



MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE
Tuesday 3 February 2026 at 6.00 pm

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

Councillor L. Smith was also present as an online participant.

Independent Co-opted Members: Sebastian Evans & Rhys Jarvis

Also Present: Sophia Brown (Grant Thornton – External Auditor), Sheena Phillips (Grant Thornton – External Auditor), Louis W. Niven (Grant Thornton – External Auditor) and Councillor Mili Patel (Deputy Leader and Cabinet Member for Finance & Resources- as an online participant).

1. Apologies for absence and clarification of alternate members

Apologies for absence were received from Stephen Ross (Independent Co-Opted Member). It was also noted that Councillor Lesley Smith had been unable to attend in person so would be participating as an online participant.

The Chair also took the opportunity (on behalf of all members of the Committee) to pay formal tribute and thanks to Councillor Kabir for her support and input as a member of the Committee following her stepping back from the role. In addition, Councillor Gbajumo was welcomed as a new member of the Committee, following her recent appointment to represent the newly formed Green Group on the Council.

2. Declarations of Interest

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

No other declaration of interests were made by members during the meeting.

3. Deputations (if any)

There were no deputations considered at the meeting.

4. Minutes of the previous meeting & Action Log

RESOLVED that the minutes of the previous meeting of the Committee held on Wednesday 3rd December 2025, be approved as a correct record.

Members also noted the update provided in relation to the Action Log of issues identified at previous meetings, which they were advised would remain subject to ongoing review.

5. Matters arising (if any)

None raised.

6. Member Complaints & Code of Conduct

Biancia Robinson, Senior Constitutional & Governance Lawyer, introduced a report from the Director of Law providing an annual review of the complaints received under the Members' Code of Conduct Complaints Procedure.

In considering the report the Committee noted:

- The summary of complaints received in the last 12 months, as detailed in section 3.5 and Appendix A of the report. During this period the Director of Law, as Monitoring Officer, had received eight complaints and made determinations regarding six councillors. Of these, one complaint had been resolved at Initial Assessment Stage, seven had been resolved at Assessment Criteria Stage with none proceeding to investigation stage. In terms of outcomes, one complaint had been upheld as a breach of the code and two had been subject to review requests, of which one had not been upheld, and one remained under review.
- The overview of the complaints procedure provided within section 3 of the report and consistency produced as a result of the detailed procedure and assessment criteria.
- The outline of trends identified in relation to complaints and outcomes, as detailed with section 3.11 – 3.13 of the report. These had included:
 - No issues being identified as having arisen during 2025 from the Code only permitting the investigation of complaints against Members made in their official capacity or when giving the impression they were acting as a member of the Council, unless the issue related to a serious criminal offence committed in the Member's private capacity.
 - The main reason given for complaints not proceeding beyond the initial assessment stage being that the complaint had not disclosed sufficiently serious breaches of the code to merit further consideration, or there was insufficient documentation to support the allegation. The main rationale supporting this finding had been that insufficient evidence had been submitted to support the allegation and/or when considering the allegations in context, there was not significant evidence to suggest the Councillors had behaved in the manner complained off.
 - The main recurring factor for escalating complaints to the Assessment Criteria Stage which was based on the contents of the complaint and that there may be a serious issue to consider, with an opportunity for the councillor concerned to comment being necessary to establish if this was the case before a conclusion was reached.
 - The value and role of the Independent Persons in providing external scrutiny in relation to any complaints that reached the Assessment Criteria Stage.
- Whilst no substantive changes had been recommended as a result of the review of the Member Code of Conduct Complaints Procedure, the Committee

was advised that the potential for any future changes would be kept under review, pending the outcome of the government's review of the standards regime and framework for local authorities in England.

Having considered the report the Committee was then invited to raise any comments/questions, which are summarised below:

- In noting the outline of the complaints received against members during the previous 12 months, as set out within Appendix A of the report, further details were sought on whether these had been submitted by members of public or other councillors, which it was agreed would be included as part of future updates.
- Following on, clarification was also sought on the reporting period covered in terms of the complaints listed within Appendix A of the report, which officers confirmed covered the 12 months January to December 2025 and included complaints received and resolved in that period, with it noted that one remained ongoing under the review process. Confirmation was provided that in these instances cases would also be rolled forward to the next monitoring update pending completion. In response to a further query relating to other complaints which it was felt had been resolved during the year but had not been listed, officers advised they would liaise directly with the member following the meeting to provide a further update.
- In response to details also been sought on the comparison between the process followed when investigating complaints against members and officers, members were advised both involved different processes with the Monitoring Officer involved in the investigation of complaints received against members under the Member Code of Conduct Complaints Procedure and officers subject to a separate procedure. The sanctions currently available under the Members procedure were also different to those under the Council's procedures relating to officers, with the powers available to sanction a member found to have breached the Code of Conduct specified within the Localism Act 2011.
- Concern was also highlighted at the process currently followed in terms of members being informed when a complaint about them had been received. Under the current process, members would not be informed whilst the complaint was at initial assessment stage should a decision be made that the matter fell outside the remit of the Code of Conduct and would not therefore need to progress to the Assessment Criteria Stage. If identified to progress to the Assessment Criteria Stage, it would be at this stage that members were formally advised of the complaint providing the opportunity for members to comment and make representations. Drawing a comparison to the process followed when dealing with Freedom of Information requests where members had been referenced, the difference in process was emphasised, with members automatically advised when the information being disclosed include reference to them, as a matter of good practice. Recognising the concerns highlighted in relation to members being informed when initial complaints against them were received, even if subsequently found to be unsubstantiated, officers advised this could be taken away for further consideration. Given the nature of the process set out within the Member

Code of Conduct Complaints Procedure members were, however, advised that any change in relation to the stage at which councillors were informed of any complaint received was likely to require formal approval.

- In response to a query, further clarification was provided in relation to the distinction between members being assessed to have acted in an official capacity as a member of the Council and in their private capacity under the Code of Conduct based on the example of the use of councillor and private email addresses with the nature of each depending on the type and context of the communication undertaken.

