



Audit and Standards Committee

**Thursday 29 September 2022 on the rising of the
Audit and Standards Advisory Committee**

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

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

The meeting will be open for the press and public to attend or alternatively can be followed via the live webcast. The link to follow proceedings via the live webcast is available [HERE](#)

Membership:

Members

Councillors:

Chan (Chair)

Long

Kabir

S Butt

Choudry

Patel

Smith

Substitute Members

Councillors:

Afzal, Agha, Begum, Gbajumo, Molloy and Shah

Councillors:

Kansagra and Mistry

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 7 June 2022 as a correct record.	
5 Statement of Accounts	3 - 6
To note the auditors findings and delegate signing the Statement of Accounts.	

Date of the next meeting: To be advised



- Please remember to **SWITCH OFF** your mobile phone during the meeting.
- The meeting room is accessible by lift and limited seats will be available for members of the public. Alternatively it will be possible to follow proceedings via the live webcast [here](#)

This page is intentionally left blank



MINUTES OF THE AUDIT AND STANDARDS COMMITTEE
Held in the Conference Hall, Brent Civic Centre on Tuesday 7 June 2022 on
the rising of the Audit and Standards Advisory Committee

PRESENT: Councillor Chan (Chair) and Councillors S.Butt, Choudry, Kabir, Long, Jayanti Patel and Smith.

Also Present: Councillor Mili Patel (Deputy Leader and Cabinet Member for Finance, Resources and Reform), David Ewart (Independent Chair of the Audit & Standards Advisory Committee) & Vineeta Manchanda (Independent Advisor Audit & Standards Advisory Committee).

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

None.

2. **Declarations of Interest**

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 7 December 2021.

5. **Annual Governance Statement 2021-22**

The Committee received the report from the Director of Legal, HR, Audit & Investigations setting out the draft Annual Governance Statement (AGS) for 2021/22, 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.

In considering the AGS the Audit & Standards Advisory Committee had identified the need to ensure section 4.4.9 (Risk Management) of the statement was amended to reflect the frequency of monitoring the Strategic Risk Register by the Committee as half yearly rather than quarterly.


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

6. **Date of Next Meeting**

Members were advised that the date of the next and future meetings during 2022-23 were currently subject to review as a result of potential changes identified to dates for the Audit & Standards Advisory Committee. Changes would therefore need to be confirmed following consultation with the Chair, Vice-Chair and officers outside the meeting.

The meeting closed at 7.57pm

COUNCILLOR JUMBO CHAN
Chair

 Brent	Audit and Standards Committee 29 September 2022
	Report from the Director of Finance
Statement of Accounts 2021/22	

Wards Affected:	ALL
Key or Non-Key Decision:	KEY
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:	
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 The infrastructure issue, which was noted by the committee in June 2022 still has not been resolved. Currently, the Department for Levelling Up, Housing and Communities is considering legislative prescription to resolve the issue.

- 1.3 At the time of writing this report Grant Thornton are in the process of completing the audit of the 2021/22 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 complete the audit of Council and Pension Fund accounts shortly, with the exception of the Infrastructure

assets, which will be paused until there is a definite conclusion on this, which is likely to require legislative change.

- 1.4 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 note that the audit will be paused whilst the infrastructure issue is addressed by CIPFA and the Department for Levelling Up, Housing and Communities.
- 2.2 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
 - delegate approval of the draft letter of representation to Grant Thornton to the Director of Finance
 - delegate the approval of the Statement of Accounts to the chair of the Audit and Standards Committee subject to the agreed adjustments being made and an unqualified audit opinion

3.0 Detail

Statement of Accounts

- 3.1 The draft statement of accounts for 2021/22 was published on the council's website on the 4th July, three weeks before the deadline required by statutory regulation (31st July).
- 3.2 The issue on infrastructure is that many local authorities, including Brent, do not have sufficient information on their highways infrastructure to comply with the requirements of the CIPFA Code of Practice on Local Authority Accounting. In particular the code requires that asset values are derecognised when an asset is replaced, for example when old traffic lights are replaced by new traffic lights, but local authorities generally do not have sufficient historical information to determine the current age or value of highways assets that are being replaced. This makes it impossible to satisfy the auditors that the value of highways infrastructure are materially correct under the code.
- 3.3 The audit of the accounts commenced in July, and under legislation should be completed by the 30th November. At the time of writing, audit fieldwork is substantially complete. However, as the Infrastructure issue is expected to require legislative change to resolve, the auditors will not be able to issue an unqualified opinion on the accounts until this change is implemented. The auditors will also have to review the accounts in light of any legislative change. It is therefore expected that the audit will be paused to await this legislative change.

- 3.4 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, subject to further work on Highways Infrastructure
- 3.5 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.
- 3.6 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 2022/23 accounts.
- 3.7 The Value for Money audit work has only been started by the auditors recently, and will be reported to the Audit and Standards Committee at a later date.

Publication of Statement of Accounts

- 3.6 The Council is required to publish the 2022/23 accounts by 30th November. Achieving this is dependent on legislative change to address the infrastructure issue and is at risk of being delayed due to requirement for legislative change and the need for further review of the accounts by the auditors following this change. If the accounts are published on after this date, then the sanction is that it will be reported that the council missed this deadline. It is expected that many authorities will take a similar approach to Brent and delay final publication of the accounts until this issue is resolved in order to publish an unqualified set of accounts.
- 3.7 Once the audit has been completed a Letter of Representation needs to be signed prior to Grant Thornton issuing an audit opinion. The letter will be drafted once the infrastructure issue is addressed.

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 significantly 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