



MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE
Held in the Conference Hall, Brent Civic Centre on Thursday 31 October 2024
at 6.00 pm

PRESENT: David Ewart (Independent Chair), Councillor Chan (Vice-Chair) and Councillors Benea, Choudry, Kabir, Long, Maurice and Molloy.

Independent co-opted Members: Steven Ross.

Also present: Sophia Brown, Matt Dean, Asad Khan & Sheena Phillips (External Auditors – Grant Thornton).

1. Apologies for absence and clarification of alternate members

Apologies for absence were received from Councillor Jayanti Patel (with Councillor Maurice attending as substitute) and Rhys Jarvis (Independent co-opted member)

Prior to consideration of the main agenda David Ewart (as Independent Chair) took the opportunity to apologise to members for the scheduling of meeting, which it was noted had clashed with Diwali. In highlighting the efforts made to avoid clashes with key religious festivals, members were advised that it had not been possible to achieve on this occasion due to the timescales involved in the update on the Interim Audit Findings needing to be considered in relation to the Council's Statement of Accounts.

2. Declarations of Interest

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

3. Deputations (if any)

There were no deputations considered at the meeting.

4. Statement of Accounts - Interim External Audit Findings Report

4.1 Audit Findings Report for the Brent Pension Fund

Matt Dean (Grant Thornton) introduced the interim Audit Findings report for the Brent Pension Fund with a summary of the key issues noted as follows:

- Work on the audit process was substantially complete with no adjustments to the Pension Fund financial statements having been identified. The process had identified a number of unadjusted differences (totalling £2.2m) in the valuation of the Fund's investments and valuation statements received from third-party investment managers, which members noted had been detailed in Appendix D of the report but had not required any amendment to the financial statements on the basis that the differences were not classed as material.

- Subject to completion of the audit process and quality review, no matters had currently been identified that would require modification of the unqualified audit opinion although it would not be possible to issue the final audit opinion until the audit of the Council's financial statement of accounts (as Administering Authority of the Fund) had been completed.
- The significant risks identified within the Audit Plan and approach undertaken to assess these as part of the audit process, which had included – management override of controls; risk of fraud in revenue recognition and valuation of level 3 investments.
- The summary of recommendations raised with management as a result of the audit process, along with management responses, as detailed within Appendix B of the report, which had been focussed around the Fund's process for monitoring financial performance and agreement between the Fund and a custodian both of which had been assessed as low risk.
- The summary of follow up actions undertaken in relation to the previous year's audit recommendations, as detailed within Appendix C of the report including the introduction of further controls in relation to access to the Oracle IT system.

The Chair thanked Matt Dean for the update provided and then invited comments from members, with the following issues raised:

- In response to a request for clarification, further details were provided in relation to the risk identified around the valuation of Level 3 investments. It was noted these investments were held in private equity, infrastructure and private debt with the risk focussed around the estimation provided within the accounts being based on the latest available information from the custodians rather than exact value. The sample testing undertaken had identified understatements in the valuation of three funds which, whilst below performance materiality levels and not therefore requiring adjustment of the financial statements, had been reported as an unadjusted misstatement.

As no further issues were raised Councillor Chan (as Vice -Chair and Chair of the Audit & Standards Committee) also took the opportunity to thank finance officers for their efforts in preparing the financial statement and Grant Thornton for their work in progressing the final audit.

Having welcomed the interim findings, the Committee **RESOLVED** to note the update provided on progress in completion of the External Audit relating to the Brent Pension Fund 2023 – 24 Statement of Accounts.