As there were no further questions, the Chair thanked Bianca Robinson for presenting the report and it was **RESOLVED** to note the contents of the report with no recommendations identified as needing to be made to the Audit and Standards Committee.

7. **Update on progress following referral to Social Housing Regulator**

The Chair welcomed Tom Cattermole (Corporate Director Housing and Resident Services) and Gary Mitchell (Head of Housing Property Services) to the meeting, who he advised had been invited to provide the Committee with an update on the progress made as a result of the Council's self-referral to the Regulator of Social Housing. Members noted the report followed an initial update provided for the Committee in April and September 2025 and provided details about the ongoing engagement with the Regulator of Social Housing and the progress of the housing service improvement programme.

In presenting the update, the Committee noted:

- The background and context to the initial self-referral to the Regulator for Social Housing in relation to the compliance arrangements relating to building safety and stock condition, which had resulted in the Regulator of Social Housing having subsequently issued a regulatory judgement grading Brent's Housing Management Service as C3.
- The work subsequently undertaken by the Council to appoint health and safety advisors that specialised in building safety and assisting landlords in meeting the requirements and outcomes set out in the Social Housing (Regulations) Act 2023, in particular the Quality and Safety Standard, who had completed an initial assessment of the council's compliance arrangements against the 8 main areas of compliance. These contractors were also now supporting ongoing improvement work, providing additional objective and independent oversight, as well building safety expertise.
- In support of this work, and as additional assurance, Caldiston Ltd had also been engaged to undertake an independent forensic audit across all key compliance workstreams (including fire, gas, electrical, water, asbestos and decent homes requirements) which had been completed in August 2025. The audit involved desktop reviews, staff interviews and validation of data from multiple systems in use by the service and had been aligned with concerns, which had further validated the referral to the regulator, confirming that there were significant systemic issues, particularly in data management,

governance, and policy implementation. The overall outcome of the audit had been that the Housing Management Service had inadequate assurance in relation to managing building safety and compliance with key recommendations including developing a comprehensive compliance framework, resolving data integrity issues, closing overdue fire risk assessment actions, establishing central registers for smoke and CO detectors and providing staff training on compliance processes. It had also been recommended that dashboards for real-time KPI monitoring be implemented with further alignment of the Strategic Risk Register with actual risks.

In seeking to assure members, in terms of the response, the Committee was advised that the findings from the audit had highlighted and clarified several areas that the service had already identified as requiring focus as well as some additional key learning. These findings had fed into the development of a robust action plan for improvement which included root cause analysis (as recommended by The Regulator) to ensure permanent solutions were implemented to prevent similar issues arising in the future and on which progress would also be monitored by the newly established Housing and Tenant Improvement Programme Board. Following on from the audit, work was underway to systematically review each compliance stream, starting with Gas. This would confirm the properties falling in or out of scope along with the reason with it noted that the figures were intended to provide a baseline from which to identify improvements as validation work progressed although it was recognised this would result in the reported asset numbers changing as properties were validated and confirmed in work streams with percentages also fluctuating due to the approach. The data correction work was also highlighted as not only limited to Council owned properties but also expanded to tenants in all Council properties e.g. leaseholders, i4B and FWH tenants etc in order to ensure a consistent, council-wide approach designed to strengthen both safety and assurance moving forward.

- In addition to the reflective audit work, the opportunity was also taken to highlight the ongoing work being undertaken by the service in seeking to drive forward further improvements at pace designed to strengthen oversight and provide re-assurance for tenants. This included the onboarding of additional contractors to expedite the completion of works as a consequence of Fire Risk Assessments, with it confirmed that as of 1 September all outstanding high-risk fire actions in high-rise blocks had been satisfactorily addressed; either closed with evidence, completed and closed with evidence or work booked alongside the rebuild of the True Compliance and the NEC asset register, due to be complete by April 2026 with work around safety certification also now being progressed in relation to gas and electrical compliance.

Additional governance had also been implemented around the management of data, in particular restricting property creation access to provide a more controlled approach to new properties being added to the system and feeding into compliance workstreams accurately. Significant progress had also been made in addressing the data issues highlighted within the audit report, involving a focus on validating ownership and the council's compliance responsibilities for all properties on the Housing Database which had been identified as essential to build confidence in the data held and provide a reliable foundation for future reporting as well as assurance in relation to risk mitigation measures.

- In terms of oversight and resource to support the process, members were advised of the expansion of the Compliance Team following the recruitment of a Compliance and Contract Manager, dedicated electrical manager, Quality and Delivery Manager and Contract Officers, all with a focus on compliance and safety. In addition, it was reported that the Housing & Tenant Satisfaction Improvement Board (chaired by the Chief Executive) which had been established with overall responsibility for providing governance and oversight by monitoring the progress of improvement initiatives and ensuring compliance with housing standard, had held its initial meeting in September 2025 with the Building Safety Compliance Project Board having also met in November 25 in order to oversee and drive initiatives aimed at improving the quality of housing services and increasing tenant satisfaction.
- As a further update, members were advised that the Council had also accelerated its Stock Condition Survey program to 35% during the current financial year, splitting the remaining surveys between the next 2 years with a goal to reach 100% by March 2027.

In terms of ongoing engagement with the Regulator, the Committee was advised that monthly meetings continued to be held with senior managers which had resulted in a positive working relationship having been developed and the Regulator reported as being supportive and having welcomed the pace at which the Housing Management Service was working to enhance stock data and recover their position through the improvement programme. This was also felt to reflect the upfront and honest approach taken by the Council in seeking to identify and address the work to be undertaken in as open and transparent a way as possible, whilst also recognising the commitment towards the enhanced oversight measures and structure which had been implemented to support the process and ensure the integrity of data being compiled was assured and maintained.

