



Audit and Standards Advisory Committee

Tuesday 3 February 2026 at 6.00 pm

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

Please note this will be held as a physical meeting which all Committee members will be required to attend in person.

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

Membership:

Members

David Ewart (Independent Chair)

Substitute Members

Councillors:

Chan (Vice-Chair)
Choudry
Gbajumo
Long
Molloy
J.Patel
L.Smith

Councillors:

Agha, S Butt, Conneely, Ketan Sheth and T.Smith
Councillors:
Kansagra and Maurice
Councillors
Ethapemi and Farah

Independent Co-opted Members

Sebastian Evans, Rhys Jarvis and Stephen Ross

For further information contact: Harry Ellis, Governance Officer
Tel: 020 8937 3287; Email: harry.ellis@brent.gov.uk

For electronic copies of minutes and agendas please visit:
[Council meetings and decision making | Brent Council](#)

Notes for Members - Declarations of Interest:

If a Member is aware they have a Disclosable Pecuniary Interest* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest** in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also significant enough to affect your judgement of a public interest and either it affects a financial position or relates to a regulatory matter then after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

***Disclosable Pecuniary Interests:**

- (a) **Employment, etc.** - Any employment, office, trade, profession or vocation carried on for profit gain.
- (b) **Sponsorship** - Any payment or other financial benefit in respect of expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) **Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) **Land** - Any beneficial interest in land which is within the council's area.
- (e) **Licences** - Any licence to occupy land in the council's area for a month or longer.
- (f) **Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) **Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

****Personal Interests:**

The business relates to or affects:

- (a) Anybody of which you are a member or in a position of general control or management, and:
 - To which you are appointed by the council;
 - which exercises functions of a public nature;
 - which is directed is to charitable purposes;
 - whose principal purposes include the influence of public opinion or policy (including a political party or trade union).
- (b) The interests of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

or

A decision in relation to that business might reasonably be regarded as affecting the well-being or financial position of:

- You yourself;
- a member of your family or your friend or any person with whom you have a close association or any person or body who is the subject of a registrable personal interest.

Agenda

Introductions, if appropriate.

Item	Page
1 Apologies for absence and clarification of alternate members	
2 Declarations of Interest	
Members are invited to declare at this stage of the meeting, the nature and existence of any relevant disclosable pecuniary or personal interests in the items on this agenda and to specify the item(s) to which they relate.	
3 Deputations (if any)	
To hear any deputations received from members of the public in accordance with Standing Order 67.	
4 Minutes of the previous meeting & Action Log	
4.1 To approve the minutes of the previous meetings held on Wednesday 3 December 2025 as correct.	To Follow
4.2 To note the updated Action Log from previous meetings of the Audit & Standards Advisory Committee.	1 - 4
5 Matters arising (if any)	
To consider any matters arising from the minutes of the previous meeting.	
Standards Items	
6 Member Complaints & Code of Conduct	5 - 14
This report provides an annual review of the complaints received pursuant to, and a review of, the Members' Code of Conduct Complaints procedure.	
Governance Items	
7 Update on progress following referral to Social Housing Regulator	15 - 24
The purpose of the report is to update the Audit and Standards Advisory	

Committee on the progress made so far as a consequence of the Council's self-referral in April 2025 to the Regulator of Social Housing.

8 Artificial Intelligence (AI) Update – Audit & Standards Advisory Committee Deep Dive 25 - 36

To undertake a Deep Dive exploration on the subject of the strategic risk presented to Brent Council from the ongoing development of AI technology recognising the way in which Brent is expanding its use of AI and automation to enhance efficiency and modernise service delivery.

To assist in the review, a paper has been attached which outlines the strategic risks along with the gaps identified in a recent internal audit. It provides an in-depth overview of the newly added AI Strategic Risk within the Council's Strategic Risk Register and summarises the internal audit findings, governance improvements and planned actions designed to provide the necessary oversight and mitigation.

(Please note the agenda has been republished on 28 January 26 to include an updated version of the AI Strategic Risk Register attached as Appendix 1 to the report)

Finance & External Audit Items

9 Internal Audit Interim Report 2025-26 - Addendum 37 - 48

Further to feedback from the Audit and Standards Advisory Committee on 3 December 2025, this report provides an update on action owners, accepted recommendations, and implementation dates for audits reported as completed within the Interim Internal Audit Report. It also reinstates the 'Basis of Our Classifications' and 'Assurance Definitions' for clarification.

10 Audit Progress Update To Follow

To receive an update on the progress in finalising the External Audit Findings Report and Council's Statement of Accounts for the year ended 31 March 25.

11 Audit & Standards Advisory Committee Forward Plan & Work Programme 2025-26 49 - 50

To consider the Audit and Standards Advisory Committees work programme 2025-26.

12 Any other urgent business

Notice of items to be raised under this heading must be given in writing to the Deputy Director Democratic & Corporate Governance or their representative before the meeting in accordance with Standing Order 60.