4.2 Audit Findings report for the London Borough of Brent

The Chair then invited Sophia Brown to introduce the interim audit findings report in relation to progress in sign-off of the Council's Statement of Accounts, with the following issues noted:

- Despite significant work from both Grant Thornton and the Council in seeking to fully engage with and meet the audit deadlines, a number of challenges and issues had been experienced which had delayed completion of the audit process beyond the original timescale. Issues identified had included the turnover of key staff within the Council's finance team and issues having been identified within Plant, Property and Equipment (PPE), payroll and bank reconciliation statements which had resulted in the need for additional work; issues with the quality of supporting working papers submitted leading to delays in testing being completed and a number of adjusted, unadjusted and disclosure misstatements being identified in the draft financial statements which had increased the level of work required beyond the original scope.
- These issues had been subject to ongoing review and engagement with the Council's finance team, with additional external audit resource having been provided to support the audit process and the aim (subject to provision of the final outstanding information by the Council) to now complete and finalise the process in time for the Audit & Standards Advisory Committee on 4 February 2025.

Sheena Phillips (Grant Thornton- Senior Audit Manager) then provided a summary of the audit findings to date, with the following noted:

- Whilst recognising the reasons and impact of the delays in relation to the audit process, the opportunity was taken to thank the finance team for their ongoing support and effective working relationship established recognising the challenging nature of the audit process over the year and updated guidance relating to IAS19 IFRIC14.
- The significant risks identified within the Audit Plan and approach undertaken to assess these as part of the audit process, which had included – fraudulent transactions (rebutted) within the revenue cycle, management override of controls; valuation of other land and buildings, valuation of Council dwellings, valuation of pension fund net liability and fraud in expenditure recognition (completeness of non-pay expenditure). As a result of the audit work undertaken to date in seeking to reconcile the PPE note in the financial statements with the Fixed Asset Register, a number of differences had been identified in terms of the inclusion and valuation of assets totalling £18.5m along with the identification of a duplicate asset totalling £26m which had required follow up investigation and further valuation. In addition, it had been identified that in-year additions to the valuation of council dwellings totalling £26.7m had not been revalued at year end requiring further review and valuation (currently ongoing), which had also caused delay in the audit process.

In terms of the pension fund liability, as a result of updated guidance there had been a need to obtain an IFRIC 14 assessment from the Fund's actuary which had resulted in an additional liability of £75m being identified. Due to the material nature of the change a prior period adjustment had been required with IFRIC 14 assessments also having been requested, as a result for financial year 2021-22 and 2022-23.

- Updates were also provided on the work in relation to the key estimates and judgements included within the financial statements in relation to valuation of land and buildings, council dwelling valuations & valuation of PFI assets and PFI provision (on which work was ongoing); net pension liability, grant income recognition (on which work was substantially complete, subject to review) and Minimum Revenue provision (on which work was under review).
- The overview of results from the assessment of the Council's IT environment and controls, which had included a red IT General Control (ITCG) rating in relation to security management and control on the Oracle Fusion system following roll forward of the ITCG assessment from the previous year although it was, however, that management responses had now been provided.
- The additional detail provided in relation to the delay and issues identified in the provision of supporting information (as part of the audit communication requirement updates) in relation to PPE valuations, bank reconciliation statements, payroll (change in circumstances) testing, quality of financial statements and supporting evidence along with additional challenges in relation to the provision of and discrepancies in other transaction listings including creditors and debtors listings and movement in reserves statement.
- The recommendations identified for consideration by management as a result of the audit work to date, as detailed within Appendix B of the report, which included three control deficiencies in relation to FTE changes in circumstances, PPE and bank reconciliation statements along with the management responses provided. Reference was also made to the outcome of follow up actions on the recommendations from the previous year's audit (as detailed in Appendix C of the report) on which only two of the 13 originally raised were now shown as outstanding.
- The four adjustments identified in relation to the financial statements as a result of the audit to date, which had resulted in a £16.046m adjustment to the Council's comprehensive Income and Expenditure Statement, as detailed within Appendix D of the report. These had not impacted in the level of Council's usable reserves and related to gain on disposal (£10.5m), bank reconciliation statements (£1.5m), lease prepayment (£1.3m) and short term debtors (£4.5m).

In addition, details were provided on the unadjusted misstatements identified along with the misclassification and disclosure changes made in the final set of financial statements.