As part of the wider approach outlined, the opportunity was also taken to outline the communication and engagement undertaken with tenants, which had also been recognised as a central part of the overall recovery plan. This had included the development of a multi-channel engagement strategy designed to prioritise transparency and trust and keep all key stakeholder informed of progress and upcoming changes. As part of the strategy The Noticeboard (council tenant and leaseholder newsletter) had been issued providing an update on building safety, re-iterating how to contact the service about building safety concerns and an overview of the new repairs contract (with a copy tabled for reference at the meeting). This had been accompanied by an e-newsletter version including a video message from the Cabinet Member for Housing explaining the Regulator judgement and action taken in response which had reached over 7000 tenants and leaseholders. In addition, the Council's web content had been updated to include a list of FAQs with elected members also updated through the Members Bulletin and other briefings supported by regular progress updates for the Council Management Team and Cabinet Members.

As a final area of update, reference was also made to the financial position regarding the improvement and recovery programme given the potential impact of costs relating to major works and repairs on the long-term viability of the HRA Business Plan and limited level of government subsidy available to address

changes in the Council's stock portfolio along with additional requirements in relation to building standards, including fire safety works and decarbonisation and the increasing costs in undertaking major works. As a result, members were advised that the specialists appointed to assist with the recovery of the compliance breaches, were currently undertaking an initial assessment of the situation with the intention of developing a recovery programme and setting out the anticipated costs and financial implications for further review.

Having completed presentation of the update the Chair thanked Tom Cattermole and Gary Mitchell for the detail provided and then moved on to invite questions and comments from the Committee, with the following comments and issues discussed:

- As an opening comment details were sought on what was felt to have been the material impact of the compliance issues originally identified in relation to data integrity and whether this had resulted in specific hazards now having been identified following on from the initial assessment of the council's compliance arrangements with a particular focus on fire risk assessment. In outlining the initial position identified in relation to compliance relating to the data held on Fire Risk Assessments, Gary Mitchell assured members that the outstanding and missing assessments had now been completed with all outstanding high-risk fire actions in high-rise blocks having been satisfactorily addressed. Whilst possible that some hazards may not have been picked up as a result of the initial data management and compliance issues identified, members were advised of the process now established to report and address anything which it was now felt would represent an immediate hazard as part of the ongoing improvement programme.
- Additional clarification was also sought in relation to the financial impact and cost of the recovery programme, with reference made to the update provided as part of the Q3 Financial Monitoring update for Cabinet to remedial works relating to the improvement programme posing a risk to the Housing Revenue Account, given the challenges as a result of increasing costs and requirements in relation to the delivery of major works and repairs. Taking into consideration costs for the appointment of the specialist consultants identified as well as additional resources within the new core compliance team, members were keen to identify the estimated financial impact of the addition compliance works identified as required. In response, Minesh Patel (Corporate Director Finance and Resources) advised that for comparative purposes, a similar sized registered provider that had been in a comparable position to Brent, had spent £2.3m on their recovery programme. Pending completion of the current initial assessment relating to development of the recovery programme the costs remained under constant review with budgetary provision available to manage the necessary compliance activity.
- In response to a further query, clarification was provided regarding the selection and procurement process followed in relation to the appointment of Caldiston to provide independent forensic audit services in relation to the key compliance workstreams. Members were advised that this had included an assessment of their relevant experience, availability and track record of work undertaken with other similar local authorities.

- Clarification was then sought regarding the Regulators C3 judgement for Brent and risk in terms of this dropping any further. In response, Gary Mitchell advised this was not felt to represent a significant risk based on the positive engagement with the Regulator to date in relation to Brent's performance. The feedback received described Brent as progressing quickly and efficiently, with the Council commended for the approach undertaken in seeking to address the compliance issues identified and implement their improvement plan and commitment from senior management and members in support of the improvement journey from the outset along with progress achieved. It was, however, noted that the improvement programme to be delivered would require a challenging and long term approach rather than quick fix, with it anticipated that the work required would take at least eighteen months to complete based on the objective of achieving a minimum C2 rating within that timescale.
- Recognising the level of risk identified, further assurance was sought regarding the availability of resources available to support delivery of the improvement programme highlighting, as an example, the importance of the gas certificate checks and compliance being completed. In response, Tom Cattermole felt it important to highlight and recognise the high level of organisational and political support provided as part of the improvement journey which had included the necessary financial resource being made available as well as investment to support the wider programme of improvements identified as required across the housing management service. In terms of gas safety certification Gary Mitchell advised current compliance stood at 99.1% with those properties without valid certification continuing to proceed through the relevant legal process. Whilst not complacent, performance and compliance were felt to be strong with officers confident that performance could be substantiated.
- An update was also sought on progress in completion of the accelerated Stock Condition Survey program and range of properties to be covered. In response, confirmation was provided that the Stock Condition Survey would cover all types of stock, with the accelerated programme now aiming to achieve 35% of all properties and the target to reach 100% completion by the end of 2027, now ahead of the previous schedule. This new date was also being used to inform Housing Health and Safety Rating System assessments and compliance with the Decent Homes standards.
- In response to a further query, clarification was provided on the process for undertaking Fire Risk Assessments and impact on leaseholders should any additional works be identified as required with confirmation also provided regarding the type of blocks covered under the process.
- In welcoming the transparency provided within the update, further details were sought on the engagement by tenants as a result of the enhanced engagement and communication strategy. Whilst advising that further details could be provided as part of any future update, members were advised that tenants, whilst expressing concern at the position identified and potential impact on them, had welcomed the transparency provided. In terms of the recently published Noticeboard, confirmation was provided that the e-version

provided on the website included access to a translation tool as well as read-aloud functionality. In addition, clarity was provided on the methods available for residents to make contact and report concerns along with the value generated through the FAQs as a means of addressing some of the most common issues and queries supported through the Council's contact centre.

- In acknowledging and welcoming the assurance provided as a result of the progress outlined, members were keen to ensure that future monitoring updates contained more quantitative data to assist in measuring the progression and delivery of key performance indicators within the improvement plan including planned completion timescales, work still to be delivery and performance relating to compliance screening. In addition, an update was sought on progress with recruitment to the new compliance team structure in order to provide further assurance that the necessary resources were in place. In response, Tom Cattermole advised members of the development of a comprehensive dashboard designed to monitor each compliance area and the progress being made in delivery of the improvement plan. As a result, he advised members that future updates to the Committee could include an outline of the dashboard being used to monitor progress in delivery of the compliance framework, workstreams and associated KPIs including relevant timescales and details on the structure of resources to support the work being undertaken.

