



## Audit and Standards Advisory Committee

**Tuesday 6 February 2024 at 6.00 pm**

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

Please note this will be held as a physical meeting which all Committee members will be 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

David Ewart (Chair)

#### Substitute Members

#### Councillors:

Chan (Vice-Chair)  
S Butt  
Choudry  
Kabir  
Long  
J. Patel  
Smith

#### Councillors:

Afzal, Agha, Begum, Gbajumo, Molloy and Shah

#### Councillors:

Kansagra and Mistry

#### Independent Co-opted Members

Rhys Jarvis and Stephen Ross

#### Independent Advisor

Vineeta Manchanda

**For further information contact:** James Kinsella, Governance Manager  
Tel: 020 8937 2063; Email: james.kinsella@brent.gov.uk

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## **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 receive any deputations requested in accordance with Standing Order 67.

**4 Minutes of the previous meeting** 1 - 12

To approve the minutes of the previous meetings held on Wednesday 6 December 2023 as a correct record and note the action log arising from previous meetings.

**5 Matters arising (if any)**

To consider any matters arising from the minutes of the previous meeting.

## Standards Item(s)

**6 Annual Report on Complaints & Code of Conduct Complaints Procedure** 13 - 38

This report provides an annual review of the complaints received pursuant to, and a review of the Members' Code of Conduct Complaints procedure.

## Finance Item(s)

**7 CIPFA Financial Management Code and Redmond Review - Update** 39 - 46

This report provides an update on the outcome of the work to implement CIPFA's Financial Management (FM) Code and the independent review by Sir Tony Redmond into the effectiveness of external audit and transparency of financial reporting in local authorities (the Redmond

Review).

**8 Emergency Planning & Resilience Service Update** 47 - 56

This report continues the cycle of annual updates that the Emergency Planning team has shared with the Audit and Standards Advisory Committee since 2018. The report provides the Committee with an update on the work and priorities of the team since the last report in September 2022, focusing on the continuous improvement within the Council's Emergency Planning and Resilience service.

**Audit Items**

**9 London Borough of Brent Draft Audit Plan 2023 -24** 57 - 94

This report presents the draft London Borough of Brent External Audit Plan 2023 - 24.

**10 Evaluating the Effectiveness of the Audit and Standards Advisory Committee** 95 - 98

This report sets out the suggested approach for measuring the effectiveness and activity of the Audit and Standards Advisory Committee for 2023-24.

**11 Forward Plan and Agenda for the next meeting** 99 - 100

To consider and review the Committee's work programme for the 2023-24 Municipal Year.

**12 Any other urgent business**

Notice of items to be raised under this heading must be given in writing to the Head of Chief Executive and Member Services or their representative before the meeting in accordance with Standing Order 60.

**Date of the next meeting: Tuesday 26 March 2024**



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



**MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE**  
**Held in the Conference Hall, Brent Civic Centre on Wednesday 6 December**  
**2023 at 6.00 pm**

**PRESENT:** David Ewart (Chair), Councillor Chan (Vice-Chair) and Councillors S. Butt, Choudry, Long, J.Patel and Smith.

**Independent Advisor:** Vineeta Manchanda.

**Independent Members:** Rhys Jarvis & Stephen Ross.

**Also present:** Julie Byrom (Independent Person – attended online).

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

Apologies were received from Councillor Kabir and Sophia Brown (Key Audit Partner, Grant Thornton).

The Chair took the opportunity to welcome Rhys Jarvis and Stephen Ross to their first in person meeting of the Audit & Standards Advisory Committee.

**2. Declarations of Interest**

David Ewart (Chair) declared a personal interest as a member of CIPFA.

**3. Deputations (if any)**

None received.

**4. Minutes of the previous meeting**

**RESOLVED** that the minutes of the previous meetings held on Tuesday 26 September 2023 and Thursday 12 October 2023 be approved as a correct record, pending a minor correction to be made to the to the list of attendees on Thursday 12 October 2023.

Members noted the updates provided in relation to items listed on the Action Log.

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

None.

**6. Order of Business**

The Chair agreed to amend the order of business, so that the Treasury Management Report was considered ahead of the Treasury Management Strategy. The minutes reflect the order in which the items were considered.

## 7. Standards Report (including Gifts & Hospitality)

Debra Norman, Corporate Director of Governance, introduced a report updating the Audit and Standards Advisory Committee (ASAC) on gifts and hospitality registered by Members and Member training.

The Committee noted the following key points:

- The details of Gifts and Hospitality registered by members in the third quarter of 2023/24 were detailed in Appendix A of the report.
- In relation to member attendance at mandatory training sessions, the Committee was advised that all members had completed their core mandatory refresher training with the exception of three Members who were yet to complete their Data Protection & Information Security training. Two Members were currently on maternity leave and the remaining Member had been out of the country when the training took place. A further session would be made available to allow remaining Members to complete their refresher training.

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

## 8. Treasury Management Mid-Term Report

Amanda Healy, Head of Finance introduced the Treasury Management Mid Term Report that updated Members on treasury activity for the first half of the financial year 2023-24, with a view to the Committee noting the report and the Council's compliance with the Council's Treasury Management indicators.

In considering the report the Committee noted:

- The challenging national economic context under which the Council's Treasury Management Strategy had been operating, including the high inflation rates, weak economic growth in the UK and the Bank of England's base rate of 5.25% impacting the national financial climate.
- The update provided in relation to the Council's external borrowing as detailed within section 3.16-3.36 of the Committee report.
- Members were advised that the Council's short-term borrowing costs had continued to increase in line with the 5.25% base rate.
- In the first half of the year, new external long-term borrowing had not taken place due to sufficient cash levels and high market rates making forward borrowing unattractive. The Council would continue to monitor borrowing rates with a view to accessing new borrowing at the right time when an appropriate balance could be struck between securing low interest costs and achieving cost certainty.
- The Council had an increasing Capital Financing Requirement due to elements of the capital programme being funded by borrowing, forecasts had indicated that a further borrowing in excess of £176m would be required in 2023-24.
- In terms of long-term borrowing the Public Works Loan Board (PWLB) remained the most cost effective form of financing and was the most utilised

form of long-term financing in Brent, despite substantially increased costs in 2023-24.

- The update provided in relation to the Council's Treasury Investment Activity, as detailed in sections 3.37-3.46 of the Committee report.
- Members were advised that the Council's investment balances ranged between £56.1m and £122m due to timing between income and expenditure. It was noted that most of the Council's funds continued to be held in Money Market Funds with the return on Money market Funds having increased reflecting the higher interest rate environment, as of 30 September 2023 the funds were paying rates between 5.20% - 5.35%.

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

- The Committee required further clarity in relation to GLA funding opportunities to borrow at lower rates through the Mayor's Energy Efficiency Fund (MEEF) and the Mayor's Green Finance Fund to support the South Kilburn heat network, as opposed to accessing funding from the PWLB or UKIB. In response the Committee was advised that discussions were taking place to consider the best options, however it was felt at this stage that the GLA funding options would provide lower rates and would be a favourable way forward to support the South Kilburn heat network. It was likely that the Council would make an application for this funding in the next round of application scheduled in late 2023.
- Following a Committee query in relation to how the wider economic uncertainty affected the Council's long-term planning and decision making, the Committee was advised that the Capital Programme was under constant review as changes in the wider economic climate could directly impact the viability of a project.
- The Committee noted that even if interest rates improved, it was unlikely that they would return to the favourable rates seen pre Covid.
- The Committee queried why further funding was required for the Capital Programme when elements of Capital Programme work had been paused. In response the Committee was advised that projects were at different phases with some having begun and others due to start when viable, it was also important to secure funding for future projects. The position regarding funding of the Capital Programme was regularly updated via the quarterly financial monitoring reports to Cabinet that included forecast spending requirements.
- Following a Committee query in relation to cashflow forecasting, the Committee was advised that this was undertaken through liability benchmarking that captured overall cash demand and key drivers of the Capital Programme.
- In response to a Committee query in relation to the slippage of capital programme works, the Committee was advised that slippage was not unusual in the delivery of projects, however due to the challenging economic environment it was anticipated that there would be increased slippage this year.

As there were no further questions the Chair thanked Amanda Healy for presenting the report and responding to the Committee queries.

The Committee **RESOLVED** to note the 2023-24 Mid-Year Treasury report for reference on to Cabinet and Council, along with noting the fact that the Council has been fully compliant with the Treasury Management indicators.

## 9. Treasury Management Strategy

Amanda Healy, Head of Finance introduced the report that presented the draft Treasury Management Strategy (TMS) for 2024/25 for consideration by the Committee, with the final version of the TMS including the views of the Committee to be included in the annual budget setting report to be presented to Cabinet and Full Council in February 2024.

In considering the report the Committee noted:

- The strategy was currently in draft format and would be finalised for inclusion in the annual budget setting report that would go to Cabinet and Council in February 2024.
- The Strategy set out the framework for the Council's Treasury Management activity in 2024/25 and included an outline of the Council's borrowing strategy and sources of debt finance (including the Liability Benchmark), investment strategy (including types and prescribed limits), Treasury Management Indicators for 2024/25, alternative options and strategies along with an external and local context.
- The Strategy had been produced in compliance with the CIPFA Treasury Management Code of Practice & Prudential Code for Capital Finance.

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

- Following a Committee query in relation to the use of Green Bonds to support specific projects, the Committee was advised that Green Bonds had not been previously explored for use in Brent. It was noted that bonds were generally used to support small scale projects and could incur high administration costs. Officers agreed to examine the practicalities of the use of Green Bonds in Brent and share their findings with the Committee at a future meeting.
- The Committee queried how much long-term borrowing from PWLB was forecast in 2024/25. In response, the Committee was advised that £650m would need to be borrowed over a 4 year period, this included borrowing requests for projects in 2023/24 that had not been undertaken yet.
- The Committee required further clarity in relation to which public sector bodies (referred to in the Committee report) the Council could borrow short term loans from to cover temporary cash flow pressures. In response, the Committee was advised that money could be borrowed from other Local Authorities, this had previously been an active market, however since the recent Section 114 notices it was less active but remained a consideration if needed.
- The Committee requested information was provided at a future meeting in relation to how much borrowing from other local authorities had been undertaken.
- The Committee acknowledged the challenges in the current economic environment impacting the Council's ability to focus funds to support the costly



climate change ambitions the Council had previously highlighted as a key area for investment. It was, however, felt that concerted efforts should be made in seeking additional funding specifically to support this, particularly in light of Brent having declared a climate emergency.

- Following a Committee query in relation to how robust the long-term Capital Programme was and the contingencies in place, the Committee was advised that when budgets were set they took in to account the ambitions Brent had against the funding sources available. Viability was rigorously tested and revisited to ensure the maximum delivery of Capital Projects was possible.
- The Committee clarified that the PWLB allowed authorities to repay loans before maturity and either pay a premium or receive a discount dependant on a set formula based on current interest rates. This was something the Council could take advantage of if it was expected to result in an overall cost saving or reduction in risk.

As there were no further questions the Chair thanked Amanda Healy for presenting the report and responding to the Committee queries.

The Committee **RESOLVED** to note the borrowing requirements detailed in the report, with further comments to be provided by the Committee when the strategy was brought back to the Committee upon its completion.

#### 10. **Internal Audit Interim Report 2023-34**

Darren Armstrong, Head of Audit and Investigation introduced the report that outlined the work undertaken by Internal Audit in respect of delivery of the 2023-24 Internal Audit Plan.

In considering the report the Committee noted:

- The continued delivery of the Council's Internal Audit function in accordance with the Public Sector Internal Audit Standards (PSIAS) which set out the requirements for public sector internal auditing and encompassed the mandatory elements of the Institute of Internal Auditors (IIA) in relation to delivery of an annual risk based audit plan.
- The 2023 -24 Internal Audit Plan had been agreed by the Audit and Standards Advisory Committee in March 2023 and had been developed to provide assurances against key risk areas that may have threatened the achievement of the Council's corporate objectives and priorities.
- In addition to the planned work, Internal Audit had continued to provide consultancy and advice work as and when required across a range of Council areas.
- Section 3.3.3 of the report that provided a summary of the performance against the 2023-24 Internal Audit Plan.
- The accompanying appendices that provided further details on the status and delivery of the 23-24 plan and associated levels of risk, a summary of key findings and a summary of follow up actions.

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

- The Committee felt it would be helpful to include KPI's in relation to outstanding actions in future versions of the report and also to consider how trends could be better highlighted.
- Following a Committee query in relation to the selection criteria used to decide the Internal Audit Team's work plan, the Committee was advised that as well as some areas receiving cyclical audits, there were a number of other factors taken into consideration. These included risk assessments, intelligence and consultation with internal stakeholders and assurance mapping. The Committee noted the necessity to also leave capacity for the team to respond to reactive work.
- In response to a Committee query as to why the 'Increase in Dedicated Schools Grant High Needs Block Deficit' audit had been cancelled as shown in Appendix 1 of the report, it was clarified that the audit would still be taken forward as part of the Financial Support for Schools Review as a combined audit.
- Whilst highlighting concerns, the Committee understood the capacity issues that had led to there being no proactive licensing inspections, only reactive site visits following complaints. The Committee required clarification on the criteria that needed to be met to trigger a licensing visit with members advised this would require a management response that would need to be provided at a later date.
- The Committee queried why there had been issues with the Northgate software used to support Housing Revenue and Benefits, as other Council's had reported the software being successfully utilised. The Committee was assured that the management responses to the issues identified would be followed up and reported back to the Committee at the Committee's next update on the Internal Audit Plan.
- The Committee felt it would be helpful to include implementation dates alongside the management responses in future versions of the report, which was agreed as a forward action.

As no further queries were raised the Chair, on behalf of the Committee, thanked Darren Armstrong and his team for what they felt was a well produced report that allowed the Committee to gain a clear understanding of the delivery, outcome and performance of the Internal Audit Plan and in commending the team for their efforts it was **RESOLVED** to note the update provided.

## 11. **Interim Counter Fraud Report 2023-24**

Darren Armstrong, Head of Audit and Investigations introduced the report which summarised the counter fraud activity that the Council had undertaken in 2023-24, up to 30th September 2023.

In considering the report the Committee noted:

- That the report covered multiple fraud types that included internal fraud and whistleblowing, external fraud, tenancy and social housing fraud, and the proactive activity undertaken to identify and reduce fraud.
- The details provided in relation to internal fraud which, whilst typically having the fewest referrals, were often more complex in nature as detailed in Table A within Section 3.3 of the report.

- The update provided in relation to Tenancy & Social Housing Fraud with the recovery of social housing properties by the Counter Fraud team demonstrating a notional saving of £42,000 per property. Work had also been undertaken in respect of fraudulent Succession and Right to Buy applications.
- The increase in External Fraud cases (162) compared to (127) for the same period last year, with Blue Badge allegations accounting for the majority of new referrals. Further details of the figures related to external fraud were detailed within Table C Section 3.5 of the report.
- There had been an increase in successful prosecutions for Blue Badge fraud, however, the increase in prosecutions had impacted resources in managing capacity to deal with other counter fraud activity
- The team continued to undertake a broad range of proactive activity including National Fraud Initiative (NFI) data matching, fraud workshops and targeted operations to support the identification, investigation and reduction in fraud.

The Committee was then invited to raise questions and comments on the report which have been summarised below:

- Following a Committee query in relation to the amount of resourcing applied to managing Blue Badge Fraud, the Committee was advised due to the high number of referrals received in relation this type of fraud, it had been a priority to heavily resource this area. In order to manage the number of referrals, the team had worked closely with colleagues in Parking Services to pursue case resolution. It was noted that a number of options were being considered in order to reduce this type of fraud in the future, including the use of virtual badges.
- The Committee felt it would be useful to receive a breakdown of the resourcing allocations applied to other external fraud cases, as it was noted that Blue Badge Fraud had taken 50% of resources to date this municipal year.
- The Committee was pleased to note the notional savings made in relation to Single Person Council Tax claims and were keen to see further savings made in relation to fraudulent claims of Housing and Council Tax benefits. The Committee was reminded that these were notional savings as opposed to being able to recover funds, however their comments would be shared with the Council Tax team.

As no further issues were raised the Chair thanked officers for their hard work and efforts in relation to the ongoing delivery of counter fraud activity and it was **RESOLVED** to note the contents of the report and counter fraud activity undertaken from April – September 2023.

## 12. **Final Audit Findings Report 2022/23**

Sheena Philips, Senior Audit Manager, Grant Thornton, advised that had been no further changes to the final Audit Findings Report 2023-23 and the Pensions Audit Findings Report 2022-23, with the exception of an amendment to correct an error in the Audit fees.

The Committee noted that there was a 150% increase in Audit Fees, however these were agreed centrally by the Public Sector Audit Appointments (PSAA) and not open to negotiation.

13. **External Audit Progress Report and Sector Update**

Sheena Phillips, Senior Audit Manager, Grant Thornton, advised that the 2023-24 audit had started and was progressing well. An audit report providing details of progress made and an update on the status of the objections received for the 2022-23 audit would be provided at the next Committee meeting in February 2024.

