS had been referred on to the Committee for formal approval following its detailed consideration at the preceding meeting of the Audit & Standards Advisory Committee.

On the basis of the discussion and comments made at the preceding Audit & Standards Advisory Committee it was **RESOLVED** to approve the 2020/21 Annual Governance Statement for formal sign off.

The meeting closed at 19.35.

Councillor Vincent Lo
Chair

 <p>Brent</p>	<p>Audit and Standards Advisory Committee & Audit & Standards Committee</p> <p>22 September 2021</p>
	<p>Report from the Director of Finance</p>
<p>Statement of Accounts 2020/21</p>	

Wards Affected:	All
Key or Non-Key Decision:	n/a
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	One Appendix 1 Letter of Representation
Background Papers:	
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Minesh Patel, Director of Finance Ben Ainsworth, Head of Finance

Summary

- 1.1 The Audit Committee has responsibility for considering issues raised by the external auditors as part of the process of approving the annual statement of accounts. The basis for this consideration is the “report to those charged with governance” also referred to as the ISA260 report. The Council’s external auditors, Grant Thornton, produce the report following completion of the audit of accounts. The report is intended to identify any changes to the accounts, unadjusted mis-statements or material weaknesses in controls identified during the audit work. It also provides the findings from the value for money conclusion for the year.

- 1.2 At the time of writing this report Grant Thornton are in the process of completing the audit of the 2020/21 accounts and their ISA260 report, reflecting the current position, will follow and be reported on the same agenda as this report. Based on the current position Grant Thornton intends to give unqualified opinions on the Council and Pension Fund accounts and a clear value for money conclusion.

- 1.3 Representatives from Grant Thornton will attend the meeting to provide an update on the audit and respond to any matters raised by the Committee.

2.0 Recommendations

- 2.1 The Committee is asked to review the report to those charged with Governance from Grant Thornton and:
- consider the key issues and recommendations
 - consider the corrected audit differences
 - approve the draft letter of representation to Grant Thornton
 - delegate the approval of the Statement of Accounts to the Chair of the Audit and Standards Committee subject to the agreed adjustments being made

3.0 Detail

Statement of Accounts

- 3.1 The draft statement of accounts for 2020/21 was published on the council's website on the 7th July, 12 weeks before the deadline required by statutory regulation (30th September). Despite the additional pressures put on the council by COVID-19 and the extended timetable, this is only a month later than the previous year.
- 3.2 The audit of the accounts commenced in July, and needs to be completed by the 30th November. At the time of writing, audit fieldwork is substantially complete, with only a handful of outstanding items. The auditors are now working on completing their closing procedures and final reviews with a view to sign off the audit shortly after the Audit and Standards Advisory Committee meeting on 22nd September.
- 3.3 The ISA260 report presented to the Audit and Standards Advisory Committee sets out the anticipated results of the audit with the following key points being:
- Unqualified audit opinion
 - the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources
- 3.4 As a result of the audit a number of adjustments to the accounts have been agreed by council officers and Grant Thornton and will be detailed by the combination of the auditor's written and verbal reports to the Audit and Standards Advisory Committee.
- 3.5 There are a number of recommendations from Grant Thornton for how the Council's processes can be improved in future years. Officers will be putting these recommendations into effect with a revised plan for closing the 2021/22 accounts.

Publication of Statement of Accounts

3.6 The Council is required to publish the 2020/21 accounts by 30th November. Once approved, the statement of accounts will be published on the Council's website.

3.7 Once the audit has been completed a Letter of Representation needs to be signed prior to Grant Thornton issuing an audit opinion. A draft letter, setting out confirmation from the Council regarding the financial statements and information provided as part of the audit process, is attached as Appendix 1.

4.0 Financial Implications

4.1 There have been some adjustments to the Statement of Accounts during the course of the audit. None of these have impacted on the medium term financial position of the Council.

5.0 Legal Implications

5.1 No specific implications.

6.0 Equality Implications

6.1 No specific implications.

7.0 Consultation with Ward Members and Stakeholders

7.1 Not applicable.

8.0 Human Resources

8.1 Not applicable

Report sign off:

Minesh Patel
Director of Finance

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[LETTER TO BE WRITTEN ON CLIENT HEADED PAPER]

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

[Date] – {TO BE DATED SAME DATE AS DATE OF AUDIT OPINION}

Dear Sirs

London Borough of Brent
Financial Statements for the year ended 31 March 2021

This representation letter is provided in connection with the audit of the financial statements of London Borough of Brent and its subsidiary undertakings, First Wave Housing Ltd, i4B Holdings Ltd, Barham Park Trust and LGA Digital Services, for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the group and Council financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the group and Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the group and Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Council has complied with all aspects of contractual agreements that could have a material effect on the group and Council financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include level of provisions necessary, valuation of financial liabilities and assets, valuation of property, plant and equipment, level of expected of expected credit loss and the value of the pensions liability. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or

disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the group and Council financial statements:
 - a. there are no unrecorded liabilities, actual or contingent;
 - b. none of the assets of the group and Council has been assigned, pledged or mortgaged; and
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The group and Council financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Council and its financial position at the year-end, and are extrapolated estimates so subject to significant uncertainty. The financial statements are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. The prior period adjustments disclosed in the Statement of Accounts are accurate and complete. There are no other prior period errors to bring to your attention.
- xv. We have updated our going concern assessment and cashflow forecasts in light of the Covid-19 pandemic. We continue to believe that the group and Council's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:
 - a. the nature of the group and Council means that, notwithstanding any intention to liquidate the group and Council or cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements;
 - b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
 - c. the group and Council's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the group and Council's ability to continue as a going concern need to be made in the financial statements .

Information Provided

- xvi. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the group and Council's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Council via remote arrangements, in compliance with the nationally specified social distancing requirements established by the government in response to the Covid-19 pandemic, from whom you determined it necessary to obtain audit evidence.
- xvii. We have communicated to you all deficiencies in internal control of which management is aware.
- xviii. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xix. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xx. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the group and Council, and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xxi. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxiii. We have disclosed to you the identity of the group and Council's related parties and all the related party relationships and transactions of which we are aware.
- xxiv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxv. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxvi. The disclosures within the Narrative Report fairly reflect our understanding of the group and Council's financial and operating performance over the period covered by the financial statements.

Approval

The approval of this letter of representation was minuted by the Council's Audit and Standards Committee at its meeting on 22 September 2021.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the Council