With no further issues raised, the Chair thanked Tom Cattermole and Gary Mitchell for the update provided and attending the meeting to respond to the comments raised in response. Highlighting the Committee's support for the honest and transparent approach adopted and progress being made it was **RESOLVED**:

- (1) To note the progress being made by the Housing Management Service with regards to the compliance of its Housing stock, and the positive engagement with the Regulator for Social Housing following the self-referral process.
- (2) That future updates include an outline of the dashboard being used to monitor progress in delivery of the compliance framework, workstreams and associated KPIs including relevant timescales and details on the structure of resources to support the work being undertaken.
- (3) That a further progress update be provided at appropriate stage identified (within the next 6 months).

8. **Artificial Intelligence (AI) Update - Audit & Standards Advisory Committee Deep Dive**

The Chair welcomed Tony Afuwape (Head of Digital Transformation) to the meeting who was invited to introduce a report from the Head of Digital Transformation as part of a deep dive commissioned by the Committee in relation to the development of Artificial Intelligence (AI) and automation expansion for use across the Council along with the benefits as well as strategic risks identified and oversight and mitigations being developed in response.

Olurotimi Adeniji (Digital Programme Manager) and Derrik Boyce (Head of ICT Solutions) were also introduced as co-presenters of the report. As a starting point,

members were advised of the way in which Brent, like many organisations, was expanding its use of AI and automation as a key element of Brent's digital transformation agenda to enhance efficiency, innovation and modernise service delivery, productivity and the resident experience. Whilst recognising the benefits identified, the use of AI was also acknowledged to carry inherent strategic and cyber risks that required careful governance and oversight, which the Committee were advised had been detailed within sections 5 and 6 of the accompanying report circulated with the agenda and had also been captured within the newly developed AI Strategic Risk, attached as Appendix 1 to the report, included within the Strategic Risk Register

Key issues highlighted during presentation of the report were as follows:

- Members were advised of the focus in developing Brent's AI approach through the establishment of an effective in-house automation function, the Intelligent Automation Centre of Excellence (CoE). The CoE had been responsible for identifying, designing and delivering automation solutions that streamlined manual, repetitive and high-volume processes across the council and by leveraging the use of a leading platform for Robotic Process Automation (RPA) (i.e. UiPath) and agentic automation had also been able to actively develop staff capability with the aim of promoting a culture of continuous improvement. As a result, the CoE had (to date) been able to successfully deliver around 50 automations, generating significant efficiency savings, reducing administrative burden and improving the speed and quality of services for residents, with Brent noted to be one of the few local authorities that had the capability of maintaining an internal team solely for this purpose positioning the Council as a leading authority within the sector and with examples of its use provided within section 4 of the report.
- Having highlighted the significant progress made to date, members were advised that the approach had been subject to an Internal Audit review commissioned by Brent and conducted by PriceWaterhouse (PwC) in August 2025 which had concluded that whilst the overall, the arrangements for AI were maturing they had not yet been identified as consistent with the required corporate-level recommended. This had resulted in a Limited Assurance rating being provided identifying important gaps needing to be addressed to ensure the Council remained compliant, secure and operationally resilient as AI adoption was accelerated. Whilst recognising that significant progress had been made in establishing governance, strengthening controls and deploying early AI use cases, the audit had identified a number of areas for improvement including the need for a council-wide AI strategy or roadmap to set priorities and standards; further strengthening of governance arrangements involving AI; AI risks to be included on the digital risk register and strategic risk register; development of staff training and awareness in relation to AI risks and the adaptation of procurement guidance to reflect AI. The Committee was advised that all recommendations arising from the audit had been accepted, with actions scheduled for completion by 31 July 2026 with a range of mitigations developed to strengthen governance, build organisational capability, and ensure the safe and effective use of AI across the organisation.

These measures included the introduction of a governance first approach to prioritise the establishment of ethical, legal, and operational guardrails before the

widespread technical deployment of AI systems designed to ensure safe, ethical, and transparent AI adoption along with a clear risk assessment, approval and monitoring process supported by oversight from the Data Ethics Board, Technical Design Authority (TDA), AI & Data Board and the Cyber Security Board. In addition, strategic and operational risks associated with AI, such as those related to data privacy, security, model performance, and ethical considerations, were formally reported to the Senior Information Risk Owner (SIR) in order to ensure significant risks were escalated appropriately and to maintain effective oversight and timely decision-making regarding risk mitigation and compliance. An outline was also provided (within section 7.4 of the report) of the wider governance controls and foundations in place, which it was noted included mandatory Data Protection Impact Analysis and AI Impact Analysis, strengthened cyber assurance and a restriction on use of unauthorised artificial intelligence (AI) software to safeguard council data and ensure responsible technology usage, supported by regular monitoring and management of AI activity across the organisation with work also ongoing to develop a dedicated AI strategy that would define the council's vision, principles, governance, priority use cases, success measures, and delivery roadmap which had been scheduled for completion during 2026-27. Alongside the dedicated in house expertise available within Brent, the Council also continued to work closely with sector partners to ensure its AI approach was aligned with emerging best practice and the collective public-sector standard with the council not only continuing to monitor and assess its AI maturity on an ongoing basis but also an active participant in pan-London collaboration through organisations such as the London Office of Technology and Innovation (LOTI) and the West London Alliance (WLA), contributing to shared learning on AI governance, risk management, and resident-centred design and also seeking to incorporate national best practice by adopting guidance from the Government Digital Service (GDS) and the Local Government Association (LGA), ensuring its frameworks, ethical safeguards, and delivery models remain consistent with sector wide standards.