The Committee was further advised that there would be a new Pension Management Lead responsible for the Pension Fund Audit who would also attend Committee meetings.

14. **Forward Plan and Agenda for the next meeting**

It was **RESOLVED** to note the Committee's current Forward Plan and Work Programme for 2023-24 and the date of the next meeting as **Tuesday 6 February 2024**.

In terms of the Forward Plan and Work Programme for 2024-25 the Chair requested that an unpopulated Forward Plan document was made available in order for the Chair, Vice Chair and Senior Officers to start looking at the development of the 2024-25 plan.

15. **Any other urgent business**

None.

The meeting closed at 7.56 pm

David Ewart  
Chair

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Meeting Date	Agenda No.	Item	Actions	Lead Officer and Timescale	Progress
6 December 2023	4	Minutes of the previous meeting and Action Log.	Action log and minutes to be updated accordingly.  A blank Forward Plan to be provided to the Chair and Lead officers to support the forward planning for 24/25.	Natalie Connor  December 2023	Completed – 13 December 2023  To be removed from action log.
	8	Treasury Management Strategy 2024/25	The Committee requested that a background report on the current state of the green bonds market was provided at a future Committee.	Amanda Healy  March 2024	Update to be provided to the Committee at the Committee meeting in March 24.
			The Treasury Management Strategy to be presented back to the Committee once completed.	Amanda Healy  (date tbc)	In progress – the strategy continues to be updated; the Committee will be advised when it is ready to be presented back to the Committee.
	9	Internal Audit Interim Report 2023/24	KPI's around outstanding actions/trends and implementation dates of agreed management response actions to be included in the next iteration of the report.	Darren Armstrong  June 2024	Ongoing – to be included when the next Internal Audit Report comes to the Committee in June 2024.
			Clarification to be sought in relation the reactive site visits for Licensing Inspections.	Darren Armstrong	Completed – Information from Simon Legg, Head of Regulatory Services

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					sent to Members on 11 December 2023.  To be removed from action log.
	10	Interim Counter Fraud Report 2023/24	The Committee to receive a breakdown of the Fraud team's time spent on cases other than Blue Badge fraud.	Darren Armstrong  February 2024	Update to be provided at the next Committee in Feb 24.
	12	External Audit Progress Report and Sector Update	Grant Thornton to update the Committee in relation to the progress in resolving the minor objections received.	Sophia Brown/Sheena Phillips (Grant Thornton)  February 2024	Update to be provided at the next Committee in Feb 24
			Grant Thornton to provide an update on the 23/24 audit including an audit plan	Sophia Brown/Sheena Phillips (Grant Thornton)  February 2024	Update to be provided at the next Committee in Feb 24
26 September 2023	7	To review performance & management of i4B Holdings Ltd and First Wave Housing Ltd	Chair and Vice Chair to seek the views from the Chairs of Brent's Scrutiny Committees in relation to the addition of the scrutiny of i4B and First Wave Housing on future scrutiny work plans	David Ewart/Councillor Chan  February 2024	In progress.  One of the Scrutiny Chairs had not been available to meet, however a further meeting was being arranged, with an update to be provided at the next Committee meeting in Feb 24.
	8	Strategic Risk Register	Officers to consider how the Committee will receive assurance over other key risk areas that aren't reflected in the Strategic Risk	Darren Armstrong  March 2024	In progress  Further update to be provided when the

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			Register, including Climate Change and revenue risks.		Strategic Risk Register next comes to the Committee in March 24.
		Review the Committee's Forward Plan	Future planning to consider the management of agenda items to allow Members to focus on providing an appropriate level of challenge on the substantive items (Minesh Patel, Darren Armstrong, Debra Norman, Chair & Vice-Chair)	Minesh Patel/Debra Norman/Darren Armstrong/David Ewart (Chair) and Councillor Chan (Vice Chair)	In Progress  Planning for the 24/25 Forward Plan had started with an update to be provided at the next Committee meeting in Feb 24.
7 Feb 2023	11	Auditor's Annual Report on the London Borough of Brent	The Committee accepted the External Auditor's recommendation to ensure timely implementation of the CIPFA Financial Management code requirements and would receive regular updates	Minesh Patel	In Progress  The Committee was advised that Cabinet had been receiving regular updates, an update would be provided to the Committee at the next meeting in Feb 24.

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 <p><b>Brent</b></p>	<p><b>Audit and Standards Advisory Committee</b> 6 February 2024</p>
	<p><b>Report from the Corporate Director of Governance</b></p>
	<p><b>Lead Cabinet Member</b> N/A</p>
<p><b>Complaints &amp; Code of Conduct Complaints Procedure</b></p>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Not applicable
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>No. of Appendices:</b>	Two:  Appendix A: Complaints received over the last 12 months. Appendix B: Marked up copy of the Members' Code of Conduct Complaints Procedure (MCCP)
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Debra Norman, Corporate Director Governance <a href="mailto:Debra.Norman@brent.gov.uk">Debra.Norman@brent.gov.uk</a> 0208 937 1578  Biancia Robinson, Senior Constitutional & Governance Lawyer <a href="mailto:Biancia.Robinson@brent.gov.uk">Biancia.Robinson@brent.gov.uk</a> 0208 937 1544

**1.0 Purpose of the Report/ Executive Summary**

1.1 This report provides an annual review of the complaints received pursuant to, and a review of the Members' Code of Conduct Complaints procedure.

**2.0 Recommendations**

2.1 That the Audit and Standards Advisory Committee consider and note the contents of the report and note that no recommendations are being made to the Audit and Standards Committee.

### **3.0 Detail**

#### **3.1 Contribution to Borough Plan Priorities & Strategic Context**

3.1.1 The maintenance of high standards of member conduct supports the delivery of the borough plan by promoting confidence in the operation and good governance of the council.

#### **3.2 Members' Code of Conduct Complaints Procedure (MCCCP)**

##### Background

3.2.1 The Council has a duty to promote and maintain high standards of conduct by Members and Co-opted Members pursuant to section 27(1) of the Localism Act 2011. As required by section 27(2) of the Localism Act 2011, the Council has adopted a Code of Conduct (Code) dealing with the conduct that is expected of Members and Co-opted Members when they are acting in that capacity.

3.2.2 Section 28 of the Localism Act requires the Council to have arrangements under which it can investigate and make a decision on an allegation of a breach of the Code. The MCCCP complies with this statutory obligation. Any alleged breach of the Brent Code is considered in accordance with the MCCCP, which is used as guidance in the consideration and determination of complaints and reviews.

3.2.3 In accordance with:

- a) para 1.10 of the MCCCP, "*the Standards Committee will convene from time to time to review the handling of complaints, reviews and decisions made with a view to identifying trends or any improvements in this procedure and the application of it that may be desirable*"; and
- b) annexe 1, para 1.3 of the MCCCP, the complaint Assessment Criteria are subject to "*an annual review by the Standards Committee*". This report sets out the annual review.

##### Complaints

3.2.4 In terms of background, in the last 12 months, the Monitoring Officer has received complaints and made determinations regarding six councillors allegedly in breach of the Members' Code of Conduct. Of these complaints:

- a) three have been resolved at Initial Assessment Stage;
- b) three have been resolved at Assessment Criteria Stage;

- c) none have been upheld as a breach of the Code;
- d) three have been subject to review request, which have not been upheld; and
- e) none have escalated to hearing/formal investigation stage.

Attached as Appendix A is a summary of the complaints received in the last 12 months.

#### Overview

3.2.5 The MCCCCP has a two stage assessment process. The first, **the Initial Assessment Stage**, requires an assessment of whether the alleged behaviour falls within the ambit of the Code of Conduct and in turn the Council's procedure. In particular it considers:

- a) if the complaint is about a Member of the authority.
- b) If the Member was in office at the time of the alleged complaint; and
- c) if proven, the complaint would disclose a breach of the Code.

If the alleged behaviour falls outside of the ambit of the Code or within one of the nine criteria set out in the procedure to be considered at the Initial Assessment Stage (see 3.2 of the MCCCCP), it will not progress to Assessment Criteria Stage, and is concluded.

3.2.6 The **Assessment Criteria**, apply where the allegations appear to fall within the Code and are not excluded by the Initial Assessment Criteria. At this stage further readily available details are sought to ascertain the facts, and the member who is the subject of the allegations is provided with the opportunity to provide a written response to the complaint. This is then considered and, following consultation with the Independent Person, a determination in respect of the complaint is made in accordance with the seven options set out in the Assessment Criteria in Annex 1 of the MCCCCP. This may conclude the matter (subject to a review request), or may lead to a referral for detailed formal investigation of the complaint.

#### Decision Making

3.2.7 The Assessment Criteria are intended to be a guide and promote consistency in the decision-making. Consistency is also ensured as all complaints alleging breach of the Code are considered by the Monitoring Officer, (or in her absence a Deputy Monitoring Officer). This ensures a consistency of assessment and application of the criteria as the same officers are involved analysing and weighing up the allegations made in complaints. External scrutiny provided by the Independent Person, involved in each complaint that reaches this stage, provides a double check on the thoroughness and fairness of the decision-making.

- 3.2.8 An advantage of Brent's MCCCCP is that it is very detailed in the procedure and guidance it provides. This is helpful for the Monitoring Officer, complainants and Members who are complained about and supports a higher degree of transparency and consistency than might arise in a less detailed high level procedure.
- 3.2.9 The Committee will see from Appendix A that the main finding at Initial Assessment Stage in respect of the complaints over the past 12 months is that the Councillor had "*remedied or made reasonable endeavours to remedy the matter and the complaint did not disclose sufficiently serious potential breaches of the Code to merit further consideration*" and no breach of the code, following the assessment stage. The main rationale for this finding has been that insufficient evidence has been submitted to support the allegations made and/or when considering the allegations in context, there was no evidence to suggest the Councillors had behaved in the manner complained off.
- 3.2.10 The Committee should note, the main recurring factor in relation to escalating complaints to the Assessment Criteria Stage have been based on the contents of the complaint there may be a serious issue to consider, with an opportunity for the councillor concerned to comment being necessary to establish if this is indeed the case.
- 3.2.11 The Committee will be aware that the Code only permits the investigation of complaints against Members made in their "official capacity or when giving the impression [they] are acting as a member of the Council", unless it relates to a serious criminal offence being committed in the Member's private capacity. Accordingly, any decision that purports to find a breach of the Code whilst the Member in question was acting in their private capacity, would be liable to challenge.
- 3.2.12 As the Committee is aware, following implementation of the Localism Act 2011, the Council has limited powers against a Member who has been found to have breached the Code. Any changes to strengthen a sanction for breach of the Code requires a change to the existing legislation. Consequently, the sanctions presently available are:
- a) censuring or reprimanding the Member
  - b) publishing a notice in respect of the findings in a local newspaper, or on the Council's website.
  - c) asking the Member to apologise.
  - d) asking the Member to undergo training.
  - e) recommending to Council/Cabinet that the Member be removed from an outside body.

- f) recommending to the Member's group Leader ( or if independent – full Council) that they be removed from Cabinet/portfolio responsibilities.
- g) recommending to the Member's Leader (or if independent – full Council) that the Committee recommends that they be removed from a Committee.
- h) Excluding the Member from the Council's offices or other premises, with the exception of meeting rooms necessary for attending Council and Committee meetings.

### Reviews

- 3.2.13 Step 6 of Paragraph 3.5 of the MCCCCP provides that a "*complainant and the subject member of the complaint will ordinarily be given 10 working days from the date of notification of the decision to make a written request*" that the decision is reviewed. Of the Member complaints received three complainants have sought a review.

### Changes to the MCCCCP

- 3.2.14 Substantive changes to the MCCCCP require formal approval by the Audit and Standards Committee. Whilst no substantive changes are recommended as a result of this review, it is proposed to make three clarification amendments to the MCCCCP. These do not change the procedure to be followed from current practice:
- a) to add an indicative time frame of six months to the Initial Assessment Criteria "*If the period since the alleged behaviour is so significant that it is considered to be inequitable, unreasonable or otherwise not in the public interest to pursue*". In line with the LGA Code and related guidance 6 months is already used as a rule of thumb in considering whether there is a significant period between the alleged behaviour and the complaint.
  - b) to make the applicability of the confidential request provisions clearer, in that if the allegations are such that considering them inevitably will reveal the identify of the complainant, for example they assert a tort or racism directed at an individual, it will not be possible to investigate the complaint further without the Councillor knowing who has made the accusation/complained. In these circumstances it will not be possible to agree a request for confidentiality.
  - c) a minor amendment to reflect the Council's organisational change from Chief Executive's to Governance Department. The proposed amendments appear in red on the MCCCCP attached as Appendix B.

## **4.0 Financial Considerations**

- 4.1 There are no financial implications arising out of this report.

## **5.0 Legal Considerations**

5.1 The legal implications are contained within the body of this report.

## **6.0 Additional Considerations**

6.1 There are no

- a) Equality, Diversity & Inclusion (EDI) considerations
- b) Stakeholder and ward member consultation and engagement
- c) Climate Change and Environmental considerations
- d) Human Resources/Property considerations (if appropriate)
- e) Communication considerations

**Report sign off:**

***Debra Norman***

Corporate Director, Governance

### Complaints Received during 2023

#### Resolved at Initial Assessment Stage

	Ref	Complainant (s)	Details of Complaint	Outcome	Review Requested	Review Outcome
1.	27.02.23	Member of Public	Neither of the councillors responded to an email from the complainant on 11 November 2022 about a fallen tree incident and they also failed to respond to a follow up email the complainant sent to them on 25 November 2022	Decision under Initial Assessment criteria.  Members against whom the allegation has been made has remedied or made reasonable endeavours to remedy the matter and the complaint does not disclose sufficiently serious potential breaches of the Code to merit further consideration.	No	N/A
2.	18.08.23	Member of Public	An account of a conversation between a resident's partner and a member of staff of the developer at a consultation meeting, for a proposed development, which indicated that a Cllr may have brought influence of an improper nature on the planning process.	Decision under Initial Assessment criteria.  Expectation is that serious concerns about a member's behaviour will be brought to the attention of the council within 6 months of the behaviour occurring. The formal complaint some 13 months after the behaviour was known and could have been brought sooner.  In view of the period since the alleged behaviour, and the evidential	No	N/A

Summary of Member Code of Conduct (MCC) Complaints, Appendix A

				weaknesses, it is considered to be inequitable, unreasonable or otherwise not in the public interest to pursue.		
3.	27.11.23	Councillor	Cllr behaviour included repeatedly and persistently interrupting officers, raising their voice and questioning officer's professionalism and expertise.	Decision under Initial Assessment criteria.  Member against whom the allegation has been made has remedied or made reasonable endeavours to remedy the matter and the complaint does not disclose sufficiently serious potential breaches of the Code to merit further consideration.	No	N/A

**Resolved at Assessment Stage**

1.	07.06.23	Member of Public	Cllr did not act "appropriately as a councillor" or "act as a neutral party" in a neighbour dispute.	Decision under Assessment Criteria.  No breach of the code. Cllr had investigated and sought to assist both parties.	Yes	Not upheld
2.	09.09.23	Member of Public	Cllr behaved in a manner which was racist when dealing with issues in relation to their ward, was biased by virtue of differential treatment, drafted communications which was to the detriment of residents, and behaved in a harassing and intimidatory manner.	Decision under Assessment Criteria.  Insufficient evidence to substantiate an allegation that the Cllr was harassing the complainant. On the contrary, information submitted by the Cllr demonstrated they had raised concerns in relation to the harassment, intimidation and safety arising from the complainant's	Yes	Not upheld



Summary of Member Code of Conduct (MCC) Complaints, Appendix A

				<p>conduct preceding this complaint.</p> <p>The Cllr denied any suggestion of being racist and / or behaving in a manner which would be racist; and made reference to the positive relationships, supported by evidence, that they have with residents in their ward, who are from diverse backgrounds and the support they have received with respect to their written communications representing them.</p> <p>On the balance of probabilities there has been no breach of the Code</p>		
3.	09.09.23	Member of Public	<p>Cllr initially listened to the complainant's complaints but after speaking with a fellow ward Cllr refused to communicate with them thereafter.</p>	<p>Decision under Assessment Criteria:</p> <p>The Cllr confirmed they did listen to the complaint. It was upon speaking with the Chief Whip and the Leader that they were advised to limit her interactions with the complainant. This was in turn explained to the complainant.</p> <p>On the balance of probabilities there has been no breach of the Code</p>	Yes	Not upheld

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**LONDON BOROUGH OF BRENT**

**MEMBERS' CODE OF CONDUCT COMPLAINTS PROCEDURE**

**1 Introduction**

- 1.1 It is a requirement of the Localism Act 2011 that all Councils must adopt a Code of Conduct, which deals with the conduct expected of its elected and co-opted members when they are acting in their official capacity. The Code of Conduct is also required to include appropriate provisions relating to the registration and disclosure of pecuniary and other interests.
- 1.2 Brent Council is responsible for administering its own Code of Conduct and the Council is required to have in place arrangements under which allegations can be investigated and decisions on allegations can be made.
- 1.3 Brent Council is required to appoint at least one Independent Person whose views may be sought by the Council, usually through the Monitoring Officer, or by subject members. The Council must seek the views of an Independent Person before making a decision on an allegation that has been referred for investigation. There is no right for the complainant to seek the views of the Independent Person and no such contact will be tolerated. We have appointed a small number of Independent Persons.
- 1.4 The Independent Persons do not represent and nor are they advisors to the subject member or the Council. They must remain completely impartial and objective and they cannot take sides. Their only role is to assess complaints and form a view on them.
- 1.5 The 2011 Act provides that an allegation is *"a written allegation that a member or co-opted member of the authority has failed to comply with the authority's code of conduct"*.
- 1.6 This document sets out the procedure for submitting a complaint alleging that the Code of Conduct has been breached and the procedures that will be followed in dealing with such complaints. It also sets out the criteria for assessing a complaint and when a request may be made for the decision taken on a complaint to be reviewed.
- 1.7 All allegations will be dealt with objectively, fairly and consistently. We will also have regard to what is in the public interest and our fiduciary duty to the tax payers.
- 1.8 Within this procedure references to the "Monitoring Officer" include his or her duly appointed representative(s).
- 1.9 In this procedure the term 'subject member' means the member against whom the allegation has been made.
- 1.10 The Audit & Standards Advisory Committee will convene from time to time to review the handling of complaints, reviews and decisions made with a view to identifying trends or any improvements in this procedure and the application of it that may be desirable.