Date of the next meeting: Tuesday 24 March 2026



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

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London Borough of Brent
Audit & Standards Advisory Committee – Action Log February 2026

Meeting Date	Agenda No.	Item	Actions	Lead Officer and Timescale	Progress
3 Dec 25	4	Action Log	Update on progress following Council's self referral to Social Housing Regulator to be provided for Committee in Feb 26 following submission of update to Cabinet (Dec 25)	Spencer Randolph	Completed – update to be provided for meeting on 3 Feb 26
3 Dec 25	6	Internal Audit Interim Report 2025-26	Committee requested a short update (under Matters Arising) on progress of management responses to internal audits on Residential & Nursing Care and also AI governance.	Darren Armstrong	Completed – addendum provided for meeting on 3 Feb 26
3 Dec 25	8.	Treasury Management Mid-Year Report 2025-26	Officers to review and report back on any changes proposed under the Capital Receipts Regulations to enable more flexible use of receipts and the potential impact including any and whether this included any proposal to allow the contribution of up to 10% of receipts towards revenue	Amanda Healy/Oliver Simms	In Progress
3 Dec 25	8.	Treasury Management Strategy 2026-27	The Treasury Management Strategy 2026-27 to be circulated to all members of the Audit and Standards Advisory Committee once finalised	Amanda Healy/Oliver Simms	In Progress
3 Dec 25		External Audit Findings Report & Statement of Accounts 25-26	Concerns raised by the Committee regarding delay in response being provided on External Auditor queries in relation to valuations to be raised direct with Council Valuers.	Rav Jassar & Ben Ainsworth	Completed
25 Sep 25	7	Self-Referral to Regulator of Social Housing - September 2025 Update	<p>(1) That the 'The Notice Board' newsletter be disseminated to all members of the Audit and Standards Advisory Committee, for reference and information.</p> <p>(2) Details on the governance structure relating to the Housing and Tenant</p>	<p>Spencer Randolph</p> <p>Tom Cattermole</p>	In progress

London Borough of Brent
Audit & Standards Advisory Committee – Action Log February 2026


			Satisfaction Improvement Board be provided for members of the Audit and Standards Advisory Committee.		
25 Sep 25	8	Strategic Risk Report	<p>(1) Feedback in relation to Risk E: Climate and Ecological Emergency Mitigation be relayed to the relevant risk owners, with a view to providing more specific updates on progress and outcomes.</p> <p>(2) Comments concerning the need for mitigation measures in the event of a decline in the independent sector, arising from increased pressures on the SEND system and growing reliance on independent provision be relayed to the relevant risk owners, with a view to providing more detailed updates and outcomes.</p> <p>(3) Comments regarding the implications of outsourcing cyber security services be relayed to the relevant risk owners.</p>	Darren Armstrong	In progress
25 Sep 25	10	London Borough of Brent Interim Auditor's Annual Report 2025	Existing formula for calculating recommended reserve levels be circulated to committee members.	Minesh Patel	In progress
23 Jul 25	6	Procurement Review Update	<ul style="list-style-type: none"> Officers to maintain ongoing efforts to enact implementation of recommendation 2.2 of the report, with a report demonstrating their efforts 	Rhodri Rowlands & relevant departmental leads	In progress

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			<p>brought to the Committee within the 6 months following the 23rd of July 2025.</p> <ul style="list-style-type: none"> Consideration to be given to the inclusion of Social Value & Community Wealth considerations within the Council's corporate report 		
23 Jul 25	10	Evaluating the Effectiveness of the Audit and Standards Advisory Committee	To consider development of the Committee work programme enable deep dives in specific areas, where identified. This to include the potential for ad hoc working group or additional members briefing sessions outside of the main Committee meetings.	Chair & Vice-Chair & lead officers	In progress
25 March 2025	11	Strategic Risk Report	<ul style="list-style-type: none"> To review Climate Change and Environmental considerations within future cover report to ensure they reflect any related risks identified within the register 	Darren Armstrong	Ongoing
04 Dec 24	9	Internal Audit Interim Report – 2024-25	<ul style="list-style-type: none"> In cases of specific non engagement in the audit process or where the risk identified in ongoing non implementation of the action was identified as critical, the risk owner/manager be formally required to attend the Committee. 	Darren Armstrong	Ongoing – implementation of outstanding actions subject to ongoing review. If required, arrangements to be made for risk owners/managers to be required to attend future meetings.
	11	London Borough of Brent Auditor's	An update be sought from the Director Strategic Commissioning & Capacity Building on progress in addressing the Improvement	Minesh Patel & Councillor Chan (Vice-Chair)	In progress

London Borough of Brent
Audit & Standards Advisory Committee – Action Log February 2026

		Annual Report 2023-24	Recommendation included within the Annual Report in relation to review of the Council's Procurement Strategy.		
24 Feb 25			To consider how any areas of focus identified in relation to preparation of the Accounts need to be incorporated as part of the core assurance work within the Internal Audit Work Programme.	Rav Jassar/Darren Armstrong	In progress
6 February 24		Complaints Code of Conduct procedure	Committee to continue to monitor trends as part of future updates in terms of complaints and assurance around outcomes.	Debra Norman/Biancia Robinson	In Progress - To be included as part of future Annual Complaints report

	Audit and Standards Advisory Committee 3 February 2026
	Report from the Director of Law
	Lead Cabinet Member (N/A)
Complaints & Code of Conduct Complaints Procedure	