Having noted the initial update in support of the deep dive process, the Chair thanked Tony Afuwape, Olurotimi Adeniji and Derrick Boyce for the outlined provided highlighting the benefit of the co-sourced approach adopted by the Council's internal audit function in seeking to support and provide the necessary level of expertise in delivering the required level of assurance in relation to the audit process. Members were then invited to raise any questions or comments, with the following discussion summarised and highlighted below:

- In beginning the discussion, details were sought on the potential application of AI within finance and in order to assist in areas such as IFRS 16 as part of the external audit process. In response, Minesh Patel (Corporate Director Finance and Resources) advised that there was no specific AI tool yet available to support this specific type of finance activity although work continued to see how it may be possible to utilise existing tools in the future, particularly around audit work involving sample checks and transactional, process-driven activities with potential identified within those areas. Tony Afuwape added that one of the principal goals of the Digital Transformation Team was to have a dedicated team within the Council, operating outside of specific departments, to examine what could be achieved with AI and data.
- On the strategic perspective, members raised a potential concern that different departments might work in silos or at different paces with details

sought over what strategic coordination was being undertaken to bring these efforts together and ensure the necessary oversight was in place. In response, members were advised this was being coordinated through development of the digital strategy, to ensure the benefits and investment in AI could be utilised more extensively and shared across the organisation enabling the whole Council to understand the possibilities AI offered. One challenge in achieving this was that AI represented an ever-evolving field, with what might currently be considered as optimal being quickly superseded. Therefore, officers noted it was necessary to commence implementation relatively quickly and then build upon those foundations as developments continued.

- In seeking further details regarding development of the strategy, clarification was provided on timescales with the aim to have the strategy finalised and operational by July 2026. Tony Afuwape highlighted the work currently being undertaken to develop the draft strategy with confirmation provided this would be cross cutting and organisational in nature rather than defined by specific types of service.
- In relation to a query regarding PwC's involvement in the process to date, clarification was provided this had been as a co-sourced partner in the internal audit function providing specific expertise and did not involve their engagement in Brent's AI implementation itself.
- Referencing the level of automations already generated across Brent, further details and assurance were sought on the associated testing and monitoring arrangements and whether this practice would be incorporated as a routine element of the forthcoming AI strategy. In response, Olurotimi Adeniji (Head of Automation) outlined the testing arrangements followed and what was felt to be the robust nature of the governance system utilised, with UI Path being employed as one of the leading automation platforms for Robotic Process Automation (RPA). This was followed by careful monitoring to ensure performance was and remained as expected. As additional assurance, confirmation was provided that the process also involved human oversight and collaboration with the monitoring process covering all systems under the automation team's support.
- Focussing on the AI Strategic Risk Register, further assurance was sought on the mitigations in place to address the risks identified arising from the use of AI in relation to weak information governance and associated reputational damage and potential for resident mistrust. In response, Derrick Boyce felt it important to assure members on the key controls and mitigations developed in response to the level of risk identified including the establishment of the AI and Data Board, supported by a dedicated Data Ethics Board to provide expert guidance on the responsible development and deployment of AI systems. The use of AI would also involve a human element to verify and validate the data and ensure content and processes generated were checked and monitored with the aim to use automation and AI to increase performance, efficiency and output and allow staff more time to undertake other resident focussed tasks and interaction.

In seeking to address issues on trust, it was seen to be essential to ensure sufficient controls were in place regarding AI with members reminded of the governance arrangements already in place. In terms of transparency, members were advised that if information generated through AI was being shared or communicated to residents, there would be a statement indicating that it was generated by AI or that AI was involved in the process. As further context, Darren Armstrong (Deputy Director Organisational Assurance and Resilience) reminded members that the risk as presented on the register was designed to reflect the inherent level of risk identified, with an extensive range of mitigations identified designed to avoid these materialising based on the key controls established.

- In seeking further clarification on the Intelligent Automation Centre of Excellence (CoE) model, members were advised that Brent was currently one of only three London boroughs operating this style of model in house and with the Council therefore recognised as being ahead of the curve in this respect.
- Returning to the level of automation already implemented across the Council, further details were sought on the examples provided regarding the impact of their use and whether any type of negative outcomes had been identified. In response, Olu Adeniji advised of the systems in place to ensure that Brent, as a resident-centred organisation, was able to utilise AI to ensure that what was being delivered met the needs of residents and also assisted staff in delivering their work effectively. Through the RPA system, if a process was not performing as expected or meeting desired outcomes assurance was provided that deployment would either not proceed or cease. Once deployment occurred, use would be carefully monitored to ensure it continued to perform as expected supported by the in-house team. Should issues subsequently be identified the bots in use would either be corrected or removed in order to minimise any negative impact with the growing level of automation capacity based on specific criteria and rules designed to strengthen operational efficiency.
- Highlighting the considerations outlined in relation to climate and environmental impact, further details were sought on the impact of data centres being used and how these were being managed and measured. In response, Derrick Boyce recognised the concerns raised with the current approach in Brent reflecting a mix between use of on and off-site data centres. Brent had two physical data centres (one located at Brent and the other at Croydon operated as part of a shared IT service arrangement with Lewisham and Southwark) with the physical and environmental outputs measurable. In addition, the Council also utilised a cloud-based data centre located within London, shared with a number of other Microsoft clients. Monitoring the environmental impact of the external cloud based data centre was recognised to be more challenging with energy use between those members of the shared IT service apportioned in terms of cost based on a calculation reflecting the number of users per partner council.
- Members were also keen to explore the reference in the report to the trial of recent AI initiatives including the first conversational parking chatbot and use of AI to assist with responses to housing complaints in terms of user experience. In response, Olu Adeniji provided further details on the trial use of the parking chatbot which, whilst still being optimised, was designed to

enable residents to interact with the Council on a 24/7 basis in order to signpost residents to relevant parking support and payment options including available parking provision and fees for different locations. Feedback had been received regarding the effectiveness in reducing the volume of calls needing to be dealt with although it had been recognised that additional awareness raising activity was required to ensure the availability of the facility was highlighted in encouraging more use. Regarding the housing complaints application, this had been a pilot project undertaken to assist housing complaint officers in streamlining their work and reducing work pressures. Whilst assisting in generating responses to complaints, assurance was once again provided that a human element was retained in terms of checking and validating responses to ensure that those generated were accurate and could be trusted. The pilot had been successful and had demonstrated that it could assist in compiling responses from repair notes and case notes in a timely manner. The trial had demonstrated what it might be possible to achieve although the system had not yet been deployed whilst further consideration was given as to how its use could be implemented transparently with residents.