## **2 Submitting a complaint**

- 2.1 All complaints must be submitted in writing and this includes electronic submissions. We will assist you if you have a disability that prevents you from making or makes it difficult for you to submit your complaint in writing. We can also help if English is not your first language.
- 2.2 Complainants are encouraged to use our complaints form, which we can send out as a hard copy or which is available in electronic format from our web site. Further information and the complaint form are available on the [Complaints](#) page on our website. If the complaints form is not used the required information will still need to be provided in writing.
- 2.3 If a verbal complaint is made we will ask that the complaint is confirmed in writing providing all the required information. If you are unable to make a written complaint we will offer to transpose your complaint onto a complaint form with an accompanying written statement (if required) which you will then be asked to sign or otherwise indicate to our satisfaction that you wish to make a complaint in those terms. If you are unwilling to sign the documentation or otherwise indicate to our satisfaction that you wish to make a complaint in those terms we will not take any further action on the complaint unless the Monitoring Officer is satisfied that the circumstances justify a departure from this position. If you make a verbal complaint and simply decline to confirm the complaint in writing for reasons which we do not consider to be justifiable we will take no further action on the complaint.
- 2.4 Anonymous complaints will be rejected. This does not include complaints where the complainant requests confidentiality and which is dealt with further in section ~~7~~ 5 below and on the complaint form.
- 2.5 Some complaints against a member will represent a complaint against the Council but will fall outside the scope of this procedure. If that happens the complaint will be forwarded to the relevant officer(s) in the Council and the complainant will be advised of the action taken.
- 2.6 To submit complaints electronically please use the on-line form at the link in paragraph 2.2 above or e-mail [email address]. All other submissions must be sent or delivered to:  
The Monitoring Officer  
~~Chief Executive's~~ Governance Department  
Brent Civic Centre,  
Engineers Way,  
Wembley, Middlesex,  
HA9 0FJ

## **3. Processing and determination of complaints**

- 3.2 When a complaint is received which is within the scope of this procedure we will aim to acknowledge receipt within 3 working days.
- 3.3 The Monitoring Officer will carry out an initial assessment of whether the alleged behaviour falls within the Code of Conduct and, therefore, this procedure. This will normally be done within 10 working days. If the allegation is about a matter which falls outside of the Code of Conduct ([see Annex 1, 2.1](#)) or is considered to be within one of the criteria set out below the complaint will not progress beyond this initial assessment stage.



### Initial assessment criteria

- If the complaint is the same or substantially the same as a complaint previously dealt with
- If the period since the alleged behaviour is so significant (~~for example~~ normally six months or more) that it is considered to be inequitable, unreasonable or otherwise not in the public interest to pursue
- If the complaint is trivial
- If the complaint is not considered to disclose a sufficiently serious potential breach of the Code to merit further consideration
- If the complaint discloses such a minor or technical breach of the Code that it is not in the public interest to pursue
- If the complaint is or appears to be malicious, politically motivated, tit-for-tat or otherwise submitted with an improper motive and the complaint is not considered to disclose sufficiently serious potential breaches of the Code to merit further consideration
- If the complaint is vexatious
- If the member against whom the allegation has been made has remedied or made reasonable endeavours to remedy the matter and the complaint does not disclose sufficiently serious potential breaches of the Code to merit further consideration
- If the complaint is about a person who is no longer a member of the Council and there are no overriding public interest reasons to merit further consideration

3.4 At this stage, if the complaint is not to progress further the Monitoring Officer will notify the complainant in writing of that fact and with the reasons. She/he will also write to the subject member with details of the complaint, the decision made and the reasons for the decision. The name of the complainant will be disclosed to the subject member unless confidentiality has been requested and the Monitoring Officer considers the request to be justified. When confidentiality has been granted that will be confirmed to the subject member along with the reasons for granting it but not so as to enable the complainant to be identified.

3.5 Notwithstanding paragraph 3.2, the Council will in appropriate circumstances pass to the police or Director of Public Prosecutions any allegations it receives which disclose behaviour that may constitute a criminal offence, whether under the ethical standards provisions of the Localism Act or otherwise.

3.6 For those complaints which are to be taken beyond the process detailed in the preceding paragraphs, the following steps will be followed. The Monitoring Officer shall seek the views of the nominated Independent Person at Steps 3, 4, 9 and 10 of the process below and the subject member may seek the views of an Independent Person at any time during this process. If considered necessary by the Monitoring Officer she/he may consult with the Chair of Standards Committee and/or any Vice Chair of Standards Committee if appointed Standards Committee to assist her/him with the consideration and determination of the complaint. She/he may do this at any time during the process. The Monitoring Officer may also consult the Leader of the Council or Group Leaders, the Chief Executive or any other officers.



Step	Action
1	The Monitoring Officer will write to the subject member with details of the complaint, including those of the complainant unless any confidentiality request has been agreed, and also the name and contact details for one of the Independent Persons who has been nominated for the complaint and who the subject member may contact to seek their views. When confidentiality has been granted that will be confirmed to the subject member along with the reasons for granting it but not so as to enable the complainant to be identified. At this stage the subject member will be given an opportunity to provide the Monitoring Officer with a written response to the complaint. Ordinarily we will ask the subject member to restrict their written comments to two sides of A4 but they will be permitted to provide copies of supporting documents. A time limit for providing a written response will be imposed. Ordinarily this period will be 10 working days.
2	The subject member will provide their written comments, with supporting documentation if relevant, notify the Monitoring Officer that they do not wish to provide a written response to the complaint or the time limit for the submission of a written response will lapse.
3	The Monitoring Officer, following consultation with the Independent Person, will consider the complaint again in the context of any written submissions and supporting documentation provided by the subject member.
4	The Monitoring Officer will, following consultation with the Independent Person, determine the complaint in accordance with the Assessment Criteria set out in Annex 1 to this Procedure. The options the Monitoring Officer has are: <ul style="list-style-type: none"> <li>(i) to make no finding as to whether there has been a breach of the Code and take no further action;</li> <li>(ii) to make no finding as to whether there has been a breach of the Code but determine that some action other than an investigation is appropriate;</li> <li>(iii) to find no breach of the Code;</li> <li>(iv) to find a breach of the Code without an investigation but impose no sanction;</li> <li>(v) to find a breach of the Code without an investigation and impose a sanction;</li> <li>(vi) to require that the complaint be investigated to determine whether there has been a breach of the Code and the seriousness of the breach;</li> <li>(vii) to conclude that the circumstances of the complaint indicate that an offence under Chapter 7 of Part 1 of the Localism Act 2011 may have been committed and that the complaint ought to be investigated, by the police where appropriate, to determine whether a prosecution should be brought.</li> </ul>
5	The outcome of the determination of the complaint will be notified in writing to the complainant and the subject member within 5 working days.



6	<p>The complainant and the subject member will ordinarily be given 10 working days from the date of notification of the decision to make a written request to the Monitoring Officer that the decision is reviewed. In either case the person requesting the review must provide reasons to support the request for review and provide any supporting documentation that is relevant but which was not previously provided. The following limitations on review requests apply:</p> <p>(i) the <b>complainant</b> may only request a review where the finding is either of paragraphs (i) and (iii) in Step 4 above;</p> <p>(ii) the <b>subject member</b> may only request a review where the finding is either of paragraphs (iv) and (v) in Step 4 above</p>
7	<p>Following a written request for review being received within the time limit the Monitoring Officer will acknowledge the review request within 3 working days and notify the other interested parties of the review request. She/he will write to the complainant or subject member as appropriate with details of the review request. At this stage the complainant or subject member as appropriate will be given an opportunity to provide the Monitoring Officer with a written response to the review request. Ordinarily we will ask the complainant or subject member as appropriate to restrict their written comments to two sides of A4 but they will be permitted to provide copies of supporting documents. A time limit for providing a written response will be imposed.</p>
8	<p>The complainant or subject member as appropriate will provide their written comments, with supporting documentation if relevant, or notify the Monitoring Officer that they do not wish to provide a written response to the complaint or the time limit for the submission of a written response will lapse.</p>
9	<p>The Monitoring Officer, following consultation with the Independent Person, will consider the complaint again in the context of any written submissions and supporting documentation provided by the subject member at Step 2 as well as the review request and any written response to it.</p>
10	<p>The Monitoring Officer will, following consultation with the Independent Person, determine the review in accordance with the Assessment Criteria set out in Annex 1 to this Procedure. The options the Monitoring Officer has are as set out in Step 4.</p>
11	<p>The outcome of the determination of the review will be notified in writing to the complainant and the subject member within 5 working days.</p>

3.7 Steps 1 to 4 in the table in paragraph 3.5 will normally be concluded within 28 days of receipt of the complaint. If it is not possible to do this within this time the complainant and the subject member will be contacted and advised of the delay and when the Steps will be completed.

3.8 Steps 7 to 10 in the table in paragraph 3.5 will normally be concluded within 28 days of receipt of the review request. If it is not possible to do this within this time the complainant and the subject member will be contacted and advised of the delay and when the Steps will be



completed.

- 3.9 The sanctions that may be imposed where the Code is found to have been breached are set in in section 10 of Annex 2.

#### 4 What happens following assessment or review of complaints?

- 4.1 Any action or investigation will be implemented. If other action is determined as appropriate and either party declines to comply that will be reported to the Monitoring Officer who may decide to treat the facts as a complaint for determination through the process set out in paragraph 3.5 above.
- 4.2 If potential criminal offences are identified and the complaint referred for investigation with a view to prosecution, the appropriate procedures of the police or Council will be followed so as to protect the integrity of the investigation.
- 4.3 A report setting out all the complaints and requests for reviews received and what action was taken regarding them will be forwarded to the Standards Committee on a 6 monthly basis for consideration and comment.
- 4.4 The procedures for any investigations and hearings following investigation are annexed to this document as Annex 2 and 3.

#### 5 Complainant confidentiality

- 5.1 The subject member will, in normal circumstances, be told from the outset who has complained about them. If a complainant asks for their identity to be withheld their request will be considered by the Monitoring Officer prior to the member being notified that a complaint has been made.
- 5.2 Each request for confidentiality will be considered on its merits and in determining such a request the following will be considered:

- (i) Whether the complaint is such that it cannot be looked into without the councillor being aware of the identity of the complainant, for example, it asserts a tort or alleged racism directed at the complainant.
- (ii) Whether the complainant reasonably believes that they, or those connected to them, will be at risk of harm if their identity is disclosed;
- (iii) That the complainant is reasonably concerned about the consequences to their employment, or those connected to them, if their identity is disclosed;
- (iv) That the complainant, or somebody closely connected to them, suffers from a medical condition and there is evidence of medical risks associated with their identity being disclosed or confirmation from an appropriate medical professional that that is the case; and
- (v) The public interest. In some cases the public interest in proceeding with the





complaint may outweigh the complainant's wish to have their identity withheld.

- 5.3 If it is not considered appropriate to grant a request for confidentiality the complainant will be advised that it is not be possible to investigate the complaint further without the Councillor knowing who has made the accusation/complaint -and offered the opportunity to withdraw the complaint rather than proceed with it, but this is subject to paragraph 6.

## 6 Withdrawal of complaints

- 6.1 Requests to withdraw complaints will normally be granted but in considering such a request from the complainant the Monitoring Officer will consider the following factors:
- (i) Whether the public interest in taking action on the complaint outweighs the complainant's desire to withdraw it;
  - (ii) Whether the complaint is such that action can or should be taken on it without the complainant's participation; and
  - (iii) Whether there appears to be an identifiable underlying reason for the request to withdraw the complaint such as whether there is information to suggest that the complainant may have been pressured into withdrawing the complaint.

- 6.2 Even if a request to withdraw a complaint is granted, the Monitoring Officer may still refer the circumstances for assessment and investigation under the appropriate procedures if those circumstances merit such action in the opinion of the Monitoring Officer such as if they disclose potentially significant probity issues, possible criminal offences or safeguarding issues.

## 7 Conflicts of interest

- 7.1 If any officer has any personal or professional conflict of interest in relation to a complaint, they must have no involvement or no further involvement in dealing with that complaint other than such reasonable steps as are necessary to ensure that the complaint is dealt with by someone other than them. Any conflicts identified during the course of a matter will be managed appropriately by the Monitoring Officer.
- 7.2 An officer who has previously advised a subject member or has given advice to the complainant about the issues giving rise to a complaint must seek advice from their line manager as to whether they can properly be involved in the conduct of a related complaint. Public perception and the public interest will be considered.
- 7.3 If any Independent Person has any personal or professional conflict of interest in relation to a complaint, they must have no involvement or no further involvement in dealing with that complaint other than such reasonable steps as are necessary to ensure that the complaint is dealt with by someone other than them. Where this occurs another Independent Person will be appointed and the appropriate person(s) notified.

## 8 Records retention



- 8.1 Brent Council will store all records of complaints in electronic format in a secure environment on a computer network. Records will be stored in accordance with the Brent Council's records management policy and procedures. We may also choose to store hard copies of some or all documents and information.

## **Annex 1 to the Code of Conduct complaint Assessment and Determination Procedure**

### **Assessment Criteria**

#### **1. Introduction**

- 1.1 All complaints and reviews will be considered on their merits and according to the facts.
- 1.2 The Monitoring Officer will seek the views of the Independent Person at Steps 3, 4, 9 and 10 of the procedure set out in 3.5 of the main document.
- 1.3 These assessment criteria, which are subject to an annual review by the Standards Committee, will be used as guidance in the consideration and determination of complaints and reviews but the Monitoring Officer is entitled to depart from these criteria when they consider it appropriate to do so.
- 1.4 The assessment criteria are intended to be a guide to promote consistency. Two complaints may be about the same aspect of the Code but differ considerably in terms of the facts, how serious they are and there may be huge differences in the relevance and amount of detail regarding the complaint. For these reasons the assessment criteria can only be a guide.

#### **2. Overriding criteria**

- 2.1 These three tests will be applied during the initial assessment of a complaint:
- Is the complaint about one or more named members of the authority?
  - Was the subject member in office at the time of the alleged conduct?
  - If proven, would the complaint disclose a breach of the Code of Conduct?
- 2.2 **No finding of whether there is a breach of the Code**  
If on the facts it is not possible to determine whether there has been or may have been a breach of the Code and the alleged conduct does not merit an investigation, having regard to the public interest, this is the appropriate finding to make.
- 2.3 **No finding of whether there is a breach of the Code but action other than investigation is appropriate**  
If on the facts, it is not possible to determine whether there has been or may have been a breach of the Code, the alleged conduct does not merit an investigation, having regard to the public interest, but the allegation and any response from the subject member disclose an underlying issue that action such as mediation or training on the Code or council procedures might assist with, this is the appropriate finding to make. The other action information below needs to be considered in these circumstances.



**2.4 Finding of no breach of the Code**

If the facts available demonstrate on the balance of probabilities that there has been no breach of the Code, this is the appropriate finding to make. If there is no breach of the Code a sanction cannot be imposed but other action such as mediation or training might still be considered.