- The impact of the additional audit work and resources allocated in terms of the audit fee breakdown and additional costs incurred as a result (totalling approx. £21k), as detailed in Appendix E of the report. In recognising the set level of fee scales charged, the Committee highlighted a need to ensure every effort was made to meet the revised schedule for completion of the audit in order to avoid any further additional fees being incurred.

As further assurance the Committee noted that the Corporate Director Finance & Resources and External Audit Partner would be required to consult

with the Chair and Vice Chair prior to final approval of any additional audit fees incurred as part of extended audit process.

David Ewart (as Chair) thanked Sophia Brown and the Grant Thornton team for the updates provided and took the opportunity to highlight the importance in the Council being able to achieve completion of the audit and sign-off of the Statement of Accounts in advance of the backstop arrangements coming into effect on 28 February 2025. As such, the Committee were advised that the Chair and Vice-Chair would both be continuing to work with the Council's Finance Team to ensure the required deadlines for submission of the final evidence in support of the audit process were met to enable completion of the audit by mid January and sign off of the final accounts at the Audit & Standards Committee on 4 February 2025.

Following this statement, the Chair then invited the Committee to raise any questions on the audit findings to date, with the responses summarised as follows:

- In highlighting the issues raised as part of the update in relation to the timeliness and accuracy of the information provided by the Council in support of the audit process and impact this had created in delaying its completion and need to for additional audit resources, further assurance was sought by the Committee on the measures being taken to address and mitigate the issues identified, with particular reference to staffing capacity and turnover.

In considering the issue, members recognised the more challenging and complex nature of the audit process along with the limited timescales for preparation and submission of the financial statements, which alongside the staffing capacity issues identified had created further pressure and impacted on the quality of information provided.

In seeking to address the issues highlighted, Minesh Patel (as Corporate Director Finance & Resources) advised that this audit process had been one of the most challenging and difficult periods experienced by the Finance Team given the staffing issues identified and impact on the timeliness and quality of information and follow up evidence which had needed to be provided to the external auditors as a result. This was recognised as an issue for the Council as opposed to external auditors to address, with the need for robust contingency plans acknowledged in order to facilitate a smooth process, moving forward, in relation to the preparation of the financial statements and support of the external audit process. In terms of this assurance, members were advised of the progress made in recruiting permanent replacements for the staff vacancies across the Finance team alongside the approach also taken in seeking to grow and develop existing staff to enhance capacity. The risk remained, however, in relation to the retention of key local authority finance staff with these challenges noted as a sector wide issue supported by recent concerns also raised by CIPFA. In recognising the challenges outlined including new accounting regulations and adoption of IFRS16, the Committee acknowledged the work undertaken to address the issues highlighted, with support also expressed for the approach identified in terms of ongoing internal development of staff.

- In response to further details being sought on the ITCG red rating identified in relation to the assessment of the IT environment and controls around Oracle Fusion, Asad Khan (Grant Thornton) advised these had related to significant deficiencies identified in the ITCG assessment carried forward from the previous year. It was, however, noted that the issues identified in relation to segregation of duties conflict between finance, payroll and system administration roles, range of access assigned to HR and payroll system users, seeded roles and audit logging for configuration in Oracle Cloud had all now been resolved with management actions in response having been detailed within the update on action taken in response to recommendations from the previous year's audit.
- Highlighting ongoing issues identified in relation to the valuation of assets and Fixed Asset Register further assurance was sought on how these matters were being addressed, given the delays these had had created in being able to complete the audit process. In response, Sophia Brown advised members that the final audit report would include, as part of the Action Plan, recommendations designed to ensure robust controls were in place regarding the need to undertake regular and detailed reconciliation between the Fixed Asset Register, general ledger and valuation reports to ensure any discrepancies or inconsistencies identified could be resolved in a timely manner. In noting the control weaknesses identified, the Committee also recognised the more complex nature of the process given the level of regeneration, and housing building being undertaken by the Council and change in asset base as a result and welcomed the assurance provided that the Finance team were clear on the outstanding information required in order to complete the reconciliation and audit process, which they were working to provide (with relevant teams from across the Council & Council's valuers) within the necessary timescale. Members noted that these were also issues experienced by other local authorities with the level of control varying between Councils but work ongoing to ensure the necessary reconciliation of the Fixed Asset Register was maintained working with all relevant teams across the Council.
- In response to a query, additional clarification was provided on the way in which the useful economic life of intangible assets were assessed and treated in relation to their inclusion of the Fixed Asset Register.
- The additional assurance provided in relation to robustness of the valuation process undertaken for the Pension Fund, which it was noted involved a different type of assessment to that undertaken in preparation of the Council's financial statements involving the Fund's Actuary and individual Fund Managers.