- In response to the area of improvement identified as part of the internal audit relating to staff training and awareness, further details were sought on the programme of annual data protection training undertaken with staff across the organisation both from a security and data management perspective and in relation to recognised good practice. In response, Minesh Patel assured members of the seriousness with which the Council treated data management and protection, with staff required to complete a mandatory training programme on an annual basis. Completion rates were subject to ongoing monitoring with compliance levels (as of January 2026) showing 93.18% of all staff having completed the required training. Processes were in place whereby if staff failed to complete training within a specified period this would be followed up by managers and, if required, access to relevant systems disabled pending completion.
- As a final issue, confirmation was sought on the July 2026 timescale identified for completion of the actions arising from the internal audit process. In response Tony Afuwape clarified that the timescales provided reflected the dates within the management response with officers confident that they would be delivered within the timescale indicated.

With no further comments raised the chair closed by thanking members and officers for their contributions as part of the deep dive process. As key reflections it was felt the inclusion of additional AI training and awareness for both members and officers across the organisation would be valuable given the growing utilisation of AI and automation as an increasingly important area of activity. In recognising the early stage of the journey in terms of maturity level identified relating to development of the use of AI and automation, the importance in maintaining a resident centred and co-design approach to its development was also felt to be key, with members advised of the work already underway in relation to development of an enhanced training offer to increase levels of knowledge and awareness across the Council.

In once again thanking Tony Afuwape (Head of Digital Transformation), Olurotimi Adeniji (Digital Programme Manager) and Derrick Boyce (Head of ICT Solutions) for

their contributions it was **RESOLVED** to note the contents of the report and outcome of the deep dive activity, including the overview of the newly added AI Strategic Risk within the Council's Strategic Risk Register internal audit findings, governance improvements and arrangements put in place to ensure the growing use of AI across the organisation was undertaken in a safe and responsible manner and with the necessary oversight.

9. **Internal Audit Interim Report 2025-26 - Addendum**

Matteo Biondi (Deputy Head of Assurance) & Darren Armstrong (Deputy Director of Organisational Assurance and Resilience) introduced a report from the Corporate Director Finance & Resources which provided members, following feedback from the Audit and Standards Advisory Committee on 3 December 2025, with an update on action owners, accepted recommendations, and implementation dates for audits reported as completed within the Interim Internal Audit Report (as detailed in Appendix 1 of the report). Members noted the report also reinstated the 'Basis of Our Classifications' and 'Assurance Definitions' for clarification.

Members welcomed the update and clarifications provided and as no further issues were raised it was **RESOLVED** to note the addendum to the Internal Audit Interim Report and additional clarification provided.

➤ **Audit Progress Update**

Before inviting the External Auditor's (Grant Thornton) to present the report, David Ewart (as Chair) commenced consideration of the item by expressing the Committee's appreciation for the work undertaken to date by both Grant Thornton and the Council's Finance Team in seeking to progress the audit and sign off of the Council's Statement of Accounts given the extensive and challenging nature of work required. Members were reminded that the necessary delegations had already been authorised in relation to completion and sign off of the final statement of accounts following completion of the external audit process and issuing of the Audit Findings Report, with the update being provided at the meeting therefore focussed on current progress.

Sophia Brown (Key Audit Partner, Grant Thornton), Sheena Phillips & Louis W. Niven (Grant Thornton – External Auditor) were then welcomed to the meeting and invited to provide a further update for members on the current status of the audit, with the following issues noted:

- An update was provided on the Value for Money work as set out in the Auditor's Annual Report presented to the Committee in September 2025 with members advised that since presentation of the initial report additional work had been required in relation to procurement which had been completed during November 2025 as a piece of added value work at no additional cost to the Council.

This work had been focussed on development and implementation of the Council's procurement improvement plan, with Grant Thornton having assessed the first two stages of that plan (establishment and stabilisation), which were found to be largely complete. Management had now progressed to work on the subsequent two phases of improvement and embedding, which were scheduled to run for up to 24

months. It was recognised that the Council's procurement function was evolving towards a more strategic approach including the implementation of new controls, processes and arrangements with the review undertaken by Grant Thornton focused on the necessary controls, policies, management oversight, monitoring and risk management arrangements to support that process. Controls within the first two phases of establishment and stabilisation had been found to be compliant with expected standards. In examining the improvement and embedding phases, which were recognised as being in progress, Grant Thornton (whilst not identifying any improvement recommendations) had identified a comment and insight with it noted that Brent's current approach to procurement risk consideration was project-focused, and it observed that management was in the process of developing a comprehensive procurement-specific risk register. As part of this process, Grant Thornton had identified a need to include consideration of the Council's readiness for implementation of the Economic Crime and Corporate Transparency Act and for further consideration to be given to enterprise risk management with the updated Annual Report incorporating this additional work due to be presented to the Full Council meeting on 23rd February 2026.

In thanking Sophia Brown for the update provided in relation to the Value for Money arrangements, the Chair advised that the update had also been useful in supporting the Committee's own review of progress in relation to development of the Council's procurement strategy, which was due to be provided at their next meeting in March 2026.

Discussion then moved on to progress with the Audit Findings Report, with Sheena Phillips (Senior Audit Manager, Grant Thornton) outlining the updates made to the report following its presentation to the Committee on the 3rd December 2025. Members were reminded that the accounts audit had commenced in July 2025 with completion now planned during February 2026. In terms of the findings to date ten adjustments had been identified in relation to the financial statements, resulting in a £0.1m adjustment to the Authority's Comprehensive Income and Expenditure Statement but which had not affected the level of Authority's usable reserves. Whilst audit work remained ongoing, no matters had been identified as requiring modification of the audit opinion, subject to the outstanding areas of work identified in relation to Plant, property and equipment (PPE), PFI assessments; final disclosure in relation to financial instruments, the Movement in Reserves Statement (MIRS), borrowing confirmations, receipt of the consolidated Group Accounts and completion of the remaining audit testing in the areas of Group Accounts, Capital Financing Requirement, Minimum Revenue Provision being completed alongside the review of the final narrative report, audit work and receipt of management's letter of representation.