**2.5 Finding of a breach of the Code without an investigation**

A finding that the Code of Conduct has been breached without the need for an investigation will usually be appropriate in the following circumstances:

- It can clearly be shown that from the information that has been provided by the subject member and the complainant that a breach of the Code has occurred
- The subject member has admitted to the breach of the Code, whether or not they have offered to remedy the breach
- It can be shown that an investigation is unlikely to be able to establish any further independent relevant evidence regarding the complaint or that the cost of obtaining any further evidence would not be justified having regard to the public interest and that on the evidence supplied a breach of the Code can be shown

**2.6** A breach of the Code without investigation can only be found if the complaint satisfies the first three initial tests and that it can be clearly shown, on the balance of probabilities that a breach of the Code of Conduct has occurred.

**2.7 No Further Action**

If a breach of the Code is found but it is trivial, a technical breach or otherwise of limited effect it may be appropriate to take no further action.

**2.8 Referral for other action**

A complaint may be referred for other action in the circumstances listed below. Other action may be appropriate whether a breach is found or not. However, in general, other action may be used where the complaint discloses a more general rather than a specific problem concerning the member's conduct.

Referring a matter for other action effectively closes the door on a review of the decision as the matter cannot subsequently be referred for investigation if the complainant is dissatisfied with the outcome of the other action. As such, other action should be exercised only where appropriate. If necessary the assessment of a complaint can be deferred while further information is obtained and other action is being considered. In addition, the subject member and the complainant can be contacted to see if they will accept other action as a way of resolving the complaint, such as by way of an apology.

The following should be considered in determining whether it is appropriate to refer a complaint for other action:

- Does taking further action provide an opportunity to resolve the issue and to prevent any



similar issues arising in the future and promote good governance?

- Does the complaint present a potentially less serious breach of the Code than would require the matter to be referred for investigation and is any benefit to be gained from referring the matter for investigation?
- Is the subject member a member who appears to have a poor understanding of the Code and relevant procedures?
- Is the council suffering from a widespread breakdown in internal relationships and trust where a course of action other than an investigation of a complaint may be more appropriate and beneficial to the council?

## 2.9 **Referral for Investigation**

A complaint should usually be referred for investigation in the following circumstances:

- The complaint has passed all three of the initial tests
- The subject member has denied the allegations but the information presented indicates that there may be a breach of the Code
- On the information provided the potential breach of the Code of Conduct is sufficiently serious that an investigation should be undertaken to discount or substantiate the complaint and to determine what sanction, if any, is appropriate

## 2.10 **Potential offences under the Localism Act 2011**

If it is considered that the allegation concerned may disclose an offence under the Localism Act it should be referred to the police or other appropriate person(s) for further consideration as to whether there should be an investigation with a view to prosecution. No prosecution can be brought without the consent of the Director of Public Prosecutions.

If it transpires that no offence was committed, whether following trial or otherwise, the complaint ought to be reintroduced to this procedure for determination of any breach of the code and any appropriate sanction.



## Annex 2

### How is the investigation conducted?

1. Where, the view of the Monitoring Officer is that a complaint merits formal investigation, the Monitoring Officer will appoint an investigating officer. The timescale for investigation will normally take no more than 12 weeks to complete.
2. The investigating officer will contact the complainant and the member against whom a complaint has been made and undertake such investigation as is appropriate in all the circumstances within the parameters of the complaint that has been made. Where during the course of an investigation new matters arise, the Investigating Officer shall refer those matters back to the Monitoring Officer for a decision on how those matters should be dealt with under these procedures.
3. At the end of the investigation, the investigating officer will produce a draft report and will seek comments and views on the draft report from the member against whom the complaint has been made and, except in exceptional circumstances, the complainant. If a draft report is not sent to the complainant for comment an explanation must be provided in the report.
4. Having received and taken account of any comments which have been made, the Investigating Officer will send a copy of the final report to the Monitoring Officer.
5. If at any time the investigation is frustrated, for example, if significant witnesses are not available for interview, the Monitoring Officer following consultation with the Independent Person can decide what action to take, including terminating the investigation.
6. What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?
  - The Standards Committee will review the Investigating Officer's report and if, following consultation with the Independent Person, it accepts the Investigating Officer's conclusion, the Standards Committee will inform the complainant and the member concerned that it is satisfied that no further action is required. A copy of the Investigating Officer's final report will be given to the complainant and the member concerned. Members of the Standards Committee will be advised that the report relates to an individual and will reveal their identity.
  - If the Standards Committee following consultation with the Independent Person is not satisfied that the investigation has been conducted properly, it may ask the investigating officer to reconsider his/her report.
  - If the Standards Committee following consultation with the Independent Person wishes, notwithstanding the views of the investigating officer, it may refer the matter for hearing.
7. What happens if the investigating officer concludes that there is evidence of a failure to comply with the Code of Conduct?
  - (i) The Standards Committee will review the investigating officer's report and following consultation with the Independent Person, will either (a) direct local resolution or (b) refer the matter to Standards Committee for a hearing



(ii) Local Resolution

The Standards Committee, following consultation with the Independent Person may consider that the matter can reasonably be resolved without the need for a hearing. In such a case the Standards Committee may direct such fair resolution as it considers helps to ensure higher standards of conduct for the future. Such resolution may include the member accepting that his/her conduct was unacceptable and offering an apology and/or other remedial action by the authority. If the member complies with the suggested resolution, the Monitoring Officer will report the matter to the Standards Committee for information but will take no further action. If the local resolution recommended by the Standards Committee is not complied with, the Monitoring Officer will refer the matter to the Standards Committee to determine whether there should be a hearing.

(iii) Standards Committee hearing

Meetings of the Standards Committee will be open to the press and public unless confidential or exempt information under Part VA Local Government Act 1972 is likely to be disclosed. The committee will go into private session if it resolves to do so.

If the Standards Committee decides that the matter will proceed to hearing, paragraphs 8 to 11 will apply:

**8 Pre Hearing Process**

8.1 Prior to a hearing, an officer from the Council's Executive & Member Services team will write to the member subject to the complaint proposing a date for the hearing before the Standards Committee.

8.2. Legal Services will provide a copy of this procedure note to the member subject to the complaint and request a written response from the member within a set time in relation to whether the member:-

- Wants to be represented at the hearing by a solicitor, barrister or any other person and the identity of that person
- Disagrees with any of the findings of fact in the investigation report and the reasons for it
- Considers he or she has breached the Code of Conduct and, if not, why
- Whether if there is found to be a breach there is anything he or she would like to be taken into account by the committee when it considers whether a sanction should be imposed and what that sanction might be
- Wants to give evidence to the Standards Committee either verbally or in writing
- Wants to call relevant witnesses to give evidence to the hearing and to provide details of the witnesses
- Wants any part of the hearing to be held in private and reasons for the request
- Wants any part of the investigation report or other relevant documents to be withheld from the public and reasons for the request
- Has any special access requirements e.g. interpreter, special print (or the Member' witness(es) or representative requires such)



- Can attend the hearing
- 8.3 The member's response will be referred to the Monitoring Officer to comment in order to ensure that all parties are clear about the remaining factual disputes and can deal with these issues at the hearing. The Monitoring Officer will also ascertain from the investigating officer whether the complainant will be giving evidence at the hearing and whether the investigating officer will be calling any witnesses to give evidence.
- 8.4 The Monitoring Officer will prepare a report for the hearing which will:
- Summarise the allegation
  - Outline the main facts of the case which are agreed
  - Outline the main facts which are not agreed
  - Indicate whether the member and the investigating officer will be present at the hearing
  - Indicated the witnesses, if any, who will be asked to give evidence
  - Include the Investigating Officer's report
  - Include the views of the Independent Person

## **9 The Hearing**

- 9.1 The hearing is before the Standards Committee and the Independent Person will be in attendance to provide his/her views before a decision is made.
- 9.2 The procedure for local hearings is attached at Annex 3.
- 9.3 The meeting of the Standards Committee will be open to the press and public unless confidential or exempt information under Part VA Local Government Act 1972 is likely to be disclosed. The Committee will go into private session if it resolves to do so.
- 9.4 The Standards Committee will decide on the balance of probabilities whether the member is in breach of the Code of Conduct. The Standards Committee must seek the views of the independent person before making a decision on the allegation.
- 9.5 The Standards Committee can determine the number of witnesses and the way in which witnesses can be questioned.
- 9.6 If the member fails to attend the hearing, the Standards Committee can decide whether to proceed in the member's absence and make a determination or whether to adjourn the hearing to a later date.
- 9.7 If the Standards Committee concludes that the member did fail to comply with the Code of Conduct, the Committee will then consider what action, if any, the Committee should take. In doing this, the Committee will give the member the opportunity to make representations to the Committee and will consult the Independent Person.

## **10. What action/sanctions can the Standards Committee take where a member has failed to comply with the Code of Conduct?**



- 10.1 The Council has delegated to the Standards Committee such of its powers to take action in respect of individual members as may be necessary to promote and maintain high standards of conduct.

Accordingly the sanctions available to the Standards Committee are:

- Censure or reprimand the member
- Publish in a local newspaper its findings in respect of the member's conduct
- Report its findings to Council for information
- Recommend that the member apologises
- Recommend that the member undertakes training
- Recommend to the member's Group Leader (or in the case of ungrouped members recommend to Council or to committees) that the member be removed from any or all committees of the council
- Recommend to the Leader that the member be removed from the Cabinet or removed from particular portfolio responsibilities
- Recommend to Council that the member be replaced in any Council appointed roles
- Instruct the Monitoring Officer to arrange training for the member
- Recommend to Council removal from all outside appointments to which the member has been appointed or nominated by authority
- Withdraw facilities provided to the member by the Council
- Exclude the member from the Council's offices or other premises with the exception of meeting rooms as necessary for attending council and committee meetings.

## **11 What happens at the end of hearing?**

- 11.1 At the end of the hearing the Chair of the Standards Committee will state the decision of the Committee and any actions which the Committee resolves to take.
- 11.2 The decision taken by the Standards Committee will be recorded in accordance with ordinary committee rules.

## **12 Appeals**

- 12.1 There is no right of appeal for the complainant or the member against a decision of the Monitoring Officer or the Standards Committee.





## **Annex 3**

### **Procedure for Hearings before the Standards Committee**

#### **1 Introduction**

#### **2 Chair of the Standards Committee outlines the hearing procedure**

- 2.1 The Chair can depart from the procedure outlined below where he/she considers it expedient to do so in order to secure the fair consideration of the matter.

#### **3 Findings of Fact**

- 3.1 The Committee should consider where there are any significant disagreements about the facts contained in the investigating officer's report.
- 3.2 If there is no disagreement about the facts the committee can move on to the next stage of the hearing (go to paragraph 9)
- 3.3 Where there is a disagreement the investigating officer will be invited to make representations to support the findings of fact and with the committee's permission, call witnesses to give evidence.
- 3.4 The member, against whom the complaint has been made, will be given the opportunity to challenge the evidence put forward by any witness called by the investigating officer by asking the witness questions.
- 3.5 The member will then be given the opportunity to make representations and with the committee's permission, call any witnesses to give evidence.
- 3.6 The investigating officer will be given the opportunity to challenge the evidence put forward by any witness called by the member to give evidence.
- 3.7 At any time, the committee and independent person may question any of the people involved or any witnesses. The independent person may also give an opinion.
- 3.8 The Committee will usually consider the representations and evidence in private.
- 3.9 The committee will be advised by the Monitoring Officer, in private if necessary, at any time during the hearing or while they are considering the outcome.
- 3.10 Once the committee has made its decision, the Chair will announce the committee's finding of fact to the meeting.

#### **4 Did the member fail to comply with the Code of Conduct?**

- 4.1 The committee should then consider whether based on the facts it has found, the member has failed to comply with the Code.
- 4.2 The member will be invited to make representations on the matter.



- 4.3 The investigating officer will be invited to make representations.
- 4.4 The independent person will be invited to give an opinion.
- 4.5 The committee may, at any time, question the member, investigating officer or independent person on any point raised.
- 4.6 The member will be invited to make any final relevant points
- 4.7 The committee will usually consider the representations in private, with the attendance of and advice from the Monitoring Officer.
- 4.8 Once the committee has made its decision, the Chair will announce the committee's decision to the meeting as to whether the member has failed to comply with the Code.

**5 If there is a finding that the member has not failed to comply with the Code of Conduct**

- 5.1 Where the committee decides that the member has not failed to comply with the Code, the committee can consider whether it wishes to make any recommendations.

**6 If there is a finding that the member has failed to comply with the Code of Conduct**

- 6.1 If the committee decided that the member has failed to comply with the Code, it will consider representations from the member, investigating officer and independent person as to:
  - Whether the committee should apply a sanction
  - What form any sanction should take

7 The committee may question the investigating officer, member and independent person and take legal advice, to make sure they have the information they need in order to make an informed decision.


8 The committee will consider in private with the attendance of and advice from the Monitoring Officer whether to impose a sanction and if, so what sanction it should be

9 The Chair will announce the decision to the meeting.

10 The committee will also consider whether it should make any recommendations with a view to promoting high standards of conduct

**11 Committee decision**

- 11.1 The decision taken by the Standards Committee will be recorded in accordance with ordinary committee rules.

 <b>Brent</b>	<b>Audit and Standards Advisory Committee</b> 6 February 2024
	<b>Report from the Corporate Director of Finance and Resources</b>
	<b>Lead Member – Deputy Leader &amp; Cabinet Member for Finance, Resources &amp; Reform (Councillor Shama Tatler)</b>
<b>CIPFA Financial Management Code and Redmond Review – Update Report</b>	
<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Not Applicable
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>List of Appendices:</b>	None
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Minesh Patel Corporate Director of Finance and Resources Tel: 020 8937 6528 Email: <a href="mailto:Minesh.Patel@brent.gov.uk">Minesh.Patel@brent.gov.uk</a>  Rav Jassar Deputy Director of Finance Tel: 020 8937 1487 Email: <a href="mailto:Ravinder.Jassar@brent.gov.uk">Ravinder.Jassar@brent.gov.uk</a>

## 1. Executive Summary

- 1.1. On 7 December 2021, this committee received a report entitled *CIPFA Financial Management Code and Redmond Review – Progress Report* which set out progress to that date on a programme of works that the council was undertaking to improve its financial management.
- 1.2. This report provides an update to that report with a review of the outcome of the work to implement CIPFA’s Financial Management (FM) Code and the independent review by Sir Tony Redmond into the effectiveness of external audit and transparency of financial reporting in local authorities (the Redmond Review).

## **2.0 Recommendation(s)**

The Committee is asked to:

- 2.1 Note the content of this report and its conclusion that work on the CIPFA FM Code is now complete and future work on the Redmond Review will be incorporated into the plan and timetable for the closing of the 2024/25 accounts.

## **3.0 Detail**

### **3.1 Contribution to Borough Plan Priorities & Strategic Context**

- 3.1.1 The CIPFA Financial Management code underpins all aspects of financial management within the Council which enables the delivery of the priorities and objectives within the Borough Plan.

## **4.0 CIPFA's Financial Management Code**

*What is it?*

- 4.1 CIPFA created the Financial Management (FM) Code to consolidate existing requirements and create a new best practice context underpinned by the tenet that good financial management is an essential element of good governance and longer-term service planning, which are critical in ensuring that local service provision is sustainable. The CIPFA FM Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code sets out the standards of financial management for local authorities.
- 4.2 The FM Code has several components, including the CIPFA Statement of Principles of Good Financial Management. These six principles are the benchmarks against which all financial management should be judged. To enable authorities to test their conformity with the six principles, the FM Code translates these principles into 17 financial management standards (FMS), which form the essence of what needs to be implemented.

*Where is Brent?*

- 4.3 For work planning, the Council divided the FM Code activity into seven workstreams each of which had sub-tasks, that taken together define the elements of work required to implement the financial management standards.
- 4.4 The December 2021 report to this committee provided an analysis of progress to that date. A key finding was that only 16% of the FM Code requirements had been met in full at that point; of the remaining 84%, 36% were nearly met whereas 48% were only partially met.
- 4.5 To focus and direct activity, the Council carried out a self-assessment against the 17 financial management standards in the CIPFA FM Code and identified

two areas that required substantial work: the medium term financial strategy (MTFS) and the Financial Resilience Assessment. A detailed project plan was compiled that covered the whole programme of work to implement the FM Code, but targeted improvements in those areas as a priority.

*Progress to date*

4.6 The table below sets out the workstreams and activities in the project plan and the outcome of the work undertaken to implement the FM Code.