Wards Affected:	All
Key or Non-Key Decision:	Not applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	One Appendix A: Complaints received over the last 12 months.
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Marsha Henry, Director of Law 020 8937 4078 marsha.henry@brent.gov.uk Biancia Robinson, Principal Constitutional, Governance & Finance Lawyer 020 8937 1544 biancia.robinson@brent.gov.uk

1.0 Purpose of the Report/ Executive Summary

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

2.1 Recommendations

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

3.0 Detail

Contribution to Borough Plan Priorities & Strategic Context

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

Members' Code of Conduct Complaints Procedure (MCCCP)

Background

- 3.2 The Council has a duty to promote and maintain high standards of conduct by Members and Co-opted Members pursuant to section 27(1) of the Localism Act 2011. As required by section 27(2) of the Localism Act 2011, the Council has adopted a Code of Conduct (Code) dealing with the conduct that is expected of Members and Co-opted Members when they are acting in that capacity.
- 3.3 Section 28 of the Localism Act requires the Council to have arrangements under which it can investigate and make a decision on an allegation of a breach of the Code. The MCCCP complies with this statutory obligation. Any alleged breach of the Brent Code is considered in accordance with the MCCCP, which is used as guidance in the consideration and determination of complaints and reviews.
- 3.4 In accordance with:
- a) para 1.10 of the MCCCP, *"the Standards Committee will convene from time to time to review the handling of complaints, reviews and decisions made with a view to identifying trends or any improvements in this procedure and the application of it that may be desirable"*; and
 - b) annexe 1, para 1.3 of the MCCCP, the complaint Assessment Criteria are subject to *"an annual review by the Standards Committee"*. This report sets out the annual review.

Complaints

- 3.5 In terms of background, in the last 12 months, the Monitoring Officer has received eight complaints and made determinations regarding six councillors allegedly in breach of the Members' Code of Conduct. Of these complaints:
- a) one has been resolved at Initial Assessment Stage;
 - b) seven have been resolved at Assessment Criteria Stage;
 - c) none is under investigation;
 - d) one has been upheld as a breach of the Code;

- e) two have been subject to review requests, one has not been upheld; and one is under review.

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

Overview

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

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

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

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

Decision Making

- 3.8 The Assessment Criteria are intended to be a guide and promote consistency in the decision-making. Consistency is also ensured as all complaints alleging breach of the Code are considered by the Monitoring Officer, (or in her absence a Deputy Monitoring Officer). This ensures a consistency of assessment and application of the criteria as the same officers are involved analysing and weighing up the allegations made in complaints. External scrutiny is provided by the Independent Person, involved in each complaint that reaches this stage, provides a double check on the thoroughness and fairness of the decision-making.
- 3.9 An advantage of Brent's MCCCCP is that it is very detailed in the procedure and guidance it provides. This is helpful for the Monitoring Officer, complainants and Members who are complained about and supports a higher degree of

transparency and consistency than might arise in a less detailed high-level procedure.

- 3.10 During consideration of the previous complaints review report last year, the committee asked that future monitoring reports provide an outline of any trends being identified in terms of complaints and outcomes.
- 3.11 The Committee will be aware that the Code only permits the investigation of complaints against Members made in their “official capacity or when giving the impression [they] are acting as a member of the Council”, unless it relates to a serious criminal offence being committed in the Member’s private capacity. Accordingly, any decision that purports to find a breach of the Code whilst the Member in question was acting in their private capacity, would be liable to challenge. This has not been an issue for 2025.
- 3.12 The main reason for complaints not proceeding beyond initial assessment stage is that the complaint did *not disclose sufficiently serious potential breaches of the Code to merit further consideration*” or have sufficient documents to support the allegation. The main rationale for this finding has been that insufficient evidence has been submitted to support the allegations made and/or when considering the allegations in context, there was not significant evidence to suggest the Councillors had behaved in the manner complained off.
- 3.13 The Committee should note, the main recurring factor in relation to escalating complaints to the Assessment Criteria Stage have been based on the contents of the complaint 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 is indeed the case.
- 3.14 As the Committee is aware, following implementation of the Localism Act 2011, the Council has limited powers against a Member who has been found to have breached the Code. Any changes to strengthen a sanction for breach of the Code requires a change to the existing legislation and possible additional sanctions are included in the Government’s proposals. Consequently, the sanctions presently available are:
- a) censuring or reprimanding the Member.
 - b) publishing a notice in respect of the findings in a local newspaper, or on the Council’s website.
 - c) asking the Member to apologise.
 - d) asking the Member to undergo training.
 - e) recommending to Council/Cabinet that the Member be removed from an outside body.
 - f) recommending to the Member’s group Leader (or if independent – full Council) that they be removed from Cabinet/portfolio responsibilities.

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

Reviews

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

Changes to the MCCCCP

- 3.16 Substantive changes to the MCCCCP requires formal approval of the Audit and Standards Committee. No changes are recommended as a result of this review.

