MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE
Held in Board Rooms 3,4 & 5, Brent Civic Centre on Monday 24 February 2025 at 6.00 pm

PRESENT: David Ewart (Independent Chair), Councillor Chan (Vice-Chair) and Councillors Choudry, Kabir, Long, Molloy, J.Patel and L. Smith

Independent co-opted Members: Rhys Jarvis

Also Present: Councillor Mili Patel (Deputy Leader and Cabinet Member for Finance & Resources), Julie Byrom (Independent Person – attended online), Sophia Brown (External Audit – Grant Thornton) & Assad Khan (External Audit – Grant Thornton).

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

Apologies for absence were received from Steven Ross (Independent co-opted Member) and Darren Armstrong (Deputy Director of Organisational Assurance and Resilience).

2. **Declarations of Interest**

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

3. **Deputations (if any)**

There were no deputations received at the meeting.

4. **Response to Government consultation on potential changes to the current Standards regime**

Debra Norman (Corporate Director Law and Governance) introduced a report seeking views on the draft response which had been prepared on behalf of the Council, reflecting comments received from members, on the current Government consultation regarding potential changes to the current Standards regime.

Members were reminded that an outline of the consultation questions had been provided at the previous Committee meeting on 4 February 25 where it had been agreed that a draft response on behalf of the Council should be prepared for consideration by the Committee.

Members were advised that the proposed response, taking into account comments provided to the Corporate Director of Law & Governance by members of the committee, had been detailed within Appendix A of the report. It was noted that where responses had included “unsure”, the draft response had included the option for which a particular preference had been expressed by one or more other responders and where there were a majority in favour of a response, that had been selected in the draft. In certain instances, the proposed response had remained uncertain based on the responses received, with members views therefore being sought on the preferred option to be included within the final submission.

In taking the Committee through these outstanding questions, the following comments and views were expressed:

- Consultation Question 8 – regarding the provision of voting rights to Independent Persons and co-opted members. Members advised they would be supportive of independent co-opted members having voting rights but not Independent Persons, given their role in providing independent scrutiny, challenge and advice when dealing with complaints that reached the Assessment Criteria Stage, and this was agreed as the basis of the response to be provided.

- Consultation Question 9 – regarding the Standards Committee being chaired by an Independent Person. Members expressed support for this provision, recognising the value this already provided to the arrangements in Brent and this was agreed as the basis of the response to be provided.

- Consultation Question 20 – regarding the nomination of an alternative point of contact for constituents where it was deemed that suspension of a councillor was an appropriate response to a code of conduct breach. Whilst supportive of the proposal, members highlighted concerns regarding the nomination process for any alternative point of contact which members felt should be a matter for the Council to agree. As a result, it was agreed the response provided include an additional comment advising of members views that guidance should be provided on the process for nominating an alternative contact with the preference for this to be undertaken by the Council.

- Consultation Question 21 – regarding the maximum length of suspension should that power be reintroduced as a sanction. Whilst supportive of no maximum length being specified members felt the reintroduction of this power would need to be accompanied by guidance establishing criteria that could be applied to determine the length of any suspension, which it was felt would also need to reflect the seriousness of any breach. It was therefore agreed to include these views as an additional comment within the final response.

- Consultation Question 23 – regarding the power to withhold allowances from suspended councillors in cases where it was deemed appropriate. In considering this issue, members highlighted a number of challenges including the length of time any withdrawal of allowance would apply and whether this should involve basic as well as any Special Responsibility Allowance. As a principle it was agreed that councils should have the option to withhold allowances from suspended councillors, reflecting the same position for MPs, which should apply for the length of suspension and be applied in cases where this was deemed appropriate reflecting the nature of the breach which had lead to the suspension.

- Consultation Question 36 – regarding providing the complainant with a right of appeal when an allegation of misconduct was not upheld. Members whilst not supportive of an automatic right of appeal did feel there was a need more generally to ensure clarify was provided in relation to the appeals process to ensure fairness and consistent application of the process.

- Consultation Question 38 – seeking views on the need for the establishment of an external national appeals body. Members advised they would be supportive of the establishment of a national appeals body but only to deal with cases involving the most serious breaches of the code and sanctions . Recognising concerns relating to the resourcing of such a body and additional work required to support any appeal process, members were also keen to ensure a fair and consistent approach was applied in terms of handling appeals with clear guidance identified as required in terms of the cases that should be referred and also the ability for referral back in instances where it was not felt appropriate for the appeal to be determined at that level. It was therefore agreed that the response be framed on that basis.

Having confirmed the responses outlined in relation to those questions on which uncertainty had been expressed, Debra Norman advised that she would finalise the collective response for submission on the basis set out in Appendix A of the report and as set out above. Members were advised this would be submitted as a response on behalf of the Council, in consultation with the Audit & Standards Advisory Committee.

The Chair thanked Debra Norman for leading the discussion and collating and presenting the responses to the consultation for the Committee. As there were no further issues raised it was **RESOLVED** to approve the draft consultation response (as set out in Appendix A of the report) subject to the comments and clarification provided on the questions above, for submission by the Corporate Director Law & Governance on behalf of the Local Authority.