**Table 1 – Outcome of the FM Code Implementation**

<b>Workstream</b>	<b>Activities</b>	<b>Benefits</b>	<b>End Products</b>	<b>Status</b>
<b>1 CFO</b>	<ul style="list-style-type: none"> <li>Review Value for Money framework and Role of Chief Finance Officer</li> <li>Review Finance Team to ensure that it is fit for purpose</li> </ul>	<ul style="list-style-type: none"> <li>Improvements to the economy, efficiency and effectiveness of service procurement and provision</li> <li>Consideration of Equity as part of VfM</li> </ul>	<ul style="list-style-type: none"> <li>Improved Value for Money framework</li> <li>Compliance with CIPFA CFO requirements</li> <li>Fit for purpose Finance team</li> </ul>	Completed
<b>2 Governance</b>	<ul style="list-style-type: none"> <li>Review of governance arrangements to gain trust in application of internal controls and to ensure</li> <li>financial management style supports financial sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Improved decision making with greater transparency</li> <li>Builds trust amongst key stakeholders</li> <li>Lessens risk of legal challenge</li> </ul>	<ul style="list-style-type: none"> <li>Main financial reports amended to ensure financial management style geared towards financial sustainability and improved governance.</li> </ul>	Completed
<b>3 MTFS</b>	<ul style="list-style-type: none"> <li>Creation of Financial Resilience Assessment</li> <li>Integration of financial resilience into authority's strategic plan</li> <li>Affordable, prudent and sustainable capital investment</li> <li>Translation of the long-term financial strategy into medium-term financial plan</li> </ul>	<ul style="list-style-type: none"> <li>FRA provides a tool to assess financial sustainability as part of long-term planning framework</li> <li>Prudent capital investment strategy linked to revenue plans</li> <li>Long-term financial strategy and improved medium term financial planning</li> </ul>	<ul style="list-style-type: none"> <li>Financial Resilience Assessment undertaken</li> <li>New long-term financial planning framework supported by revised MTFS and Prudential Indicators</li> <li>New cycle of financial year which links budget setting, budget monitoring and outturn reporting into a coherent long term financial strategy</li> </ul>	Completed
<b>4 Budget</b>	<ul style="list-style-type: none"> <li>Review budget setting arrangements to ensure compliance with statutory obligations</li> </ul>	<ul style="list-style-type: none"> <li>Besides compliance, this review will contribute to new long-term planning framework and financial sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Reserves Strategy, revised s25 section in Budget Report on robustness of estimates and adequacy of reserves</li> </ul>	Completed
<b>5 Stakeholders</b>	<ul style="list-style-type: none"> <li>Improve process for engaging with stakeholders in effective consultation</li> </ul>	<ul style="list-style-type: none"> <li>Better understanding of stakeholder views and reduced risk of legal challenge</li> </ul>	<ul style="list-style-type: none"> <li>Improved stakeholder engagement process via a variety of channels including</li> </ul>	Completed

Workstream	Activities	Benefits	End Products	Status
	<p>to set the authority's financial and services priorities</p> <ul style="list-style-type: none"> <li>Option appraisal methodology to demonstrate Value for Money</li> </ul>		<p>online and Brent Connects meetings. Improved Options Appraisal framework</p>	
<b>6 Performance</b>	<ul style="list-style-type: none"> <li>Identify and correct emerging risks to budget strategy and long term financial sustainability</li> <li>Create an environment within which effective management of the balance sheet is promoted and valued</li> </ul>	<ul style="list-style-type: none"> <li>Risk management and the monitoring of balance sheet are essential parts of the new financial framework which provides assurance on financial sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Improved risk management framework and risk register.</li> <li>Periodic balance sheet monitoring to inform the financial planning process</li> </ul>	
<b>7 Reporting</b>	<ul style="list-style-type: none"> <li>Compliance with principles and practices of accounting that are required to give a 'true and fair' view of the authority's financial position</li> <li>Outturn Report facilitates strategic financial decisions</li> </ul>	<ul style="list-style-type: none"> <li>The Outturn Report is tailored to ensure it informs of the financial planning process with past data whilst enabling members to make informed decisions</li> </ul>	<ul style="list-style-type: none"> <li>Revised outturn report closely align with its target outputs. Demonstrable compliance with Code of Practice on Local Authority Accounting.</li> </ul>	Completed

### Reviews

- 4.7 The work undertaken under the aegis of the FM Code Programme has been subject to review by both internal and external audit.

#### *Internal Audit - CIPFA Financial Management Code Self-Assessment*

- 4.8 This audit provided assurance over the following sub-processes:
- Oversight and governance
  - Development of the MTFS high-risk action plans
  - Development of the financial resilience action plans
- 4.9 The auditors concluded that "the governance structure and arrangements for the programme are clearly defined and documented" with "the individual roles and responsibilities of the programme team clearly defined and documented, and well understood". "For the financial resilience assessment, a paper has been created to outline the Council's approach to the assessment, which is aligned with the CIPFA FMC Guidance document."

#### *External Audit – Value for Money Report*

- 4.10 The Council's external auditors, Grant Thornton, are required to report in detail on whether the Council has put in place proper arrangements to secure Value for Money (VfM) in respect of economy, efficiency and effectiveness in its use of resources. This includes taking properly informed decisions and managing key operational and financial risks so that the Council can deliver its objectives and safeguard public money. This is assessed under the following areas: Financial Sustainability; Governance; and Improving economy, efficiency, and effectiveness.
- 4.11 This work therefore aligns with key aspects of the FM Code work which covers governance and reporting arrangements, financial planning including measures to ensure financial resilience and financial sustainability and increased value for money by improved to the economy, efficiency, and effectiveness of the council's activities.
- 4.12 The auditors' report will presented to Full Council on 29 February and considered at the same time as the budget report. The report concluded that there have been no significant weaknesses identified in the Council's VfM arrangements and only improvement recommendations are made. Overall, the commentary from the auditors in respect of financial sustainability is positive, recognising that in line with significant challenges faced by other local authorities, the Council has been compelled to make tough decisions in order to balance its budget and ensure it maintains its finances on a sustainable footing. The auditors found that the Council's financial planning both short and longer term was based on sound judgements. The report notes that the Council has a good track record in setting and achieving balanced budgets and identifying and responding to financial risks.

#### *Appraisal*

- 4.13 Overall, the FM Code implementation programme has been successfully completed and the intended benefits have been realised. This work has ensured that the Council has sound financial management arrangements in place that are not only compliant with CIPFA's FM Code but are also fit for purpose. This offers a solid foundation for future reviews of the Council's financial position to ensure financial resilience and financial sustainability. This approach more vital than ever at a time of economic volatility with the council facing limited and reducing resources.

#### *Further Work*

- 4.14 Whilst all the tasks set out in the original project plan are now complete, there is scope to review and improve the current arrangements. Indeed, the Financial Resilience Assessment undertaken as a part of this work has identified three areas for improvement.
- **Performance Management** - Performance, financial and risk management information need to be aligned and cross referenced to provide a full picture of the Council's service delivery. Benchmarking

needs to be put on a more regular and formal basis, using tools such as dashboards.

- **Links to Other Plans** - Links between the various plans, particularly policy plans (Borough Plan) and forward financial plans (MTFS, Capital Strategy) should more clearly articulated in a joined up policy and financial framework.
- **Effective Medium and Long-Term Planning** - further work is needed on risk identification and management, and more robust modelling of demographic and other service pressures would do much to improve budget setting and medium term financial planning. Also, there is much that can be done to improve longer term service and financial planning, in particular by focusing on identifying significant known and forecast future resource requirements. They could include the need for asset renewal and replacement (something the HRA already does in its 30-year business plan) and demographic change and demand forecasts (something undertaken when planning future school rolls).

## 5.0 Redmond Review

*What is it?*

- 5.1 In September 2020, Sir Tony Redmond reported to the Government the recommendations of his review of the oversight of local audit and the transparency of local authority financial reporting. The latter part of his investigation is pertinent here. The recommendations for a simplification of local authority accounts, in particular by including a service-based outturn statement, have been accepted by CIPFA, but not yet implemented.

*Where is Brent?*

- 5.2 CIPFA have put forward proposals that in part address the Redmond recommendations on the Statement of Accounts as part of their proposed changes to the *Code of Practice on Local Authority Accounting (ACOP)*. The key proposal is to add a summary of financial information to the Narrative Report in the accounts. This is only a partial solution as it provides further supplementary information, not a refocused and reformatted replacement of existing financial statements. Indeed, as this table would be part of the Narrative Report, and not part of the main statements, it would not be audited with the same rigour as the main accounts. It would however deliver one of the key objectives of the Redmond Review by improving the transparency and clarity of the information in the accounts for the non-accountant reader.

*Progress to date*

- 5.3 CIPFA's proposals are for summary financial information to include:
- a) A summary of service outturn per service in comparison to an authority's budget as reported in the council tax leaflet and reconciled to the amounts



charged to a revenue account in accordance with statutory provisions, i.e. the reported surplus or deficit per paragraph 3.4.2.105 l) c) of ACOP in the expenditure and funding analysis. This will be accompanied by the explanations of major variances from the budget reported in the council tax leaflet.

- b) Where applicable an analysis of outturn against spend shall be provided for the Housing Revenue Account. This will be accompanied by the explanations of major variances in the budget reported to housing rent payers.
- c) A summary of the local authority's financial position based on its reported Balance Sheet per paragraph 3.4.2.62 of ACOP including minimum requirements.
- d) An analysis of an authority's usable reserves.
- e) An authority's capital expenditure for the current and preceding year and forecast for the following three years. A short explanation of the authority's capital programme including major capital projects.
- f) The authority's underlying need to borrow to finance capital expenditure, i.e. its reported capital financing requirement in accordance with paragraph 4.1.4.3 5 of ACOP; borrowing as a proportion of a council's total income for the current and preceding year and forecast for the following three years and an explanation of what the trends indicate in terms of capital financing.
- g) A summary of any significant commercial activities and their risks.

#### *Further Work*

- 5.4 As the requirements governing the Narrative Report allow authorities to disclose additional information, provided that they include the items on the ACOP checklist and that the additional information is consistent with the main accounts, there is freedom to add voluntarily the information in CIPFA's proposal. Brent already makes additional disclosures such as in the tables added last year. Early implementation of this change will put the Council in a good position to comply with the final requirements when they come into force. The Council therefore intends to adopt CIPFA's proposal and add a summary of financial information section to the Narrative Report in the Statement of Accounts for 2024/25.

## **6.0 Conclusion**

- 6.1 As a result of the review undertaken, this report concludes that work on the CIPFA FM Code is now complete and future work on the Redmond Review should be incorporated into the plan and timetable for the closing of the 2024/25 accounts.

**7.0 Financial Considerations**

7.1 There are no cost or budgetary implications arising from this report.

**8.0 Legal Considerations**

8.1 None.

**9.0 Equality, Diversity & Inclusion (EDI) Considerations**

9.1 None.

**10.0 Climate Change and Environmental Considerations**

10.1 None.

**11.0 Human Resources/Property Considerations (if appropriate)**

11.1 None.


**12.0 Communication Considerations**

12.1 None.

**Report sign off:**

***Minesh Patel***

Corporate Director of Finance and Resources

	<p align="center"><b>Audit and Standards Advisory Committee</b> 6 February 2024</p>
	<p align="center"><b>Report from the Corporate Director of Finance and Resources</b></p>
	<p align="center"><b>Lead Member – Deputy Leader &amp; Cabinet Member for Finance, Resources &amp; Reform (Councillor Shama Tatler)</b></p>
<p align="center"><b>Emergency Planning &amp; Resilience Service Update</b></p>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Non-key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>List of Appendices:</b>	One Appendix 1: External Review of Council's Emergency Planning Service - Recommendations
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Melissa Brackley Emergency Planning & Resilience Manager <a href="mailto:melissa.brackley@brent.gov.uk">melissa.brackley@brent.gov.uk</a>

## 1.0 Executive Summary

1.1 This report continues the cycle of annual updates that the Emergency Planning team has shared with the Audit and Standards Advisory Committee since 2018. The report provides the Committee with an update on the work and priorities of the team since the last report in September 2022, focusing on the continuous improvement within the Council's Emergency Planning and Resilience service.

1.2 Following some personnel changes within the team and some significant Emergency Planning incidents in 2023, a key milestone in the current annual cycle has been the commissioning of an external review of the Council's Emergency Planning. The review has been completed and identifies a number of key areas of focus for 2024, which include increasing the capacity of the team, a greater focus on training and development and the use of simulated events/exercises that involve multi-agency response(s).

## 2.0 Recommendation(s)

2.1 The Committee is asked to consider and note the information contained in this report, in particular the external service review which has recently been undertaken and the training sessions and exercises proposed to improve our organisational readiness.

### **3.0 Detail**

#### **3.1 Contribution to Borough Plan Priorities & Strategic Context**

3.1.1 The service updates provided in this report align with the following relevant priorities and outcomes within the Borough Plan:

- Prosperity and Stability in Brent - Building stronger partnerships with local organisations and supporting our community in the context of Emergency Planning and Resilience.
- Thriving Communities - Helping to support the creation of a safer borough through proactively planned interventions to reduce exposure to Emergency Planning and Resilience related risk.

3.1.2 The service updates provided in this report align with the following key corporate strategic documents:

- The Brent Borough Risk Register.
- Corporate Business Continuity Plan and Brent Recovery Plan.

#### **3.2 External Service Review**

3.2.1 An external review of the Council's Emergency Planning and Resilience capabilities was undertaken in October 2023. The review was undertaken by an external consultant and considered the extent and nature of compliance to the Civil Contingencies Act 2004, the Council's existing command and control structures and those key plans necessary for the Council to discharge its legal obligations effectively.

3.2.2 The report recognised the arrangements Brent Council has in place provide a good foundation, with regular experience of dealing with a variety of incidents. The report highlighted the range of plans in place to meet the known key risks, stating "*these plans are thorough and include effective procedures*". It also highlighted the "*positive willingness to support emergency preparedness activities across the council*".

3.2.3 The report made a series of recommendations designed to help the council build on the existing arrangement. These can be found in Appendix 1.

3.2.4 The recommendations were RAG rated in terms of priority and included 6 rated as red, that must be addressed in the short term and must be completed within the next 6 months. These are detailed below and updates on the progress against these so far are included in within this report.

No.	Recommendation	Grading
1	I would recommend the local multi-agency Borough Resilience Forum formally risk assesses the site- specific risks or locations in the Borough, and they are included in the Borough Risk Register.	Red
5	I would recommend a short generic guide to provide guidance to all staff responding to a major emergency, ensuring a consistent approach to incident management.	Red
8	I would recommend that Gold/Strategic refresher training is delivered annually.	Red
9	I would recommend that Silver/Tactical Command refresher training is delivered annually.	Red
16	I would recommend the Council's Emergency Planning Team should comprise: a Service Manager; three Emergency Planning and Response Officers.	Red
18	I would recommend the Council's Emergency Planning team leader be graded at a higher level (minimum PO/7/8).	Red

### **3.3 Emergency Planning and Resilience Team – Recruitment**

3.3.1 Since the last update, the previous Emergency Planning & Resilience Manager has left the team and moved into the Health & Safety team. The Emergency Planning and Resilience Manager role has since been resourced on an interim basis. A permanent recruitment process is now underway and is expected to complete in February 2024.

3.3.2 The external service review made some recommendations about the team structure required to support this service. These recommendations are being looked at currently, with some benchmarking against other boroughs. In the interim, an additional officer is being recruited on a temporary basis. Recent experience and from feedback from other London Boroughs have shown that recruitment into this area is currently a challenge.

### **3.4 Brent Borough Risk Register**

3.4.1 The Civic Contingencies Act 2004 ('The Act') places a legal duty on Category 1 responders, including Local Authorities, to produce a Risk Register. Additionally, the Act requires those Category 1 responders 'from time to time to assess the risk of an emergency occurring' and 'from time to time to assess the risk of an emergency making it necessary or expedient for Brent Council to perform its functions'.

3.4.2 The Brent Borough Risk Register has been reformatted to follow the layout of other Local Authorities such as the London Boroughs of Hackney and Camden. The Risk Register was reviewed in December 2023 and is due to be signed off by the Borough Resilience Forum in February 2024.

### **3.5 Business Continuity**

3.5.1 The Council has in place an up-to-date a Business Continuity Policy Statement (Version 3, March 2023) outlining:

- The Council's commitment to effective Business Continuity Management.
- The management of the Business Continuity Management Programme, including the roles and responsibilities of those involved in delivery of the programme.

3.5.2 The Council has in place an up-to-date Corporate Business Continuity Plan (Version 5, February 2023). This plan sets out the Council's corporate approach to responding to and managing incidents disrupting delivery of services and functions.

3.5.3 The annual review of the service level Business Continuity Planning arrangements took place at the end of 2023. The final sign off for some plans is still being followed up and is expected to complete by the end of February 2024.

3.5.4 Further development of the Corporate Business Continuity Plan is planned in 2024, to incorporate a directorate level picture of service criticality. The Emergency Planning & Resilience Manager will be working with directorate leads imminently to progress this work in parallel with finalising the outstanding service level Business Continuity Plans.

### **3.6 Recovery Plan**

3.6.1 The Brent Recovery Plan was one of the areas identified in the external review as needing further development. Work is underway to update the current version and incorporate the learning from the review and recent incidents. Once the plan has been updated and signed off, an exercise will be arranged to test and embed the revised plan.

### **3.7 Humanitarian Assistance**

3.7.1 Humanitarian Assistance can be defined as those activities aimed at addressing the needs of people affected by emergencies: the provision of psychological and social aftercare and support in the short, medium and long term.