As no further issues were raised the Chair once again thanked officers for the update provided and, having recognised the issues and challenges highlighted the Committee **RESOLVED** to note:

- (1) the update provided on progress in completion of the External Audit relating to the Council's 2023-24 Statement of Accounts and breakdown of audit fees.
- (2) The updated timescale for completion of the External Audit process with the aim (subject to submission of final data in relation to the outstanding queries raised by Grant Thornton by mid December 24) to present the final Audit Findings report and Statement of Accounts to the Committee on 4 February 2025 for formal sign-off in order to avoid the formal backstop arrangements (effective 28 February 25)

Moving on, the Committee were then provided with an additional update by Sophia Brown regarding the approach and progress towards completion of the Annual Audit Report and Value for Money assessment for 2023-24. Members were advised that the VFM work was substantially complete with the final report due to be presented to the Audit & Standards Advisory Committee at its next meeting on 4 December 2024.

As part of the work undertaken to date, the Committee were advised that a significant weakness had been identified in relation to the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources on which reference would be included in the final Audit Annual Report. This related to the Council's overall financial sustainability and use of reserves and had been based on an assessment regarding the use of £13.5m of reserves to balance the Council's revenue budget in 2023-24, ongoing financial pressures identified (particularly in relation to homelessness), the forecast overspend of £16m in 2024-25 and further forecast budget gaps of £16m in 2025-26 & £7m in 2026-27 and 2027-28 with a Future Funding Risk Reserve balance of £10m. Taken together, these had been felt to represent a risk of significant weakness in the Council's financial sustainability. As a result, Grant Thornton advised they would be including a key recommendation within their Annual Report outlining the need (in order to avoid financial crisis and the risk of issuing a s114 Notice or requesting Exceptional Financial Support) for the Council to urgently take the difficult decisions needed to ensure a realistic budget was set for 2025-26 that could be delivered without the need to further draw on reserves.

In response to the update provided, Minesh Patel (as Corporate Director Finance & Resources) confirmed the Council had been made aware of the risk identified, which it was noted were similar to those being experienced across the local government sector as a whole. In terms of Brent's position, the ongoing impact of pressures in relation to homelessness and the cost of temporary accommodation as well as provision of adult social care had been fully recognised and reflected within the Council's draft budget proposals for 2025-26, with a number of difficult and challenging decisions and savings having already been identified in order to ensure the Council was able to deliver a balanced budget whilst seeking to protect those most in need.

Comments were then invited from the Committee on the update provided with the following issues raised:

- In recognising the challenging position and nature of financial pressures faced by the Council, members sought further details on the impact which it was felt

the approach being developed in terms of strategic commissioning arrangements across the Council would be able to deliver in seeking to address the overall financial position and risk identified in relation to the Council's financial sustainability. Whilst recognising the considerable efforts to maintain financial control, the Committee also noted that the operating environment and wider economic context faced by the Council remained volatile with members advised that despite the efforts made to identify efficiencies and deliver the savings already achieved, these would no longer be sufficient over the longer term and as a result were likely to require a fundamental adjustment in the way services were provided by the local authority including the approach towards commissioning with a focus remaining on key statutory functions. In terms of delivering the £16m savings identified as required during 2025-26, the Committee were advised that whilst recognised as challenging, there was no other option as without intervention the risk in the Council being able to move back towards financial sustainability would become even more difficult. Whilst the government had now changed, and Chancellor's Autumn Statement had outlined a range of measures aimed at providing a renewed focus on public services the challenges and pressures facing the Council remained the same and, it was highlighted, would require a fundamental shift in approach.