As a further update, members were advised that the MIRS checker had now been received with the fully updated financial statements required to confirm figures due to be provided by the end of the week and the outstanding borrowing confirmations also having been provided. Whilst there remained work to be completed, the audit was stated to be in a substantially more advanced position than had been the case at the beginning of December 2025. Sophia Brown highlighted that, given it was now February 2026, there was a very concentrated effort to complete all outstanding work in advance of the final backstop deadline on the 27th February 2026.

In terms of the significant challenges identified as part of the current audit, members were advised these had included the ongoing focus around the valuation of PPE, following the deficiencies identified during the previous audit which had led to numerous errors and disclosure misstatements. While the significant efforts made by management to address these issues had been recognised, the late completion of the 2023-24 audit in February 2025 meant there had been limited time to implement the required changes. This had been compounded by the delay in delivery of the draft 2024-25 financial statements due to ongoing challenges in relation to the valuation process, which had included the receipt of incorrect valuation reports, duplicate property valuations, difficulties in reconciling the fixed asset register with the valuer's report, and delayed responses from the valuer. The implementation of IFRS 16 was also acknowledged to have added further complexity, requiring complete revision of the leases disclosure with efforts to resolve the IFRS 16 position resulting in further issues within the Authority's capital processes, and additional errors within the accounts. Taken together these combined factors had caused delays to the audit timetable, required unplanned audit resource which in turn had driven increased audit costs. In relation to PPE valuations, work had been completed and this area had progressed. However, prior period adjustments in relation to PPE work remained ongoing. This therefore remained a significant element of work requiring completion.

Having noted the overview of significant and other risks identified within the updated Audit Findings Report, reference was then made to the audit adjustments and adjusted misstatements with the most significant of these involving the valuation of garage blocks which had involved an adjustment of £6.9m. In addition, several errors relating to lease liabilities had been identified with an adjustment of £19.8m also having been identified in relation to the undervaluation of HRA properties.

In terms of the Action Plan, identified within the report, members were advised that seven new control points had been added to those presented in December. These included the strengthening of lease management arrangements and enhancement of review processes relating to the draft accounts along with inclusion of "asset last revalued" details, review of the depreciation policy, implementation of a formal rent review control process and school expenditure reconciliation.

In terms of the impact of the ongoing work on the estimated audit fee Sophia Brown advised that this had resulted in an additional fee of £71,000 (representing an increase from £545,235 to £616,235) being identified with it confirmed that, whilst unlikely, should any further fees be incurred in completion of the audit the Committee would be informed.

Having concluded their presentation, the Chair thanked Sophia Brown and Sheena Philips for the update provided before then inviting questions and comments from members with the issues raised summarised as follows:

- Opening the comments, clarification was provided regarding the approach towards materiality as part of the audit process and Councils status in terms of the assessment of a Council as a going concern. In response, Sophia Brown confirmed that this assessment was broadly correct, however it was explained that Grant Thornton assessed matters from the perspective of material correctness. The materiality figure was shown in the Audit Findings Report

and that represented the threshold to which they worked. In terms of going concern, Grant Thornton were required to assess whether the Council constituted a going concern. Practice Note 10 was utilised when undertaking that assessment, and as an entity within the public sector, there was limited risk that Brent Council would not be considered a going concern, given the availability to seek exceptional financial hardship support (if required). There was, therefore, a distinction in how going concern was assessed for local authorities compared with commercial companies that could fully liquidate their assets.

- Referring to the recommendations made as part of the 2023-24 audit, members highlighted that a number of the issues identified had also been raised as continued challenges during the current audit process, with specific reference made to IFRS16 and PPE valuations and details therefore sought on the way in which implementation of the management response on these issues was being monitored and delivered. Whilst aware of the challenges identified, details were sought on the role it was felt Internal Audit could undertake in providing the necessary oversight to ensure these matters were fully addressed. In response, Darren Armstrong (Deputy Director of Organisational Assurance and Resilience) recognised the constructive nature of the suggestion but felt it important to recognise that the implementation of management actions were matters that fell within the remit of the relevant officers assigned those actions. The focus for Internal Audit remained in ensuring the key themes being identified were reflected within the Internal Audit plan and necessary controls, systems and processes were in place to address them which was where it was felt Internal Audit could provide greater value and assurance as evidenced through the review of the PPE valuation process currently underway.

In continuing the focus on the need for a mechanism to drive delivery of improvement recommendations and management actions, members were keen to explore what role Internal Audit would be able to play in support, again with reference, as an example, to the concerns and challenges identified in relation to PPE. In response, Minesh Patel (as Corporate Director of Finance & Resources) took the opportunity to acknowledge the concerns expressed in relation to the delays created through the PPE issues identified but also felt it important to highlight that the changes being implemented would require a long term focus in terms of their resolution. Whilst significant progress was being made, the process still required significant work to ensure all assets were appropriately categorised, with accurate valuations and correct positions on the balance sheet in the specific manner required. However, it was noted that the actual physical work of ensuring all records were correct, properly assured and processed was going to require time. Cross Departmental Working Groups had already been established in collaboration with Corporate Property to lead on the process and system change required, with the Committee assured this was being treated with the utmost seriousness in order to mitigate against the same type of delays and issues being experienced on an annual basis moving forward. This would include utilisation of the findings from the Internal Audit review with a determined effort to address the issues and challenges experienced moving forward being driven at senior management level across the organisation focussed around the development of a Corporate Landlord Model in order to provide a single point of accountability and maintain enhanced control and

consistency in terms of the way data was being held and recorded and the Committee supportive of the approach outlined.