3.7.2 People need timely practical support with a sympathetic and understanding approach. This kind of support can be crucial to ensuring that people directly affected by a major emergency are able to recover both practically and psychologically.

3.7.3 Both the external review and recent exercises have highlighted the need for further work on the 'Humanitarian Assistance' element of the Council's response. At the end of 2023, officers from Emergency Planning and the Corporate Director of Children and Young People were able to attend London Humanitarian Assistance training. There are also briefings planned in January on the revised London HA framework. Further work is planned to enhance the Council's arrangements for this capability.

### **3.8 Training and Development**

- 3.8.1 Further training in terms of strengthening Brent Officers' understanding of the Council's command and control structure was one of the key recommendations in the recent external service review. Therefore, a Strategic (Gold) refresher training has been arranged for the end of January 2024, whilst 2 sessions have been arranged in February for the Tactical (Silver) refresher training.
- 3.8.2 On completion of the above training and some of the ongoing plan reviews (Recovery Plan & Major Incident Plan), an internal exercise will be delivered (anticipated in summer 2024), to improve our organisational readiness, test the revised plans and identify additional training needs.
- 3.8.3 For all Bronze colleagues more commonly known as an Emergency Response Officers, a structured Continuing Professional Development (CPD) programme will be developed. This programme will be rolled out in partnership with the London Resilience Training & Exercising Team and West London SRF Emergency Planning functions.
- 3.8.4 The Emergency Planning and Resilience Service, in partnership with Shared Technology Services (STS), are currently agreeing the scope for a table-top exercise and associated exercise dates for all three incumbent Councils to test organisational resilience to a cyber-attack. The objective of this exercise is to test the effectiveness of recovering IT infrastructure and IT services within an agreed timescale, commonly known as the business recovery time objective.
- 3.8.5 Upon completion of the cyber exercise and associated lessons identified process, the Corporate Business Continuity Plan will be further refreshed to reflect those lessons identified.

### **3.9 Wembley National Stadium – Multi-Agency Exercise**

- 3.9.1 The annual Wembley National Stadium multi-agency exercise took place on 17<sup>th</sup> January 2024. 'Players' taking part in the tabletop exercise ranged from a delegation of UEFA Champions League representatives and The FA through to local Borough Resilience partners, such as voluntary and faith groups.
- 3.9.2 An internal team are now in the process of reviewing their learning from the exercise and a multi-agency debrief is also planned in February.
- 3.9.3 The exercise focused on the initial response and the first few days following the incident. The Council would like to develop the scenario used and consider the longer-term recovery aspects as part of the ongoing development of our multi-agency relationships, systems and communications.

### **3.10 Community Resilience Fund**

- 3.10.1 The Emergency Planning Service, in partnership with the Borough's Voluntary and Community Sector (VCS), has been successful in their application to secure a grant of up to £5,000 from the Community Resilience Fund.

3.10.2 The fund will support local Brent projects that will focus on the following outcomes:

- Increased community preparedness for emergencies.
- Improved relationships between VCS and statutory agencies.
- Improved communications channels for responding to emergencies.
- Improved data and insight into community preparedness.

3.10.3 A 'Voluntary and Community Sector Forum' will be established as a sub-group of the Borough Resilience Forum (BRF) and will work to establish close working relationships with our Voluntary, Community and Faith Groups in preparing for and responding to any incidents or emergencies within the Borough.

### **3.11 Incidents**

3.11.1 Wembley Brook (August 2023) Flooding: Continuous heavy rain coupled with the blockage of a culvert flowing resulted in a number of properties suffering flooding.

3.11.2 Kilburn Tower Block (September 2023) Fire: A fire originating on the 13<sup>th</sup> floor of a 20-storey tower block necessitated the full evacuation of the entire complex.

3.11.3 Kilburn Sink Hole (January 2024): Approximately 190 properties were evacuated on 4<sup>th</sup> January following a gas leak. It was later discovered that damage to the sewer had caused a large sink hole, which had subsequently caused damage to the gas mains. While the initial cordon was reduced on 5<sup>th</sup> January, some residents were unable to access their homes until 8<sup>th</sup>/9<sup>th</sup> January. 43 of those properties were then without gas until 15<sup>th</sup> January. The situation is ongoing (at the time of writing) while work to repair the utilities and fill the sink hole is completed, with some residents unable to access their vehicles due to the location of the sink hole.

3.11.4 Learning from all these incidents will be factored into the plan reviews and training sessions being delivered this year.

### **4.0 Stakeholder and ward member consultation and engagement**

4.1 There are no implications from a stakeholder/ward member consultation and engagement perspective.

### **5.0 Financial Considerations**

5.1 There are no specific financial implications leading from this report.

### **6.0 Legal Considerations**

6.1 The Act provides the primary framework for dealing with large-scale emergencies under UK law and, Part 1 concerns the responsibility of various public bodies and certain private bodies (e.g., energy suppliers or



telecommunications providers) to undertake contingency planning for emergencies.

6.2 The Act recognises an emergency as an event or situation that threatens damage to human welfare for the purposes of The Act only if it may cause:

- loss of human life
- human illness or injury
- homelessness
- damage to property
- disruption of a supply of money, food, water, energy or fuel
- disruption of a system of communication
- disruption of facilities for transport, or
- disruption of services relating to health

6.3 It is apparent that the definition of 'emergency' under the Act is capable of covering an extremely broad range of circumstances, ranging from disasters that are life-threatening and large-scale (e.g., a hurricane, major earthquake or nuclear attack), to relatively small-scale, discrete events that cause 'disruption' rather than outright damage a fuel strike or power failure affecting telephone lines.

6.4 Emergency planning should aim where possible to prevent emergencies occurring, and when they do occur, good planning should reduce, control or mitigate the effects of the emergency. It is a systematic and ongoing process which should evolve as lessons are learnt and circumstances change.

6.5 According to the Cabinet Office guidance, Category 1 responders are required to:

- Put in place emergency plans business continuity management arrangements informed by risk assessment.
- Put in place arrangements to make information available to the public concerning civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency.
- Co-operate and share information with other local responders to enhance co-ordination and efficiency.

6.6 Local authorities are also expected to provide advice and assistance about business continuity management to businesses and voluntary organisations.

## **7.0 Equality, Diversity & Inclusion (EDI) Considerations**

7.1 There are no implications from an EDI perspective.

## **8.0 Climate Change and Environmental Considerations**

8.1 There are no implications from a Climate Change and Environmental perspective.

## **9.0 Human Resources/Property Considerations (if appropriate)**

9.1 There are no implications from a Human Resources/Property perspective.

## **10.0 Communication Considerations**

10.1 There are no implications from a communications perspective.

**Report sign off:**

***Minesh Patel***

Corporate Director of Finance & Resources

## Appendix 1 – External Review Recommendations

No.	Recommendations	Grading
1	I would recommend the local multi-agency BRF formally risk assesses the site-specific risks or locations in the Borough, and they are included in the Borough Risk Register.	RED
5	I would recommend a short generic guide to provide guidance to all staff responding to a major emergency, ensuring a consistent approach to incident management.	RED
8	I would recommend that Gold/Strategic refresher training is delivered annually.	RED
9	I would recommend that Silver/Tactical Command refresher training is delivered annually.	RED
16	I would recommend the Council's Emergency Planning Team should comprise: a Service Manager; three Emergency Planning and Response Officers	RED
18	I would recommend the Council's Emergency Planning team leader be graded at a higher level (minimum PO/7/8).	RED
4	I would recommend that a local Humanitarian Assistance plan is developed incorporating local structures, resources, and assets, whilst exploring the training needs and delivery options available.	AMBER
6	I would recommend that the site-specific locations included Borough Risk Assessment be included in the Brent Major Emergency Plan (at an Appendix) with clear guidance on any specific actions.	AMBER
7	I would recommend that the Critical Threat, Cyber and Multi-Faith Plans are put in place and tested.	AMBER
10	I would recommend that the pool of 'Loggists' is established, reviewed, and steps taken to ensure that the Council Strategic/Gold Commanders can be adequately supported during an incident	AMBER
11	I would recommend that a structured debriefing skills course is delivered to the EP Team, for post incident/exercise debriefing, to support the learning and development.	AMBER
12	I would recommend that greater emphasis is given over the next twelve months to developing Brents recovery capability, including a recovery exercise.	AMBER
13	I would recommend an EP training package Elected Members.	AMBER
17	I would recommend that a Business Continuity Manager should be considered as part of the Council's Emergency Planning Team.	AMBER
19	I would recommend the Council's Emergency Planning team manage the Emergency Duty Officers (EDO) on call function.	AMBER
20	I would recommend the consideration be given to the Council's Emergency Planning team fulfilling the Council's initial Silver/Tactical Command role of incidents.	AMBER
22	I would recommend the Business Continuity Manager and/or EP Team be tasked with providing advice and assistance to businesses and voluntary organisations about business continuity management.	AMBER
14	The Local Borough Resilience Forum considers a targeted user-friendly local risks style Community Risk Register.	GREEN
15	I would recommend that Council adopts the IEM process and embeds it into activities related to emergency preparedness and resilience.	GREEN
21	I would recommend the Business Continuity Manager and/or EP Team continues to train and exercise across the council to fully embed BC and ensure that it is recorded.	GREEN

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# London Borough of Brent audit plan

Year ending 31 March 2024

London Borough of Brent  
February 2024

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# Contents



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Section	Page	
Key matters	3	The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.
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# Key matters

## Local context

The Council has successfully balanced its budget over the last 10 years – saving around £196million. In February 2023, the Council agreed £18m of savings spread across 2023-24 and 2024-25. Looking forward, further savings are required in 2024-25 and 2025-26 – the current working assumption is that £8m of savings will be required to balance the budgets of those years.

For 2022-23, the Council's General Fund delivered at break even with service overspend of £3.7m in the Children & Young People's department as a result of increased placement and staffing costs. Adult Social Care and Health overspent by £0.9m. The budgeted use of corporate contingencies of £4.2m resulted in an overall breakeven position for the General Fund. For 2022-23 the Council had £191.6m of capital spend, equating to 82% of the approved capital programme budget, and was under spent by £41.1m.

The Council has revised budgets of £376m for 2023-24 and £426.5m for 2024-25. The total revised capital budget for 2023-24 to 2027-28 is £1,079.6m per the Medium Term Financial Plan (MTFP).

Like other councils, the London Borough of Brent has felt the impact of high inflation, which is driving up the cost of goods, services and supplies. This has put the Council's budget under greater pressure than ever. Like most local authorities across the country, the Council has made the difficult decision to increase council tax by 4.99% for 2023-24.

## Housing Revenue Account (HRA)

For 2023-24, the government has introduced a rent rise limitation. The average rent currently sits at £133.42 per week, an increase of 7% when compared to the previous year, as opposed to an 11.1% increase if the CPI plus 1% continued. This represented a £2m income reduction in the HRA. The HRA has to modify service delivery and achieve considerable savings in order to close the gap between the rental income raised and the increased cost of delivering the service as a result of inflation.

## Dedicated Schools Grant (DSG)

At the end of 2022-23, the overall DSG deficit in Brent has reduced to £13.8m following an in-year surplus of £1.3m added to the brought forward deficit balance from 2021-22 of £15.1m. In the last few years the DSG deficit has built up due to the increasing number of children with Education, Health and Care Plans (EHCP), funded through the High Needs Block.

# Key matters

## National context

The national economic context continues to present challenges to the local government sector. There are increasing cost pressures nationally, such as a growing population and increasing demand for local government services, especially in adult and children's social care. Combined with inflationary pressures, pay demands and energy price rises, the environment in which local authorities operate is highly challenging. Local government funding continues to be stretched and there have been considerable reductions in the grants received by local authorities from government.

Recently, we have seen the additional strain on some councils from equal pay claims, and there has been a concerning rise in the number of councils issuing s.114 notices. These are issued when a council's Chief Financial Officer does not believe the council can meet its expenditure commitments from its income. Additionally, the levels of indebtedness at many councils is now highly concerning, and we have seen commissioners being sent in to oversee reforms at a number of entities.

Our recent Value for Money work has highlighted a growing number of governance and financial stability issues at a national level, which is a further indication of the mounting pressure on audited bodies to keep delivering services, whilst also managing transformation and making savings at the same time.

In planning our audit, we have taken account of this national context in designing a local audit programme which is tailored to your risks and circumstances.

## Audit reporting delays

Against a backdrop of ongoing audit reporting delays, in October 2023 PSAA found that only five 2022-23 local government accounts had been signed by the September deadline. In June 2023 the Public Accounts Committee (PAC) also produced a report setting out their concerns over these audit reporting delays. We issued our report [About time?](#) in March 2023 which explored the reasons for delayed publication of audited local authority accounts.

In our view, to enable a timely sign off of the financial statements, it is critical that draft local authority accounts are prepared to a high standard and are supported by strong working papers.



# Key matters

## Our responses

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set out in this Audit Plan will be agreed the Corporate Director Finance and Resources.
- To ensure close work with our local audited bodies and an efficient audit process, our preference as a firm is work on site with you and your officers. Please confirm in writing if this is acceptable to you, and that your officers will make themselves available to our audit team. This is also in compliance with our delivery commitments in our contract with PSAA.
- We offer a private meeting with the Chief Executive twice a year, and with the Corporate Director Finance and Resources quarterly as part of our commitment to keep you fully informed on the progress of the audit.

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At an appropriate point within the audit, we would also like to meet informally with the Chair of your Audit and Standards Committee, to brief them on the status and progress of the audit work to date.

We will consider your arrangements for managing and reporting your financial resources as part of our audit in completing our Value for Money work.

- Our Value for Money work will also consider your arrangements relating to governance and improving economy, efficiency and effectiveness. Should the NAO revise the VFM code during 2023-24, these areas of focus may change and this line may need amending for different emphases.
- We will continue to provide you and your Audit and Standards Committee with sector updates providing our insight on issues from a range of sources and other sector commentators via our audit committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretations, to discuss issues with our experts and to facilitate networking links with other audited bodies to support consistent and accurate financial reporting across the sector.

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# Key matters

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## Our responses

- With the ongoing financial pressures being faced by local authorities, in planning this audit we have considered the financial viability of the Council. We are satisfied that the going concern basis remains the correct basis behind the preparation of the accounts. We will keep this under review throughout the duration of our appointment as auditors of the Council.
- There is an increased incentive and opportunity for organisations in the public sector to manipulate their financial statements due to ongoing financial pressures. We are required to identify a significant risk with regard to management override of controls.
- There is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue – refer to page 12 where we explain our rebuttal of this presumed risk.

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# Introduction and headlines

## Purpose

This document provides an overview of the planned scope and timing of the statutory audit of London Borough of Brent ('the Council') for those charged with governance.

## Respective responsibilities

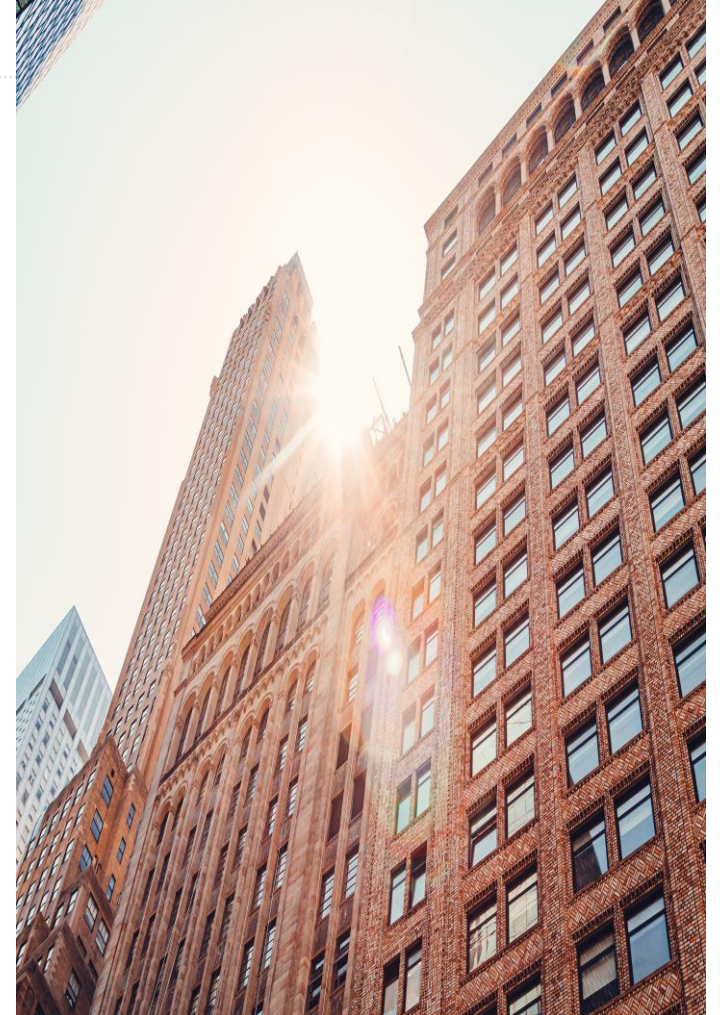
The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. The NAO is in the process of updating the Code. This Audit Plan sets out the implications of the revised Code on this audit. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as Auditor of London Borough of Brent. We draw your attention to these documents.

## Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Council and group's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Standards Committee); and we consider whether there are sufficient arrangements in place at the Council and group for securing economy, efficiency and effectiveness in your use of resources. Value for Money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or the Audit and Standards Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council's business and is risk based.



# Introduction and headlines

## Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Revenue recognition (rebutted)
- Management override of controls
- Valuation of land and buildings
- Valuation of council dwellings
- Valuation of net pension fund liability

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

## Group audit

The Council is required to prepare group financial statements that consolidate the financial information of:

- London Borough of Brent
- First Wave Limited
- I4B Holdings Limited
- LGA Digital Services Limited
- Barham Park Trust

## Materiality

We have determined planning materiality to be £16.1m (PY £16.1m) for the group and £16.0m (PY £16.0m) for the Council, which equates to 1.5% of your prior year gross operating costs for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.8m (PY £0.8m).

## Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has not identified any risks of significant weakness. We will continue to update our risk assessment until we issue our 2023-24 Auditor's Annual Report.

## Audit logistics

Our planning visit took place in November 2023 – January 2024 and our final visit will commence in July 2024. Our key deliverables are this Audit Plan, our Audit Findings Report and our Auditor's Annual Report.

Our preference is for all our work to take place on site alongside your officers.

The PSAA scale fee for the audit will be £503,089 (PY: £246,702) subject to the Council delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input. The fee for work in relation to ISA 315 is £12,550. The total proposed fee is £515,639.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

# Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
1	<p><b>Determination</b></p> <p>We have determined financial statement materiality based on a proportion of the gross expenditure of the group and the Council for the financial year. Materiality at the planning stage of our audit is £16m, which equates to 1.5% of your prior year gross expenditure for the period.</p>	<p>We determine planning materiality in order to:</p> <ul style="list-style-type: none"> <li>– establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;</li> <li>– assist in establishing the scope of our audit engagement and audit tests;</li> <li>– determine sample sizes; and</li> <li>– assist in evaluating the effect of known and likely misstatements in the financial statements.</li> </ul>
2	<p><b>Other factors</b></p> <p>An item does not necessarily have to be large to be considered to have a material effect on the financial statements.</p>	<p>An item may be considered to be material by nature where it may affect instances when greater precision is required.</p> <p>We have identified senior officer remuneration as a balance where we will apply a lower materiality level, as these are considered sensitive disclosures. We have set a materiality of £nil in this area.</p>

# Our approach to materiality

Matter	Description	Planned audit procedures
3	<p><b>Reassessment of materiality</b></p> <p>Our assessment of materiality is kept under review throughout the audit process.</p>	<p>We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.</p>
4	<p><b>Other communications relating to materiality we will report to the Audit and Standards Committee</b></p> <p>Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Standards Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.</p>	<p>We report to the Audit and Standards Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.</p> <p>In the context of the Group and Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.8m (PY £0.8m). If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Standards Committee to assist it in fulfilling its governance responsibilities.</p>

# Our approach to materiality

	Amount (£)	Qualitative factors considered
Materiality for the Council's financial statements	16,000,000	1.5% of the gross expenditure for the year ended 31 March 2023.
Materiality for specific transactions, balances or disclosures - senior officer remuneration	Nil	This note is an element of the financial statements which is of genuine interest and concern to the user of the accounts, with the salaries of senior officers sometimes the subject of adverse publicity. The area requiring judgement is what level of error within the disclosures made would result in us qualifying our opinion. We will review all the senior officer's remuneration disclosures as they are sensitive by nature.
Group materiality	16,100,000	1.5% of the gross expenditure for the year ended 31 March 2023.



# Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification and key aspects of our proposed response
The revenue cycle includes fraudulent transactions (rebutted)	Council	<p>Under ISA ( 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA240 and nature of the revenue streams at the London Borough of Brent, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> <li>• there is little incentive to manipulate revenue recognition</li> <li>• opportunities to manipulate revenue recognition are very limited</li> <li>• the culture and ethical frameworks of local authorities, including the London Borough of Brent, mean that all forms of fraud are seen as unacceptable.</li> </ul> <p>We do not consider this to be a significant risk for the London Borough of Brent and such there is no specific work planned for this risk. In order to get assurance over revenue, we will:</p> <ul style="list-style-type: none"> <li>• Select a sample from each material revenue stream and test to supporting information and subsequent receipt of income to gain assurance over accuracy, occurrence and completeness.</li> <li>• Inspect transactions which occurred in the year and ensure that they have been included in the current year.</li> <li>• Confirm our understanding of the business process and determine if there are any relevant controls.</li> </ul>

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Management should expect engagement teams to challenge areas that are complex, significant or highly judgmental. This may be the case for accounting estimates and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies, with reference to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.



# Significant risks

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Group and Council	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>The Council faces external scrutiny of its spending, and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates, and transactions outside the course of business as a significant risk for both the Council and group, which was one of the most significant assessed risks of material misstatement.</p>	<p>To address this risk we will:</p> <ul style="list-style-type: none"> <li>• Evaluate the design effectiveness of management controls over journals.</li> <li>• Analyse the journals listing and determine the criteria for selecting high risk unusual journals.</li> <li>• Test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration.</li> <li>• Gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence.</li> <li>• Evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> </ul>

# Significant risks

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of land and buildings	Council	<p>The Council re-values its land and buildings on a five-yearly rolling basis to ensure that carrying value is not materially different from fair value. This represents a significant estimate by management in the financial statements due to the size of the numbers involved (£1,097.8m for prior year) and the sensitivity of the estimate to changes in key assumptions.</p> <p>Additionally, management will need to ensure the carrying value of assets not revalued as at 31 March 2024 in the Council's financial statements is not materially different from the current value at the financial statements date, where a rolling programme is used.</p> <p>We identified the valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>To address this risk we will:</p> <ul style="list-style-type: none"> <li>• Evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts, and the scope of their work.</li> <li>• Evaluate the competence, capabilities and objectivity of the valuation expert.</li> <li>• Write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met.</li> <li>• Write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met.</li> <li>• Challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding.</li> <li>• Test revaluations made during the year to see if they have been input correctly to the Council's asset register and financial statements.</li> <li>• Evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end.</li> </ul>

# Significant risks

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of council dwellings	Council	<p>The Council owned 8,220 dwellings as at 31 March 2023. The Council is required to re-value these properties in accordance with DCLG's Stock Valuation for Resource Accounting guidance. The guidance requires the use of Beacon methodology, in which a detailed valuation of representative property types is then applied to similar properties.</p> <p>The Council conducted full revaluation of its housing stock in 2021-22 using the Beacon methodology. The valuer will review market changes from 1 April 2023 to 31 March 2024 to correctly state the value of HRA stock held by the Council during the financial period in current terms. The Council has engaged its valuer, Wilks Head &amp; Eve LLP, to complete the valuation of these properties.</p> <p>The year end valuation of council housing was £827.8m as at 31 March 2023. This represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p>We identified the valuation of council dwellings, as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>To address this risk we will:</p> <ul style="list-style-type: none"> <li>Evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts, and the scope of their work.</li> <li>Evaluate the competence, capabilities and objectivity of the valuation expert.</li> <li>Write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met.</li> <li>Engage our own valuer expert, Gerald Eve, to provide commentary on: <ul style="list-style-type: none"> <li>the instruction process in comparison to requirements from CIPFA/IFRS/RICS; and</li> <li>the valuation methodology and approach, resulting assumptions adopted and any other relevant points.</li> </ul> </li> <li>Challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding.</li> <li>Conduct sample testing of Beacon properties to ensure representative properties have been used in the valuation, and correctly applied to other similar properties.</li> <li>Review the estimate against valuation trends of similar properties in London.</li> <li>Evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end.</li> </ul>

# Significant risks

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of pension fund net liability	Council	<p>The pension fund net liability, as reflected in the Council's balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£262m) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Council's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>To address this risk we will:</p> <ul style="list-style-type: none"> <li>• Update our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluate the design of the associated controls.</li> <li>• Evaluate the instructions issued by management to their management expert (actuary) for this estimate and the scope of the actuary's work.</li> <li>• Assess the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation.</li> <li>• Assess the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability.</li> <li>• Test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary.</li> <li>• Undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.</li> </ul>

# Other risks

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Fraud in expenditure recognition (completeness of non-pay expenditure)	Council	<p>As most public bodies are net spending bodies, the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition.</p> <p>There is a risk the Council may manipulate expenditure to that budgeted by under-accruing non-pay expense incurred during the period or not record expenses accurately to improve financial results.</p> <p>In line with the Public Audit Forum Practice Note 10, having considered the risk in relation to fraud in expenditure recognition and the nature of the Council's expenditure streams, we determine that the risk of fraud arising from expenditure can be rebutted because:</p> <ul style="list-style-type: none"> <li>• There is little incentive to manipulate expenditure recognition.</li> <li>• Opportunities to manipulate expenditure are very limited.</li> <li>• The culture and ethical framework of local authorities, including the London Borough of Brent, mean that all forms of fraud are seen as unacceptable.</li> </ul> <p>However, we have identified that due to the level of estimation involved in manual accruals of expenditure, and the potential volume of large accruals at year-end, there is an increased risk of error in the completeness of expenditure recognition.</p>	<p>To address this risk we will:</p> <ul style="list-style-type: none"> <li>• Inspect transactions incurred around the end of the financial year to assess whether they had been included in the correct accounting period.</li> <li>• Inspect a sample of accruals made at year end for expenditure but not yet invoiced to assess whether the valuation of the accrual was consistent with the value billed after the year-end. We will also compare size and nature of accruals at year-end to the prior year to help ensure completeness of accrued items.</li> <li>• Investigate manual journals posted as part of the year-end accounts preparation that reduce expenditure, to assess whether there is appropriate supporting evidence for the transaction.</li> </ul>

'In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them.' (ISA [UK] 315)

# Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

The group risk assessment for 2023-24 has not identified any changes from the prior year as shown below.

Component	Individually significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
London Borough of Brent	Yes		See pages 12 to 17	Full scope audit performed by Grant Thornton UK LLP
First Wave Housing	No		None	Analytical review performed by Grant Thornton UK LLP
14B Holdings Ltd	No		None	Analytical review performed by Grant Thornton UK LLP
LGA Digital Services	No		None	Analytical review performed by Grant Thornton UK LLP
Barham Park Trust	No		None	Analytical review performed by Grant Thornton UK LLP

## Audit scope

- Audit of the financial information of the component using component materiality
- Audit of one more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements
- Review of component's financial information
- Specified audit procedures relating to risks of material misstatement of the group financial statements
- Analytical procedures at group level

# Other matters

## Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.

We consider our other duties under legislation and the Code, as and when required, including:

- giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements;
  - issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act);
  - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act; and
  - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

## Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

# Progress against prior year audit recommendations

We identified the following issues in our 2022-23 audit of the Council's financial statements, which resulted in 13 recommendations being reported in our 2022-23 Audit Findings Report. We have followed up on the implementation of our recommendations and all are in process of being resolved.

	Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
1	In progress	During our testing of housing benefit debtors, the Council provided us with a report as at 26 June 2023 from which they removed unrecoverable debt and debtors raised between 1 April 2023 and 26 June 2023 to get the housing benefit debtor balance at 31 March 2023. The Council struggled to provide us with the report as it has to rely on a third party to obtain the information in the report. We also identified 1 error from the 6 samples tested initially. This brought the reliability of the report into question.	Management is in the process of resolving the issues.
2	In progress	<p><b>Segregation of duties (SoD) conflicts between finance / payroll and system administration roles in Oracle Cloud.</b></p> <p>IT Audit identified that a Senior Finance Analyst had access to the Application Implementation Consultant role.</p> <p><b>Risk</b></p> <p>Bypass of system enforced internal control mechanisms through inappropriate use of administrative access rights increases the risk of financial misstatement through fraud or error, as a result of users making unauthorised changes to transactions and system configuration parameters.</p>	Management is in the process of resolving the issues.
3	In progress	<p><b>Excessive access assigned to HR and Payroll users.</b></p> <p>IT Audit identified 19 members of the Payroll, Learning and Development, and Training teams have been assigned access to the Brent HCM Application Administrator security role. The Council informed our IT team that the role is required to enable system configuration to be undertaken as part of this team, such as for pay awards and performance enrolments. The Brent HCM Application Administrator role provides these individuals with significant levels of access, enabling them to alter system behaviour and create workers in Oracle Cloud.</p> <p><b>Risk</b></p> <p>Bypass of system enforced internal control mechanisms through inappropriate use of administrative access rights increases the risk of financial misstatement through fraud or error, as a result of users making unauthorised changes to transactions and system configuration parameters.</p>	Management is in the process of resolving the issues.



# Progress against prior year audit recommendations

	Assessment	Issue and risk previously communicated	Update on actions taken to address the issue	
	4	In progress	From our journal testing, we identified that a significant number and value of journals are processed by a relatively high number of users (60 users) during the year. This represents an enhanced risk of error and fraud. It also indicates an inefficiency in the Council's processes around processing financial transactions.	Management is in the process of resolving the issues.
Page 77	5	In progress	From our accruals testing, we identified 3 errors initially, (2 errors were from Wates construction limited and the other was from Airey Miller Limited). We tested 5 more accruals from Wates construction and we identified 2 more errors. We extrapolated the 5 errors (£256k) across the accrual population, and we got an extrapolated error of £1.29m as we have recorded as an unadjusted error at Appendix D. The five accruals we processed by different people. Although we have satisfied that the accruals balance for the current year is not materially misstated, the Council needs to ensure that accruals are based on the best available and reliable information to avoid a material misstatement in the future.	Management is in the process of resolving the issues.
	6	In progress	We observed download of the general ledger transactions as part of our journal testing for each month. The number of journals raised in November was considerably larger than the other months. This caused a number of issues with the journal listing not being exported correctly from the Council which our digital audit team had to assist with. The reason for this was caused by the fact that CTax direct debit journals for April up to October were all created in November. We have understood from the Council that this was a one-time experiment performed which they will not repeat.	Management is in the process of resolving the issues.

# Progress against prior year audit recommendations

	Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
7	In progress	<p><b>Seeded roles with SoD conflicts</b></p> <p>IT Audit identified that the Council has cloned seeded roles provided by Oracle for use in day to day operations. Of these cloned seeded roles, it was identified that the Brent Collections Debt Manager (as well as the seeded Collections Manager role) contain the following privileges which allow a user to alter system behaviour and security:</p> <ul style="list-style-type: none"> <li>- FND_APP_MANAGE_DATA_SECURITY_POLICY_PRIV</li> <li>- FND_APP_MANAGE_PROFILE_OPTION_PRIV</li> <li>- FND_APP_MANAGE_PROFILE_CATEGORY_PRIV</li> <li>- FND_APP_MANAGE_TAXONOMY_PRIV</li> <li>- FND_APP_MANAGE_DATABASE_RESOURCE_PRIV</li> </ul> <p><b>Risk</b></p> <p>Bypass of system enforced internal control mechanisms through inappropriate use of administrative access rights increases the risk of financial misstatement through fraud or error, as a result of users making unauthorised changes to transactions and system configuration parameters.</p>	Management is in the process of resolving the issues.
8	In progress	<p><b>Intangible assets useful lives</b></p> <p>From our testing of the amortisation of intangibles assets, we identified that there are some intangible assets within the fixed asset register(FAR) which have a useful economic life (UEL) of 0, 10 and 50 years however within the Council's accounting policy on the amortisation of intangible assets, the UEL of assets quoted as being within the range of 5-7 years.</p> <p>We challenged management about this, and they accepted that the UEL of 0 have been incorrectly recorded on the FAR. The UEL of 50 years on the FAR relates to a PFI asset and the UEL of 10 years relate to IT software. Both are within the expected range for UEL for the types of assets which they are.</p> <p>The inconsistency between the UEL on the FAR and the accounting policy results in the UEL of 52% of intangible assets in the FAR being out of range with the UEL in the accounts. We have estimated that the difference in the UEL has resulted in £1.2m variance the expected and actual amortisation cost for the year of intangible assets. For 2022-23, the variance is below our PM and for the purposes of analytical review, the variance is acceptable, however if management do not correctly update the data on the FAR and clarify their accounting policy, this could result in a material difference in the future.</p>	Management is in the process of resolving the issues.