- Recognising the national trend in pressures associated with homelessness and the costs of Temporary Accommodation, members were keen to explore the audit view regarding the risk that the overall savings figure of £16m within the Council's draft budget for 2025-26 could increase further. In response, Sophia Brown advised that the final Annual Audit Report would provide further detail on the management response to the risk identified with the audit assessment based on measures taken to address pressures over previous years rather than forecast around specific pressures moving forward.

Whilst not a standard approach, confirmation was provided that the weakness and risk identified had been common in the VFM assessments outcomes across a number of local authorities. Whilst the pressures identified in relation to homelessness and cost in supplying Temporary Accommodation were substantial within Brent they were also noted as being an issue faced by most other London Boroughs.

- In response to a query regarding concerns previously raised around the level of HRA reserves and impact on the overall level of risk identified confirmation was provided that whilst referenced within the Annual Audit Report this had not been identified as a significant weakness as part of the overall VFM assessment.
- In recognising the role of the Committee in seeking to support the work being undertaken to ensure the necessary controls were in place to ensure the maximum VFM was being achieved across the Council, members (following the previous comments made in relation to commissioning) felt this needed to include a focus on procurement and need to prevent companies seeking to exploit or elevate prices for services being provided on behalf of the Council

and with outcomes designed to deliver greater cost efficiencies overall. In response, the Committee was advised of the controls already in place as part of the Council's procurement and commissioning arrangements to deliver VFM, which included not only a range of approaches and procurement models to secure the best price and added value but also regulation through market forces. Given the ongoing nature of the financial pressures and risk to the Council's financial position identified, members highlighted the need to maintain focus on the use of commissioning as a means of being able to drive further efficiencies and VFM across the Council with the delivery of social value, although recognised as more difficult to quantify in relation to financial value, also highlighted as a key area of consideration.

In noting the relevance and importance of the risk identified for inclusion within the final Annual Audit Report in relation to the VFM assessment and key timescales identified for completion of the audit process in relation to the Council's financial statements the Chair once again thanked all those involved for their efforts, and it was **RESOLVED** to

- (1) Note the progress on the Annual Audit Value for Money report.
- (2) Note the draft VFM audit findings which had included a significant weakness identified in relation to financial sustainability and use of reserves in relation to ongoing financial pressures on which further detail would be provided in the Annual Audit Report due to be provided to the Committee in December 24
- (3) Note that the Chair & Vice-Chair would be kept updated on progress in meeting key timescales to completion and sign off for 2023-24 Statement of Accounts in February 25.

5. **Strategic Risk Register Update**

Darren Armstrong (Deputy Director for Assurance and Resilience) introduced a report, providing an update on the Council's Strategic Risks as of September 2024.

In considering the report the Committee noted:

- The Strategic Risk Register had been prepared in consultation with risk leads, Departmental Management Teams and the Council Management Team and summarised the risks that were considered to have an impact and/or likelihood of materialising and which may adversely affect the achievement of the Council's corporate objectives.
- Since the report was last updated in March 2024, the Council had continued to operate in a heightened risk environment with the Council's overall risk profile therefore continuing to reflect the challenging risk environment the Council was operating within.
- In terms of the main changes since March 2024, a number of risk scores had increased including those identified in relation to the lack of affordable accommodation (Strategic Risk A) and Council's financial resilience and

sustainability (Strategic Risk H) with 8 out of 14 strategic risks identified within the Strategic Risk report included as Appendix 1 to the report sitting outside of their target risk score and one (in terms of trend) showing a small downward movement (Risk G: Cyber Attacks)