4.0 Financial Considerations

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

5.0 Legal Considerations

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

6.0 Additional Considerations

- 6.1 There are no
- a) Equity, Diversity & Inclusion (EDI) considerations
 - b) Stakeholder and ward member consultation and engagement
 - c) Climate Change and Environmental considerations
 - d) Human Resources/Property considerations (if appropriate)
 - e) Communication considerations

Report sign off:

Marsha Henry
Director of Law

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Complaints Received during 2025

Resolved at Initial Assessment Stage

	Date made	Nature of Complaint	Outcome of MOs assessment	Review Requested	Review Outcome
1)	17.12.25.	Alleged DPI and conflict of interests.	Decision met one or more of the criteria set within the initial assessment criteria, and did not progress beyond this initial assessment stage. No breach of DPI or conflict of interest.	No	N/A

Resolved at Assessment Stage

	Date made	Nature of Complaint	Outcome of MOs assessment	Review Requested	Review Outcome
1)	10.01.25	Alleged councillor rude, threatening and abusive, whilst investigating a complaint re a local resident	<p>Decision under Assessment Criteria.</p> <p>Insufficient independent evidence as to the conversation complained about to substantiate the allegations. The resident in this case was a friend or close associate of the councillor and was advised to ask another councillor to act in such circumstances.</p> <p>No breach of the code.</p>	Yes	Decision upheld
2)	12.01.2025	Alleged that the Councillor “defamed” their character and “victimised them based on race, faith and suppression of free speech” following a council event.	<p>Decision under Assessment Criteria.</p> <p>Insufficient evidence to substantiate the allegations.</p> <p>No breach of the code.</p>	No	N/A

3)	15.01.2025	<p>Alleged that Councillor, with another person, visited and intimidated tenants residing there & was aware of the false claims made by the person they accompanied and did not challenge them.</p> <p>Councillor advised to apologise for the misleading statement made by the person they accompanied.</p>	<p>There was merit in the assertions that the Councillor should have made sure the misleading statement(s) was corrected before the tenant acted upon it. This amounted to a breach in respect of the paragraph 6 (respect) of the Code.</p> <p>On balance, the other provisions of the Code were not breached.</p>	No	N/A
4)	28.02.25	<p>Alleged that the Councillor harassed, bullied, victimised and threatened the complainant via messages and emails; failed to follow the correct processes and constitutional steps required by governance documents.</p>	<p>Decision under Assessment Criteria.</p> <p>Documents disclosed to support allegations did not disclose a breach of the Code, or “sufficiently serious potential breaches of the Code to merit further consideration.”</p> <p>No breach of the code.</p>	No	N/A
5)	26.04.25	<p>Alleged that the Cllr breached confidentiality by disclosing exempt/confidential information in a public meeting.</p>	<p>Decision under Assessment Criteria</p> <p>Did not disclose a breach of the Code, or “sufficiently serious potential breaches of</p>	No	N/A

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

			the Code to merit further consideration.” No breach of the code.		
6)	03.05.25	Alleged that the Councillor failed to respond to communications inviting them to meetings	Decision under Assessment Criteria Did not disclose a breach of the Code, or “sufficiently serious potential breaches of the Code to merit further consideration.” No breach of the code.	No	N/A
7)	17.06.25	Alleged threatening and bullying behaviour in respect of neighbour dispute	Decision under Assessment Criteria Breach of the Code, namely – treating others with respect and maintain a high standard of conduct. Required to apologise to the Complainant.	Yes	Unresolved

	Audit and Standards Advisory Committee 3 February 2026
	Report from the Corporate Director of Residents and Housing Services
	Lead Member – Cabinet Member for Housing (Councillor Fleur Donnelly-Jackson)
Update on the Response to Housing regulator findings and Brent graded at C3	
Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	None
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Spencer Randolph, Director of Housing Services 020 8937 2546 Spencer.Randolph@brent.gov.uk Gary Mitchell, Head of Housing Management Property 020 8937 2956 Gary.Mitchell@brent.gov.uk

1.0 Executive Summary

- 1.1. The purpose of the report is to update the Audit and Standards Advisory Committee on the progress made so far as a consequence of the self-referral in April 2025 to the Regulator of Social Housing.

2.0 Recommendation(s)

- 2.1 That the Audit and Standards Advisory Committee 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.

3.0 Detail

Contribution to Borough Plan Priorities & Strategic Context

- 3.1 The work detailed in this report and that of the Housing Management Service more generally supports the Council's wider borough plan to Move Brent Forward Together.
- 3.2 In particular, the work presented with this report supports the borough plan priority to provide prosperity and stability in Brent through helping to deliver the desired outcome for safe, secure and decent housing across the borough.

Background

- 3.3 In April 2025, it was identified within the Housing Management Service that 'True Compliance', which is the compliance software utilised by the Housing Management Service, had been updated incorrectly.
- 3.4 Further investigations established that up to 12,500 fire actions had been wrongly updated to indicate that works had been completed but were missing the required supporting evidence. In addition, the council was unable to reconcile performance data on asbestos management, water safety and detectors for smoke and carbon monoxide.
- 3.5 Upon realising the potential seriousness of the situation, advice was taken on appropriate corrective steps, from a building safety specialist that deals with the management and recovery of regulatory breaches.
- 3.6 In line with the requirements of the Social Housing (Regulations) Act 2023 around transparency, the advice was to self-refer to the Regulator of Social Housing.
- 3.7 Contact was made with the regulator, which subsequently led to a request for further performance information on building safety and stock decency.
- 3.8 At that point, the council was unable to provide a comprehensive response, due to the low level of confidence in the performance data held within True Compliance.
- 3.9 As part of the response, the council was asked to provide information on its stock condition data.
- 3.10 The council reported that it had stock data on 95% of its homes, however it does not hold recorded survey information on over 50%.
- 3.11 As a result of the aforementioned issues, on the 28th May 2025 the Regulator of Social Housing [published its regulatory judgement](#), that being a grading of **C3**.