- Having noted the update provided in relation to audit fees, further clarification was sought on the basis of the additional fees incurred as a result of extra audit work which had been outlined with specific reference to creditor and debtor sample selections and testing given what was felt to be the routine nature of this activity. In response, Sophia Brown advised that the additional fees identified related to the additional activity which it had been required to undertake beyond that originally planned and included within the fee scales and allocation of resource. For debtor and creditor sample selection, the situation that had arisen was that Grant Thornton had not been able to proceed with sample selection and subsequent testing until after reviewing previous work, and they had been required to raise a control recommendation in that regard due to certain unexpected issues that had been identified in relation to this. Additional fees were therefore a consequence of the issues that had been encountered rather than standard audit work and had required the deployment of significant additional audit resource with members keen to ensure this clarification was added to the final report.
- In response to further details being sought on the audit adjustments and unadjusted misstatements further clarification was provided in relation to:
 - the Housing Revenue Account (HRA) valuations with it confirmed this had related to an error made by the Council's valuer with no material impact identified on remaining assets;
 - the adjustment relating to a Building Cost Information Service (BCIS) which again had been identified as a valuation issue involving an error in cost information;
 - the adjustment relating to other land and building valuation, which it was confirmed had also involved an error in the valuation process.

Given the nature of the issues and explanations highlighted members (recognising previous concern raised and the issues discussed at the previous Committee meeting) queried the performance of the Council's valuer given the recurring themes identified. The Council was stated to be at a stage where the following year's valuation work was being scoped and it was acknowledged that these changes would be major contributors, not only to time taken, but also to consequential effects on fees. As such members were keen to ensure the valuers continued to be held to account for their performance and quality of service as part of the management and fees relating to the existing contract and that the issues were also addressed as part of the procurement of the new service, once that was undertaken (recognising this would not be possible in time for the work required on the 2025-26 accounts), which officers advised had already been identified and escalated as key actions.

In response to a further query, confirmation was provided that the concerns raised in relation to performance of the valuers had not been the sole reason for the increase in audit fees which also reflected issues with the quality and consistency of data held internally across the Council with work (as already outlined) also underway to address these issues albeit requiring a medium to longer term approach, recognising the progress already made. In terms of the wider approach

towards implementation of the management actions identified, the challenges in rectifying matters as part of the annual audit process whilst also correcting historical data and addressing prior period adjustments were noted with the approach initially focussed around those assets with the highest value and most significant impact. Following this, the focus would move to other smaller assets which whilst not as material, could still impact on the accuracy of the valuation process. Whilst officers expected the 2025-26 audit process to reflect many of the changes being introduced the revised timeframes relating to sign off of the accounts would still require considerable work to in relation to the asset register.

In relation to the timeframe for the 2025-26 accounts Sophia Brown advised that discussion had already been held with senior Finance Officers (including Minesh Patel) regarding the timescales for the audit process, in order to clarify the resources that would be available and work required to ensure the audit was completed in advance of the statutory deadline and backstop arrangement. As such, assurance was provided that discussions would continue in order to ensure the collaborative approach developed continued and the 2025-26 audit was as efficient as possible.

As a final comment, Minesh Patel was then invited to provide a brief update on the Local Government provisional multi-year financial settlement which had been announced on the 17th December 2025 and impact on Brent. Referring to the settlement, members were advised that full details had been included within the budget report scheduled to be considered by Cabinet on 9th February 2026 with the settlement in relation to Brent more favourable than had been previously anticipated and reflecting the outcome of the Government's Fair Funding Review aimed at directing more resources to councils with the highest levels of need, simplifying the funding system and resetting business rates. For Brent this had reflected issues such as housing costs, deprivation and inequality and had resulted in a £67.9 million increase in core funding between 2025/26 and 2026/27 with the net additional funding identified as £22.9 million. Whilst the additional funding had been welcomed and would be used to address immediate service pressures, including those in relation to social care and homelessness, it was felt important to highlight that it would still not meet the full cost of the pressures and challenges identified as detailed within the Q3 Financial Forecast. As such, Minesh Patel noted that whilst this had not fully resolved the issues, the settlement had provided greater reassurance with the final settlement scheduled to be confirmed in February 2026 and the additional funding received for 2026-27 effectively offsetting the budget pressures identified during the current financial year.

In drawing consideration of the item to a conclusion, the Chair once again thanked Grant Thornton for the substantial effort and support on the audit along with Minesh Patel and the Finance Team. In noting that work remained on course with the aim of completing sign off of the 2024-25 accounts in advance of the final backstop on 27 February 2026 the request was made for all members of the Committee to be updated when that position was reached with the importance in maintaining a focus on the challenges needing to be addressed in relation to PPE valuations and leases also highlighted moving forward. Whilst the concerns highlighted in relation to the additional audit fee were also noted, it was felt these would need to be accepted given the nature of the additional work which had been required and ongoing reality in terms of the data quality and consistency issues outlined.

Prior to ending consideration of the item, Sophia Brown also took the opportunity to express appreciation to the Council's Finance Team for their support, acknowledging they had continued to work collaboratively with Grant Thornton in supporting completion of the audit process.

With no further issue raised, it was **RESOLVED**:

- (1) To note the updated External Audit Findings Report and Value for Money assessment.
- (2) To note the expectation that final sign-off of the Council's 2024-25 Statement of Accounts would be achieved in advance of the backstop deadline of 27 February 2026 along with additional audit fees incurred as a result of the supporting activity required and all members of the the Committee to be informed when final sign-off of the Council's 2024-25 Statement of Accounts had been completed.

11. **Audit & Standards Advisory Committee Forward Plan & Work Programme 2025-26**

It was **RESOLVED** to note the Forward Plan and Work Programme for the remainder of the 2025-26 Municipal Year with the date for the final meeting scheduled as Tuesday 24 March 2026 which members were advised would now also include consideration of the Procurement Strategy review.

It was noted that development of the Committee's work programme would continue to be kept under close review with the Chair and Vice Chair working closely with officers to ensure sufficient capacity was maintained to allow for the appropriate consideration of each item at future meetings.

12. **Any other urgent business**

No items of urgent business were identified with the Chair expressing his appreciation to members for their valuable input and contributions during what was felt to have been a constructive session.

The meeting closed at 8.10 pm

David Ewart
Independent Chair