5. **External Audit Progress Report and Council's statement of accounts 2023-24**

David Ewart (as Chair) commenced consideration of the item by advising members that whilst considerable progress had been made in completion of the audit and finalising the Council's 2023-24 Statement of Accounts it had not been possible for the final Audit Findings Report to be issued in time for consideration and approval at the meeting. Recognising that the process was nearing completion, however, he advised that the Committee was being asked to consider recommending to the Audit & Standards Committee approval of the Statement of Accounts (subject to no other material changes being identified as required by the external auditors) and delegating approval of the draft letters of representation to the Corporate Director Finance & Resources. In recognising the comments raised by the Committee when considering the update on the audit provided on 31 October 24 and at the previous meeting on 4 February 25, the Chair advised members that a review of the issues identified and lessons learnt as a result would be undertaken with the outcome provided for future review by the Committee.

Ravinder Jassar (Deputy Director of Finance) was then invited to provide an update on the current position with members advised of the progress made in addressing the outstanding areas of the audit identified at the previous meeting as part of the updated Audit Findings Report on 4 February 25. Confirmation was provided that the audit of Plant, Property and Equipment (PPE), which was the original cause of the delay in the audit, had concluded with it anticipated that the final Statement of Accounts would be in a position to be signed off prior to the backstop deadline on 28 February 25, subject to no further material changes being required.

Sophia Brown (Key Audit Partner – Grant Thornton) was then welcomed to the Committee and invited to provide a further update for members on the current status of the audit, with the following issues noted:

- Whilst the Audit Findings Report had not been subject to further update, confirmation was provided that work on the PPE note to the accounts had been completed with the revised note included as part of the Financial Statements.

- Work was ongoing to complete the final internal consistency checks on the revised financial statements in order to provide final assurance on the application of the variances and adjustments identified. At this stage, however, it was felt any further changes identified would be for disclosure purposes only and not likely to involve any material adjustments to the core Financial Statements. As such, it was confirmed that Grant Thornton were supportive of the recommended delegations being sought to enable the Statement of Accounts and Letters of Representation to be approved with the adjustments to be made included in the final updated Audit Findings report.

The Chair thanked Ravinder Jassar and Sophia Brown for their updates with confirmation provided by Sophia Brown that the internal consistency checks were not expected to identify any further material change or adjustments to the core Financial Statements.

As no further issues were raised, Members were then invited to consider the recommendations outlined in the report on an individual basis. Having once again thanked Sophia Brown and the audit team at Grant Thornton along with the Council's Finance Team for their efforts to complete sign off in advance of the backstop deadline it was **RESOLVED**:

(1) To recommend to the Audit & Standards Committee that approval of the draft letters of representation to Grant Thornton for the Council and Pension Fund be delegated to the Corporate Director of Finance & Resources, as set out in Appendices A & C of the report, which member noted complied with the required template.

(2) To note the draft audit opinions, as set out in Appendices B & D of the report. Members were advised that the draft audit opinion highlighted they key matters arising from the audit of the 2023-24 accounts and whether the council's financial statements were assessed to present a true and fair view of the financial position, its expenditure and income for the year and whether they have been properly prepared. They were also used to report the audit findings to those charged with governance. In providing an unqualified audit opinion, reference had been included to the significant weakness identified with the Auditors Annual Report in relation to the assessment of the Council's Financial Sustainability, which the Committee had considered in detail at their meeting on 4 December 24. Although the draft opinion had been issued, Sophia Brown advised that it would not be possible to certify the final 2023-24 audit opinion given an instruction from the National Audit Office for all external auditors to hold off this process pending completion of all local authority opinions being signed off.

(3) To recommend to the Audit & Standards Committee approval of the final 2023-24 Statement of Accounts, subject to a written assurance being provided that all outstanding matters and adjustments contained in the Audit Findings Report had been made. If any material adjustments were required as a result of the final Audit Findings Report being issued, these would be reported back to the Committee.

Members noted that subject to sign off being achieved in advance of the backstop deadline this was likely to place Brent within the top 20% of local authorities having completed the process with members noting the unprecedented number of disclaimed opinions which it was anticipated would need to be issued for authorities under the backstop arrangements. The Committee was advised that confirmation would be provided for all members once final sign off of the Statement of Accounts had been completed.

(4) To recommend to the Audit & Standards Committee that the audit fees foe 2023-24 be approved, as detailed in section 3.2.7 of the report. Members noted this would include additional fees totalling £60,120 incurred as a result of the additional work required on Plant, Property and Equipment with the total fee payable therefore having increased from £515,639 to £575,759 and this confirmed as the final fee by Grant Thornton.

6. Audit & Standards Advisory Committee Work Programme 2024-15

The Committee **RESOLVED** to note the Forward Plan and Work Programme for the remainder of the 2024-25 Municipal Year with it noted that a review of the number of items scheduled on the agenda for the 25 March 25 meeting would be undertaken with the Chair & Vice-Chair in advance of the agenda for that meeting being finalised.

Members were advised that a draft work programme for 2025-26 was being prepared for consideration by the Committee at their next meeting on 25 March 2025 with the submission of any comments regarding future areas and priorities for consideration welcomed in advance of that meeting, via Harry Ellis (Governance Team). As an initial comment, a need was identified to ensure that the weakness and control deficiencies identified as a result of the external audit on the Statement of Accounts was included for consideration as a priority within the Internal Audit Plan. In response, the Chair advised that whilst he would ensure these comments were fedback to Darren Armstrong (as Deputy Director of Organisational Assurance and Resilience) it was also important to note the advice at the previous meeting confirming that a number of these issues had already been included within the Plan.

7. Exclusion of the press & Public

There were no items of business considered at the meeting which required the exclusion of the press and public.

8. Any other urgent business

None identified at the meeting.

The meeting closed at 6.40 pm

David Ewart
Independent Chair