- Since the update in March 2024 two new risks had been added to the Strategic Risk Report. The first related to the risk to community cohesion (Strategic Risk D) with the risk included to reflect the Council's awareness of emerging global and national events that could have a local impact and create tensions amongst communities. While the risk had scored highly it was felt to represent more of a precautionary measure given the proactive nature of the work being undertaken by the Council to manage and monitor the situation and the risk demonstrating the Council's commitment to community resilience and to provide reassurances that appropriate measures were in place. The second risk related to Emergency Preparedness, Response and Recovery (Strategic Risk: K) which had been included to reflect the risk of failing to adequately prepare for and/or respond to a major incident in Brent given the significant impact on the health, safety or well-being of residents, communities, businesses or staff and ability to deliver critical services. It was noted this had also reflected publication of the final report from the Grenfell Enquiry, which had highlighted a number of related issues, areas and recommendations for consideration. Members were made aware that whilst this risk had previously formed part of a wider suite of inherent risks held and monitored at the departmental risk register level, it had now been included with the Strategic Risk Report following a review of how the Council's strategic risks were reflected and presented, in order to ensure a consistent approach. In this respect it had not been identified as an escalated risk but had been added to reflect a change in the Council's risk management approach as part of ongoing efforts to continue to improve and enhance the Council's risk management framework.
- The Committee's attention was drawn to the Strategic Risk Heat Map within the Strategic Risk Report which had shown 8 of the strategic risks located within the upper quartile with the highest scoring being the risks related to Lack of Affordable Accommodation (A); cost-of-living crisis (B); increase in Dedicated Schools Grant High Needs Block deficit (C) and risk to community cohesion (D).
- No strategic risk had been closed or de-escalated to departmental level since the last update to the Committee in March 2024 although members were advised the lack of supply of affordable accommodation and increase in use of temporary accommodation had now been combined into a single risk.
- The amendments made to the individual scores of existing risks within the report, as outlined within the previous and updated risk score columns which had now been included, and changes made to the detailed risk plans within section 4 of the Strategic Risk report.
- The wider improvements made to the Council's risk management framework, as detailed within section 3.7 of the report which included the addition of an enhanced action plan for each of the fourteen strategic risks. Previously, risk

owners had been required to outline actions to address the risk identified but with no system to follow up and track those actions or determine the impact delivered in management and mitigating the risk. The enhanced action plan therefore now included a section to follow up on actions outlined with these also assigned to a specific owner for accountability and monitoring purposes and the change made to reflect best practice identified by the Local Government Association London in relation to risk management following a recent review of governance and financial challenges experienced by a number of other local authorities. Whilst noting the robust arrangements already established within Brent to satisfy the majority of the recommendations made, the Committee was advised how these would be used to continue future development and enhancement of the Strategic Risk Report.

The Chair thanked Darren Armstrong for his report and before moving on to invite comments the opportunity was taken to remind members of the role played by the Committee in seeking to ensure sufficient assurance over the Council's risk management arrangements that supported and underpinned the Annual Governance Statement. Whilst reminding members that the Committee's role was not to manage individual risks, the importance in maintaining a focus and understanding of the Council's risk profile and in seeking assurances on the active arrangements in place to manage risk related issues and ensure these were aligned with wider assurance activities was highlighted as key. Given the role of Internal Audit in working with risk sponsors and nominated risk leads, in an advisory capacity, to coordinate and update the risk report rather than as the specific risk owner the Committee were reminded that should any issues be raised during consideration of the report, on which further detail regarding specific risks/mitigations were required, these would need to be sought from the relevant risk sponsor outside of the meeting. On this basis, the following comments/issues were raised:

- Further clarification was sought on the reference to the additional financial pressure (£9m) identified within Strategic Risk H: Financial resilience and sustainability in relation to Supported Exempt Accommodation. In response, the Committee was advised this had been identified as an emerging risk and involved the provision of supported accommodation for individuals with medium to low social care needs by private landlords with the pressure relating to the level of subsidy it was possible to claim back to cover the unregulated costs being charged and growing number of individuals being accommodated within the increasing number of schemes available, many of which fell outside of current local authority regulation.