# Progress against prior year audit recommendations

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Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
9	<p><b>In progress</b></p> <p><b>PFI model</b></p> <p>From our testing of PFI assets, we identified that, the unitary payments for PFI which are split into payments for finance and operating have been incorrectly recorded on the PFI model even though the actual unitary payments in the accounts is correct for the year as this is based on the actual accommodation rates.</p> <p>We also identified during our PFI provisions testing that the long-term provision in the PFI model did not agree with the long-term PFI provisions in the accounts. We challenged management and they explained that the wrong closing value for long term PFI provisions was recorded on the model, this is because the TB used in the model had the wrong value due to an adjustment for the provision which was completed in period 13.</p> <p>We have gained assurance over the correct closing balance figure and the draft accounts and trial balance are correct (it is just PFI model and working paper that is incorrect). There is no impact on the accounts. The client has confirmed that the correct opening balance figure will be used for the 2023-24 model. We have spoken internally to the GT PFI modelling team who have confirmed that this is a closing balance adjustment and therefore no further work is needed. We have raised a control deficiency that the PFI modelling team and provisions team confirm their figures with each other before they complete the PFI model.</p>	Management is in the process of resolving the issues.
10	<p><b>In progress</b></p> <p><b>Change in circumstances testing</b></p> <p>From our sample testing of payroll change in circumstances, out of a sample of 12 cases tested, we identified one case which the sample tested was a valid change in circumstance however it was missing the appropriate approval. If the approval process for change in circumstances is not followed, this can result in unapproved changes of employees' circumstances on the system.</p>	Management is in the process of resolving the issues.
11	<p><b>In progress</b></p> <p>From our testing of operating leases, we identified that some leases have been misclassified as operating leases when they should have been finance leases. We also identified some leases which have been duplicated in both the operating lease and finance lease listings.</p> <p><b>Risk</b></p> <p>If the listing for operating and finance lease are not updated, then, the incorrect information will feed into the accounts which can lead to errors in the lease note. Based on the audit work we have performed this year management had to adjust the both the operating and finance lease notes for the errors which we identified where the council is acting as a lessor.</p>	Management is in the process of resolving the issues.

# Progress against prior year audit recommendations

	Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
12	In progress	<p>When reviewing the fixed asset register, we identified a high number of vehicle, plant and equipment assets in the fixed asset register (FAR) which had gross book values brought forward and nil carry forward values with no movement in the year.</p> <p>We selected a sample of 5 assets to gain an understanding of why these assets were still on the FAR and if they had actually been fully depreciated and being shown in the FAR at the correct carry forward balance.</p> <p>Of these 5 assets, the Council could not locate 4 assets, they could locate the 5th but not to the value in the FAR.</p> <p>Therefore, it is reasonable to conclude that these assets have no net carry forward value and they do not impact the PPE balance in the accounts however the issue is more of an overstatement of the gross book value. This does not impact the net book value which feeds into the balance sheet, a control recommendation has been raised.</p>	Management is in the process of resolving the issues.
13	In progress	<p><b>Lack of audit logging for configurations in Oracle Cloud</b></p> <p>IT Audit note that the Council have implemented audit logging for some areas however, this does not include key system configurations such as the AP_SYSTEM_PARAMETERS_ALL table.</p> <p><b>Risk</b></p> <p>Not enabling and monitoring audit logs increases the risk that unauthorised system configuration and data changes made using privileged accounts will not be detected by management, which could impact the security of Oracle Cloud and the integrity of the underlying database.</p>	Management is in the process of resolving the issues.

# IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design and implementation of relevant ITGCs.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Planned level IT audit assessment
Oracle	Financial reporting	ITGC assessment (design and implementation effectiveness only)
Pay360	Council Tax, Business Rates, Benefits, Grants	ITGC assessment (design and implementation effectiveness only)
Asset Management	Property, plant & equipment	ITGC assessment (design and implementation effectiveness only)

# Value for Money arrangements

## Approach to Value for Money work for the period ended 31 March 2024

The National Audit Office issued its latest Value for Money guidance to auditors in January 2023. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:

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### Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



### Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.

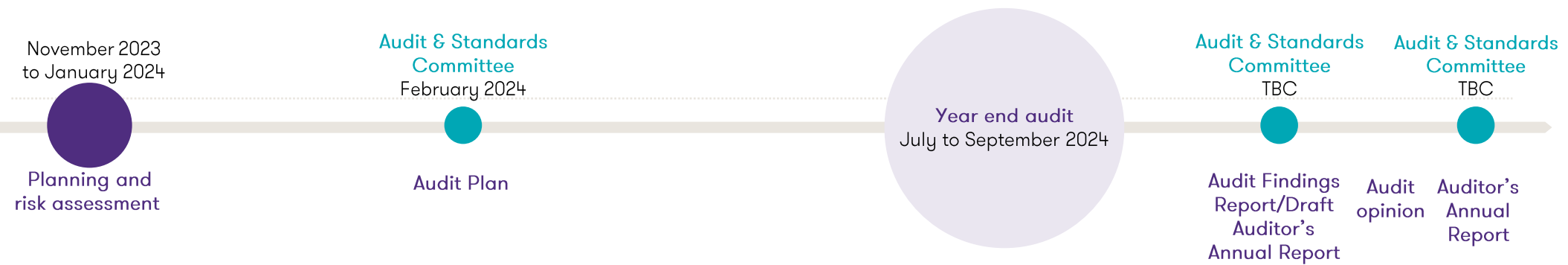


### Governance

How the body ensures that it makes informed decisions and properly manages its risks.

We have not identified any risks of significant weaknesses from our initial planning work. We will continue our review of your arrangements, including reviewing your Annual Governance Statement, before we issue our 2023-24 Auditor's Annual Report.

# Audit logistics and team



## Asad Khan, Audit Manager

Key audit contact responsible for the day to day management and delivery of the audit work.



## Sheena Philips, Senior Audit Manager

Sheena will work with your finance team to ensure efficient delivery of testing and agreement of accounting issues on a timely basis. Sheena will undertake review of the team's work and draft reports. She is the key contact responsible for delivery of the audit.



## Sophia Brown, Key Audit Partner

Sophia is responsible for the overall client relationship, quality control, provision of the audit opinion, meeting regularly with key internal stakeholders and final authorisation of reports. Sophia will share her wealth of knowledge and experience across the sector, providing challenge and sharing good practice. Sophia will ensure our audit is tailored specifically to you and is responsible for the overall quality of our audit work.

## Audited entity responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audited bodies. Where the elapsed time to complete an audit exceeds that agreed due to an entity not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to an entity not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

## Our requirements

To minimise the risk of a delayed audit, you need to:

- ensure that you produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the Annual Report and the Annual Governance Statement.
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you.
- ensure that the agreed data reports are cleansed, are made available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing.
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit.
- respond promptly and adequately to audit queries.

# Audit fees and updated auditing standards

The contract was re-tendered in 2023 and Grant Thornton have been re-appointed as your auditors. The scale fee set out in the PSAA contract for the 2023-24 audit is £503,089. The fee for ISA 315 in 2023-24 will be £12,550. This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor’s annual report for the previous audit year (exception for new clients in 2023-24 only)
- Production of the draft audit planning report to audited body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here <https://www.psa.co.uk/appointing-auditors-and-fees/fee-variations-overview/>

## Assumptions

In setting these fees, we have assumed that the Council will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit.
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements.
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

## Updated auditing standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.



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# Audit fees

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## Assumptions

In setting the above fee, we have assumed that the Council will:

- Prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit.
- Provide appropriate analysis, support and evidence to support all critical judgements and significance judgements made during the course of preparing the financial statements.
- Provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

## Previous year

In 2022-23 the scale fee set by PSAA was £173,434. The actual fee charged for the audit was £246,702.

## Relevant professional standards

In preparing our fees, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

# Audit fees – detailed analysis

	Actual fee 2022-23	Proposed fee 2023-24
Brent Council audit	£241,702	£503,089
ISA 315	£5,000	£12,550
Total audit fees (excluding VAT)	£246,702	£515,639

# IFRS 16 ‘Leases’ and related disclosures

IFRS 16 will need to be implemented by local authorities from 1 April 2024. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. As this is a shadow year for the implementation of IFRS 16, we will need to consider the work being undertaken by the Council to ensure a smooth adoption of the new standard.

## Introduction

IFRS 16 updates the definition of a lease to:

“a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.”

In the public sector the definition of a lease is expanded to include arrangements with nil consideration.

IFRS 16 requires all leases to be accounted for 'on balance sheet' by the lessee (subject to the exemptions below), a major departure from the requirements of IAS 17 in respect of operating leases.

IFRS 16 requires a lessee to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. There is a single accounting model for all leases (similar to that of finance leases under IAS 17), with the following exceptions:

- leases of low value assets
- short-term leases (less than 12 months)

Lessor accounting is substantially unchanged leading to asymmetry of approach for some leases (operating) although if an NHS body is the intermediary and subletting there is a change in that the judgement between operating and finance lease is made with reference to the right of use asset rather than the underlying asset.

## Council’s systems and processes

We believe that most local authorities will need to reflect the effect of IFRS 16 changes in the following areas:

- accounting policies and disclosures
- application of judgment and estimation
- related internal controls that will require updating, if not overhauling, to reflect changes in accounting policies and processes
- systems to capture the process and maintain new lease data and for ongoing maintenance

## Planning enquiries

As part of our planning risk assessment procedures we have sent the inquiries to the management with our other audit queries. We would appreciate a prompt response to these enquires in due course.

## Further information

Further details on the requirements of IFRS16 can be found in the HM Treasury Financial Reporting Manual. This is available on the following link:

[IFRS 16 Application Guidance December 2020.docx \[publishing.service.gov.uk\]](#)

# Independence and non-audit services

## Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons. relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council and group.

# Independence and non-audit services

## Other services

The following other services provided by Grant Thornton were identified. The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the group and Council's policy on the allotment of non-audit work to your auditors. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member firms will be included in our Audit Findings report at the conclusion of the audit. None of the services provided are subject to contingent fees.

Service	Fees £	Threats	Safeguards
<b>Audit related</b>			
I4B Holdings Ltd Audit	TBC	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is not significant (PY £40,000) in comparison to the total fee for the audit of £503,089 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
First Wave Housing Ltd Audit	TBC	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is not significant (PY £37,000) in comparison to the total fee for the audit of £503,089 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Brent Pension Fund Audit	TBC	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is not significant (£60,346) in comparison to the total fee for the audit of £503,089 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
<b>Total audit fees (excluding VAT)</b>	<b>£TBC</b>		

# Independence and non-audit services

Service	Fees £	Threats	Safeguards
<b>Audit related</b>			
Certification of Housing Capital receipts grant	10,000	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is not significant £10,000 in comparison to the total fee for the audit of £503,089 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification of Teachers Pension Return	12,500	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is not significant £12,500 in comparison to the total fee for the audit of £503,089 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification of Housing Benefit Return	35,640+day rate of £1,650 for additional testing	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is not significant £35,640 plus day rate of £1,650 for additional work) in comparison to the total fee for the audit of £503,089 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
<b>Total</b>	<b>£58,140</b>		

# Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•	
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence.	•	•
Significant matters in relation to going concern	•	•
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	•	•
Views about the qualitative aspects of the group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		n/a

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

# Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud (deliberate manipulation) involving management and/or which results in material misstatement of the financial statements (not typically council tax fraud)		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

## Respective responsibilities


As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.





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 <b>Brent</b>	<b>Audit and Standards Advisory Committee</b> 6 February 2024
	<b>Report from the Corporate Director of Finance and Resources</b>
	<b>Lead Member - Deputy Leader and Cabinet Member for Finance, Resources &amp; Reform (Councillor Shama Tatler)</b>
<b>Evaluating the Effectiveness of the Audit and Standards Advisory Committee</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Non-Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>List of Appendices:</b>	None
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Darren Armstrong, Head of Audit and Investigations 020 8937 1751 <a href="mailto:Darren.Armstrong@Brent.gov.uk">Darren.Armstrong@Brent.gov.uk</a> ;

## 1.0 Executive Summary

1.1. This report sets out the suggested approach for measuring the effectiveness and activity of the Audit and Standards Advisory Committee for 2023-24.

## 2.0 Recommendation(s)

2.1 To agree that a review of the effectiveness of the Committee will be undertaken as part of and incorporated within the Chair’s Annual Report for 2023-24. In order to aid this process, the Committee should:

- a) Discuss and agree any performance related issues pertaining to its activity in 2023-24;
- b) Identify any training and development needs that should be reflected and prioritised in 2024-25.

### **3.0 Detail**

#### **3.1 Contribution to Borough Plan Priorities & Strategic Context**

3.1.1 The Council's Audit and Standards Advisory Committee plays an important role in ensuring the good governance of the Council. The committee is a key component of the Council's governance framework and contributes to the overall success of the Council by providing an independent and high-level focus on the adequacy of governance, risk and control arrangements to provide assurance and confidence to those charged with governance.

3.1.2 The Committee 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.

#### **3.2 Background**

3.2.1 CIPFA's Position Statement on Audit Committees in Local Authorities recommends that the Committee should report annually on how it has complied with the Position Statement, discharged its responsibilities, and include an assessment of its performance.

3.2.2 In assessing the effectiveness of the Committee, CIPFA's guidance recommends that the following matters should be considered:

- An assessment of whether the Committee is operating with the practices recommended in the guidance and complies with legislation;
- How the Committee has fulfilled its terms of reference, including the core functions of the Committee;
- The operation of the Committee, including the support and training provided and how Members have developed their knowledge and experience;
- The Committee's effectiveness in terms of impact on the quality of governance, risk management and internal control, together with satisfactory audit arrangements; and
- Feedback from those interacting with the Committee.

3.2.3 The guidance also recommends that the annual report should be available to the public and identify areas for improvement.

#### **3.3 Evaluating the Effectiveness of the Committee for 2023-24**

3.3.1 The Committee completed a comprehensive self-assessment exercise in Q4 2022-23, whereby each Member independently completed and returned a questionnaire to Officers. Outcomes of this exercise were reported to the Committee [at the meeting of 21<sup>st</sup> March 2023](#), with the [agreed action plan](#) primarily focusing on the need for the Committee to complete an annual report, which was subsequently actioned.

3.3.2 As the outcome of the self-assessment exercise performed in 2022-23 was positive, it is not proposed to repeat this process for 2023-24. Instead, it is recommended that the Committee report on its effectiveness within the Chair's Annual Report, which is due to be presented to the Committee in June with the intention of supporting the process of approving the Annual Governance Statement.

3.3.3 Where relevant and appropriate, the Chair's Annual Report will include an action plan to promote the continuous improvement of the Committee.

#### **4.0 Stakeholder and ward member consultation and engagement**

4.1 None

#### **5.0 Financial Considerations**

5.1 There are no specific financial implications arising from this report.

#### **6.0 Legal Considerations**

6.1 The Accounts and Audit Regulations 2015 set out the Council's responsibility for ensuring that it has a sound system of internal control and that it keeps the effectiveness of this system under review. The evaluation of the committee will help ensure the effectiveness of the committee and its members as part of the council's system of internal control.

#### **7.0 Equality, Diversity & Inclusion (EDI) Considerations**

7.1 None

#### **8.0 Climate Change and Environmental Considerations**

8.1 None

#### **9.0 Communication Considerations**

10.1 None

**Report sign off:**

***Minesh Patel***

Corporate Director of Finance and Resources

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**A&SAC FORWARD PLAN / WORK PROGRAMME / UPCOMING AGENDA**

Topic / Date	06-Jun-23	18-Jul-23	26-Sep-23	12-Oct-23	06-Dec-23	06-Feb-24	26-Mar-24
<b>Internal Audit &amp; Investigations</b>							
Internal Audit Annual Report, including Annual Head of Audit Opinion	X						
Internal Audit Progress Reports					X		
Annual/Interim Counter Fraud Report	X				X		
Internal Audit and Investigations Plan							X
<b>External Audit</b>							
External Audit progress report		X	X		X	X	X
Statement of Accounts & Pension Fund Accounts		X	X	X			
Draft Audit Plan 23 - 24 (incl Pension Fund)						X	X (Pension Fund)
Annual Auditor's Report			X				
<b>Financial Reporting</b>							
Treasury Management Mid-term Report					X		
Treasury Management Strategy					X		
Statement of Accounts & Pension Fund Accounts		X	X*	X*			
Inquiries of Management and those charged with governance							X
Treasury Management Outturn Report		X					
Update to the implementation of the CIPFA Financial Management code						X	
<b>Governance</b>							
To review performance & management of i4B Holdings Ltd and First Wave Housing Ltd			X				X
Review of the use of RIPA Powers							X
Receive and agree the Annual Governance Statement	X*						
<b>Risk Management</b>							
Strategic Risk Register Update			X				X
Emergency Preparedness						X	
<b>Audit Committee Effectiveness</b>							
Review the Committee's Forward Plan	X	X	X		X	X	X
Review the performance of the Committee (self-assessment)							X
Chair's Annual Report	X						
Training Requirements for Audit Committee Members (as required)							
<b>Standards Matters</b>							
Standards Report (including gifts & hospitality)	X		X		X		X
Annual Standards Report							X
Complaints & Code of Conduct						X	
Review of the Member Development Programme and Members' Expenses (incorporating Review of the Financial and Procedural Rules governing the Mayor's Charity Appeal)							X

\* Requires approval by Audit & Standards Committee

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