- 3.12 The Consumer Standards is the regulatory framework operated by the Regulator of Social Housing. Set out below is an explanation of the grading:

Grading	
C1	Fully compliant: landlords demonstrate good compliance and an appetite and ability to address failings effectively.
C2	Still compliant, but there may be some weaknesses or areas for improvement.
C3	Serious failings have been identified, and significant improvements are needed.
C4	Very serious failings, and fundamental changes are needed to address them

- 3.13 In response to the situation, the council appointed health and safety advisors that specialise 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.
- 3.14 The independent specialists began their work mid-May and have completed an initial assessment of the council's compliance arrangements against the 'Big 8' areas of compliance. These being:
1. Fire Safety
 2. Gas Safety
 3. Electrical Safety
 4. Water Safety
 5. Asbestos Management
 6. Mechanical and Engineering (Lifts)
 7. Damp and Mould
 8. Smoke and Carbon Monoxide (CO) detectors
- 3.15 The Health and Safety Specialist have been contracted to support ongoing improvement work, providing additional objective and independent oversight, as well building safety expertise.
- 3.16 Caldiston Ltd have carried out an independent forensic audit across all key compliance workstreams (including fire, gas, electrical, water, asbestos and decent homes requirements) which was completed in August 2025. The audit involved desktop reviews, staff interviews and validation of data from multiple systems in use by the service, including True Compliance, NEC, and LifeSpan.
- 3.17 The audit aligned with officers' concerns, validating 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 was that the Housing Management Service has inadequate assurance in relation to managing building safety and compliance.

- 3.18 Key recommendations from the audit include 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 is also recommended to implement dashboards for real-time KPI monitoring and align the Strategic Risk Register with actual risks.
- 3.19 The findings from the audit have highlighted and clarified several areas that the service had already identified as needing focus as well as some additional key learning. These findings have fed into the development of a robust action plan for improvement. This action plan also includes root cause analysis (as recommended by The Regulator), to ensure permanent solutions are in place to prevent similar issues arising in the future and will form a key part of the agenda and monitoring for the relevant project board under the newly established Housing and Tenant Improvement Programme.

4.0 Ongoing improvement work

- 4.1 Whilst the reflective audit work is vital for lesson learning and effectively mapping robust and long-term improvements to our management of building safety, it has been important to us as a service to ensure we are driving forward rapid improvements on the ground to strengthen oversight quickly and provide re-assurance for our residents
- 4.2 The Compliance Team have been onboarding additional contractors to expedite the completion of works as a consequence of Fire Risk Assessments, and as of 1 September it confirmed that 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.
- 4.3 The rebuild of True Compliance and the NEC asset register is well underway and due to be complete by April 2026. Additional governance has also been implemented around the management of data, in particular restricting property creation access which provides a more controlled approach to new properties being added to the system and feeding into compliance workstreams accurately.
- 4.4 The compliance team has been progressing with recruitment. A Compliance and Contract Manager, a dedicated electrical manager, a Quality and Delivery Manager and an interim Contract Officer all started in September with two permanent Contract Officers starting in October, all with a focus on compliance and safety.
- 4.5 Furthermore, the Housing & Tenant Satisfaction Improvement Board met for its initial meeting in September, and the Building Safety Compliance Project Board held its first meeting on 12th November 25.
- 4.6 The Building Safety Compliance Project Board report into the Housing & Tenant Satisfaction Improvement Board, which is chaired by the Chief Executive, will

oversee and drive initiatives aimed at improving the quality of housing services and increasing tenant satisfaction.

- 4.7 The Board will provide governance and oversight by monitoring the progress of improvement initiatives and ensuring compliance with housing standards.
- 4.8 Significant progress has been made in addressing the data issues highlighted in the audit report. Our priority has been to validate the ownership and the council's compliance responsibilities of all properties on our Housing Database, NEC. This work is essential to build confidence in our data and provide a reliable foundation for reporting.
- 4.9 We are currently in the process of systematically reviewing each compliance stream, starting with Gas. This will confirm the properties that fall in or out of scope, and importantly, for what reason. Whilst the audit highlighted that confidence in the reporting number is low, we are using these figures as a baseline so that improvements can be clearly appreciated as our validation work progresses. This will result in the reported asset numbers changing as properties are validated and confirmed in work streams, and percentages fluctuating because of this.
- 4.10 This data correction work is not limited only to the properties we report on to the Regulator (i.e. council owned homes) but has been expanded to all residents in our properties e.g. leaseholders, i4B and FWH tenants etc. This ensures a consistent, council-wide approach that strengthens both safety and assurance moving forward.
- 4.11 We have accelerated the Stock Condition Survey program to 35% this financial year splitting the remaining surveys between the next 2 years with a goal to reach 100% March 2028.
- 4.12 Senior Housing Management managers meet monthly with the Regulator of Social Housing and have developed a good working relationship with them with the Regulator being happy with the pace in which Housing Management Service is working to recover their position.