As part of a wider query relating to the Strategic Risk H details were also sought on why the risk score had not been assessed at a higher level, given the financial issues raised earlier during the meeting. In response, members were advised that the score had been increased to reflect the ongoing pressures and monitoring of the Council's overall financial position. Whilst recognising the timing involved, officers also remained confident that the proposals developed to address the budget position, whilst challenging to deliver in terms of their impact, would have a positive impact in relation to the overall risk evaluation process and assessment relating to likelihood.

- Following on from the previous issue raised, members advised they would be keen to consider the incorporation within future versions of the Strategic Risk report of risk velocity as an additional factor within Risk Evaluation Matrix, which Darren Armstrong felt would be a helpful improvement as part of the process in seeking to improve the development and overall approach in terms of risk maturity.
- In response to clarification sought over the allocation of resources to support actions identified in seeking to manage/mitigate any new strategic risks identified or those risks where scores had increased, the Committee was advised that these would not attract specific additional funding with the key controls and mitigating actions identified as part of the action plan including an assessment of necessary resource requirements.
- In response to a query regarding the identification and management of risk across local authorities on a regional basis (as a means of sharing best practice and general themes) members advised they would be keen to seek additional clarification on the existence of any London wide local authority strategic risk register. Whilst not aware of the existence of a London wide risk register and main focus of each local authority register on their own specific risk management frameworks, Darren Armstrong advised he would take this away as an action for further investigation with confirmation provided that risk registers and management frameworks were subject to comparison through strategic networks in order to share best practice and examine trends with many of the risks identified being as consistent across other councils.
- In response to a comment regarding the management and removal of strategic risks from the register, the Committee were advised that where undertaken previously this had usually related to more short term and topical risks such as the Ukrainian resettlement scheme, which once ended could be closed as a risk and removed. In terms of the risks currently identified on the register, these were felt to be more inherent in nature requiring a longer term focus but with the ability to increase or reduce the risk score as required, reflecting any change in circumstances or approach towards their risk management.
- As a final issue, further clarification was sought on the approach towards managing risks at a departmental/operational level. In noting the Committee's focus around the management of risk at a strategic level across the Council, supported by the Corporate Management Team (CMT), and ability to commission deep dives around specific risks (if required) members were advised that each Council department would also be responsible for maintaining a departmental risk register to ensure that all operational risks were being effectively managed, and to ensure that, where required, risks could be escalated to the Strategic Risk Report via CMT with the approach supported through the Risk Management Strategy and risk management identified as a core element of the Council's corporate governance framework and closely aligned to the Borough Plan priorities.

As no further issues were raised, the Chair thanked Darren Armstrong and his team on behalf of the Committee for their efforts and the update provided and the Committee **RESOLVED** to note the update on the Council's Strategic Risks as of September 2024 along with the actions identified in relation to:

- Consideration of the potential incorporation of risk velocity as an additional factor within Risk Evaluation Matrix; and
- Additional clarification being sought on the existence of any London wide local authority strategic risk register.

6. **Audit & Standards Advisory Committee Forward Plan and Work Programme 2024-25**

The Committee **RESOLVED** to note the Committee's Forward Plan and Work Programme for the 2024-25 Municipal Year.

7. **Any other urgent business**

At the request of the Chair, the Committee received a brief update from Minesh Patel (as Corporate Director Finance & Resources) providing an initial assessment of the Chancellors Autumn Statement and impact on the financial position relating to the Council's budget and pressures being experienced across the local government sector more generally.

It was noted that further updates would be provided following the Local Government Financial Settlement being announced in December 2024 with the assumptions included within the Council's draft 2025-26 budget (due to be presented to Cabinet in November 2024) broadly reflecting the announcements made to date and the pressures identified in relation to homelessness, cost of temporary accommodation and deficit in relation to High Needs Dedicated School Grant likely to remain as significant challenges with members also supportive of a move towards the provision of longer term funding settlements.

The Chair thanked Minesh Patel for the update, which was NOTED by the Committee.

The meeting closed at 7.38 pm

David Ewart
Independent Chair