5.0 Engagement with residents and key stakeholders

- 5.1 Effective communication and engagement with residents and key stakeholders are central to the overall recovery plan. A multi-channel engagement strategy has been developed in partnership with the councils Communications Team which prioritises transparency, trust and keeping all key parties informed of progress and upcoming changes.
- 5.2 Engagement and communication activities scheduled for the coming month:
 - Special print edition of The Noticeboard (council tenant and leaseholder newsletter), 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 set up.

- E-newsletter version of The Noticeboard to include video message from Cllr Donnelly-Jackson outlining the Regulator judgement, what it means, what action has been taken so far and our commitment to rapid and lasting improvements. This newsletter reaches over 7000 tenants and leaseholders
- Update to the existing web page and FAQs.
- Members bulletin update and self-referral update report to PCG.

6.0 Financial Considerations

- 6.1 Like other local authorities, Brent is facing significant financial pressures and is continuously needing to look for efficiencies to address budget challenges. Some of the main challenges that could affect the long-term viability of the HRA Business Plan along with rent levels are major works and repairs.
- 6.2 As the Council adds more stock to its portfolio and complexities of new additional requirements to building standards are increasing, such as fire safety works and decarbonisation, the cost of major works are rising. At the moment, there is insufficient government subsidy available to address these changes. The Asset Management Strategy and investment plans must be approached cautiously and allow for flexibility to scale back on schemes where required. Careful budget monitoring and financial planning are crucial. With a current 5.75% loan rate for the HRA, £1m in borrowing costs the HRA circa £28k per annum in interest costs.
- 6.3 The specialists that have been appointed to assist with the recovery of the compliance breaches, are currently undertaking an initial assessment of the situation with the intention of developing a recovery programme.
- 6.4 Upon completion of the initial assessment, a paper will be presented setting out the anticipated costs and financial implications. For comparative purposes, a registered provider with 21,000 homes that were in a similar situation, spent £2.3m on their recovery programme.
- 6.5 It should be noted that whilst operating under a regulatory notice, access to grant funding for housing developments may be reduced or ceased, until the council can evidence a position of compliance, although this has not been the case to date.

7.0 Legal Considerations

- 7.1 This report ensures compliance with the regulatory standards for housing, in particular ensuring we comply with the requirements of the Social Housing (Regulations) Act 2023 (the "Act").
- 7.2 The Act received royal assent on 20 July 2023. It makes provision for the regulation of social housing landlords, particularly with regard to issues such as safety, transparency, standards and conduct of staff and tenant engagement.

The Act also strengthens the powers of the Housing Ombudsman and enables requirements to be set for social landlords to address hazards such as damp and mould within a fixed time period.

- 7.3 As a result of the amendments made by this Act, safety and transparency will become explicit parts of the objectives of the Regulator of Social Housing (“the Regulator”) and the Regulator will have greater powers in relation to the competency and conduct of staff and the provision of information. The Regulator will also be given strengthened economic powers to ensure they can effectively intervene when required to enable them to assess landlords failing to meet standards more routinely and proactively, as well as taking action in a wider range of circumstances. Changes are also made to the economic regulatory regime to ensure that providers of social housing are well governed and financially viable.

- The Act has three core objectives as follows:
- To facilitate a new, proactive consumer regulation regime
- To refine the existing economic regulatory regime
- To strengthen the Regulator’s powers to enforce the consumer and economic regimes.

- 7.4 On 29 February the Regulator set out the revised consumer standards that apply to all registered housing providers from 1 April 2024. The new standards are:

- The Safety and Quality Standard
- The Transparency, Influence and Accountability Standard
- The Neighbourhood and Community Standard
- The Tenancy Standard

- 7.5 The introduction of the revised consumer standards also included information on the Regulator’s Tenant Satisfaction Measures (TSM) referred to above, that all social housing landlords must report on. The TSMs will help the Council to see how well it is doing in areas such as keeping properties in good repair, maintaining building safety, and effectively handling tenant complaints. The Regulator required all landlords who own more than 1,000 homes to submit their first TSM data return by 30th June 2024 to enable the Regulator to publish the first year of data by autumn 2024.

- 7.6 As a social landlord the council has a duty to provide a safe environment for those living in their homes. Failure to comply could result in negative outcomes ranging from customer dissatisfaction and criticism to a requirement to submit (to the Regulator) a Performance Improvement Plan, or to take particular remedial actions as set out in an enforcement notice. If necessary, the Regulator will be able to authorise an appropriate person to enter a social housing premises to take emergency remedial action, issue penalties such as unlimited fines, or require the provider of social housing to pay compensation. A provider of social housing will commit an offence if they obstruct access or work required to undertake remedial action. A person guilty of an offence under

this section is liable on summary conviction to a fine not exceeding level 4 on the standard scale.

- 7.7 As per the report the council completed a self-referral that focused on the Safety and Quality Standard. The regulator notes that: “This is the first time we have issued a consumer grade in relation to this landlord. LB Brent has engaged positively with us since making its self-referral and has plans in place to understand the wider impact of its current position. Those actions include work to understand the root causes of the presenting issues, reviewing the completion of all closed fire safety remedial actions through a risk-based approach and working to develop a suitable action plan to resolve the issues. We will continue to engage with LB Brent as it seeks to address the issues that have led to this judgement. This includes evidencing that it is taking reasonable steps to mitigate risks to tenants as it creates and delivers its improvement plan. We are not proposing to use our enforcement powers at this stage but will keep this under review as LB Brent seeks to resolve these issues”.

8.0 Equity, Diversity & Inclusion (EDI) Considerations

- 8.1 The public sector equality duty set out in Section 149 of the Equality Act 2010 requires the council, when exercising its functions, to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not share that protected characteristic. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

9.0 Climate Change and Environmental Considerations

- 9.1 Housing is a key stakeholder in delivering the Councils Climate Action strategy. The actions Housing is responsible for are as follows:
- Retrofit work to three tower blocks;
 - We will deliver further retrofitting projects via the Council's Carbon offset fund;
 - We will develop and implement employer requirements for energy efficiency standards within all new Council housing;
 - We will explore and identify an opportunity for an exemplar net zero new build within the NCHP;
 - We will review developments within our NCHP pipeline to ensure that all aspects of sustainability are holistically addressed, with a special focus on the proposed development plans for St Raphael's Estate.

10.0 Human Resources/Property Considerations (if appropriate)

- 10.1 At this time it is anticipated that additional resource will be required in the short to medium term, to assist with the recovery programme.

11.0 Communication Considerations

11.1 In consultation with the regulator, we are adopting a proactive approach concerning our engagement with tenants, elected members, and the wider community.


11.2 Communication with Residents and our Tenants is primarily through The Brent Noticeboard, which featuring updates on housing, services, and engagement opportunities. Resident engagement has been through a blend of online, phone and face-to-face channels. All communication about building safety updates, reporting progress on repairs, compliance and estate issues has been timely and transparent.

Report sign off:

Thomas Cattermole

Corporate Director of Residents and Housing Services

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	Audit and Standards Advisory Committee 3 February 2026
	Report from Head of Digital Transformation
Artificial Intelligence (AI) Update – Audit & Standards Advisory Committee Deep Dive	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	One Appendix 1: AI Strategic Risk Register
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Tony Afuwape, Head of Digital Transformation Tel: 020 8937 12247 Email: tony.afuwape@brent.gov.uk</p> <p>Olu Adeniji, Digital Programme Manager - AI and Automation Tel: 020 8937 2516 Email: Olurotimi.Adeniji@brent.gov.uk</p>

1.0 Executive Summary

- 1.1 Brent is expanding its use of AI and automation to enhance efficiency and modernise service delivery. While these technologies offer significant benefits, they also introduce strategic risks that require strong oversight and mitigation.
- 1.2 This report outlines those risks for the Audit & Advisory Committee, along with the gaps identified in the recent internal audit. It provides an in-depth overview of the newly added AI Strategic Risk within the Council's Strategic Risk Register and summarises the internal audit findings, governance improvements, and planned actions.

2.0 Recommendation(s)

- 2.1 That members of the Committee note the content of the report.

3.0 Contribution to Borough Plan Priorities & Strategic Context: Brent's AI and Automation Ambitions

- 3.1 The Council is progressively adopting AI and automation to support its ambition to become a data- and insight-led organisation. AI is recognised as a key enabler for improving service efficiency, enhancing the resident experience, and delivering measurable financial benefits and savings.
- 3.2 Brent Council is committed to becoming a "Digital Council" by investing in AI, machine learning, and robotics to enhance service delivery, improve efficiency, and foster a "Digital Place". Supported by a considerable investment, as detailed in the recently approved Digital Transformation Roadmap 2026-28, these technologies aim to drive efficiency, reduce operational costs and improve services.
- 3.3 Brent's AI ambitions, as set out in the Digital Roadmap 2026–2028, focus on building on learning from pilots and projects and embedding artificial intelligence as a core enabler of service transformation, improved resident experience, and organisational efficiency.
- 3.4 Alongside these ambitions, the roadmap identifies significant savings linked to automation including cross cutting digital and resident experience savings proposals for 2026–27 and 2027–28

4.0 Background

- 4.1 Artificial Intelligence (AI) is a cornerstone of Brent's digital transformation agenda. Its adoption enables efficiency and innovation. AI presents significant opportunities for service improvement, productivity, and resident experience.
- 4.2 Brent has a highly effective in-house automation function, the **Intelligent Automation Centre of Excellence (CoE)**. The CoE is responsible for identifying, designing and delivering automation solutions that streamline manual, repetitive and high-volume processes across the council. By leveraging the use of a leading platform for Robotic Process Automation (RPA) (i.e. UiPath) and agentic automation, the team also actively develops staff capability and promotes a culture of continuous improvement.
- 4.3 To date, the CoE has successfully delivered **around 50 automations**, generating significant efficiency savings, reducing administrative burden, and improving the speed and quality of services for residents.

Examples of impactful use cases include:

- **Hospital Discharge to Mosaic** - automating the transfer of discharge notifications into Mosaic to reduce delays and improve adult social care workflow.
- **ASC and CYP Payments** - streamlining the processing of Adult Social Care and Children & Young People payments, ensuring faster, more accurate transactions.
- **School Admissions** - automating elements of the admissions process to improve accuracy, reduce processing times, and free staff to focus on more complex queries.

This growing automation capability strengthens operational efficiency, enhances resident-facing services, and positions Brent as a leading council within the sector.

- 4.4 Recent AI initiatives have included a trial of Microsoft 365 Copilot, trial and adoption of Magic Notes in Adult Social Care, Brent's First Conversational AI Parking Chatbot and a pilot of using AI to assist with responses to Housing complaints. Additional pilots are also underway across the organisation.
- 4.5 Significant progress has been made in establishing governance, strengthening controls, and deploying early AI use cases. However, the 2025/26 Internal Audit review issued a Limited Assurance rating, identifying important gaps that must be addressed to ensure the council remains compliant, secure, and operationally resilient as AI adoption accelerates.
- 4.6 The internal audit commissioned by Brent and conducted by PwC in August 2025 concluded that the overall arrangements of AI were maturing but not yet consistent to the required corporate level as recommended. The report identified a number of areas for improvement, including:
 - Council-wide AI strategy or roadmap to set priorities and standards.
 - Strengthening the governance arrangements regarding AI.
 - AI risks to be included on the digital risk register and the strategic risk register.
 - Training on building staff awareness of AI risks such as data security, bias, explainability, and responsible use.
 - Procurement guidance has not been adapted for AI (e.g. explainability, bias testing, model/IP portability, exit).

All recommendations have been accepted, with actions scheduled for completion by 31 July 2026.

5.0. Strategic Risks

- 5.1 The use of AI in local government carries inherent risks that require careful oversight. In particular, AI hallucinations—where generative models produce false or misleading information—pose a significant strategic risk. If such outputs are not appropriately verified with a ‘human in the loop’ or human reviewer, they can lead to reputational damage, legal exposure, financial loss, and poor decision-making.
- 5.2 AI systems that handle council data may expand the number of potential entry points within Brent’s IT environment. The integration of AI into core line-of-business systems also introduces additional cyber-risks, particularly where AI outputs influence critical operational processes. Without robust controls, these platforms could become avenues for intrusion or data exfiltration, increasing overall security exposure.
- 5.3 Lack of formal governance structures, inadequate oversight over AI model selection, training data provenance, and performance limits could result in ungoverned deployments and ethical lapses.
- 5.4 AI use must comply with data protection laws (UK GDPR, DPA), procurement and UK public sector standards, as well as emerging AI-specific regulatory expectations (e.g., UK AI assurance frameworks).

6.0 Cyber – Risks

6.1 Organisational AI Security Risks

Risks associated with securing internally developed or deployed AI systems arising from inadequate data classification and preparation for model training, insufficient prompt-engineering standards. This is mitigated through rigorous validation of AI-generated outputs, strengthened governance controls, and robust oversight of AI development and deployment.

6.2 Third-Party AI Service Risks

Risks associated with external AI platforms—including commercial generative AI tools—stem from unauthorised use, potential data exfiltration, loss of intellectual property, and unassessed or undisclosed AI functionality embedded by vendors. These risks should be mitigated through robust due-diligence processes, appropriate technical controls and policies, and regular reviews to identify and remove unauthorised AI software.

6.3 AI-Enabled Threat Landscape Risks

Risks arising from malicious actors using AI to increase the sophistication and impact of cyberattacks, including the creation of deepfakes for impersonation and social engineering and the development of highly personalised phishing campaigns. These threats will be mitigated through the deployment of defensive

AI tools, the adoption of “Verify-Then-Trust” protocols and strengthened staff awareness and training.

6.4 Human Risk and Security Awareness Gaps

Risks stem from limited staff understanding of AI capabilities and threats, including insufficient awareness of hallucinations, system bias, and over-reliance on unverified outputs. Targeted training is required to improve awareness of AI limitations and reinforce the necessity of maintaining a ‘human in the loop’.

7.0 Mitigations and Ongoing Improvement

- 7.1 The internal audit has identified key areas requiring improvement to support Brent’s AI adoption. In response, we have implemented initial mitigations and developed a forward plan to strengthen governance, build organisational capability, and ensure the safe and effective use of AI across the organisation.
- 7.2 The council operates a governance-first approach to prioritise the establishment of ethical, legal, and operational guardrails before the widespread technical deployment of AI systems. This is to ensure safe, ethical, and transparent AI adoption.
- 7.3 Governance structures and arrangements for AI include clear risk assessment, approval, monitoring and escalation pathways, 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, are formally reported to the Senior Information Risk Owner (SIRO). This ensures that significant risks are escalated appropriately and that the SIRO is kept informed to enable effective oversight and timely decision-making regarding risk mitigation and compliance.
- 7.4 Governance controls already in place for AI at Brent include:
 - Mandatory Data Protection Impact Assessments (DPIAs) and AI Impact Assessments for all AI deployments
 - Technical and security assurance through the TDA and Chief Security Officer
 - A structured nine stage AI approval process
 - A risk-based approach to adoption
 - Dual administration controls and secure by design architecture
 - Use of RACI and RAPID decision-making frameworks

- 7.5 Governance foundations are in place, including mandatory Data Protection Impact Analysis and AI Impact Analysis, strengthened cyber assurance, and a structured approval process preventing shadow AI.
- 7.6 Brent has implemented a policy restricting the 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.
- 7.7 Brent is developing a dedicated AI strategy that will define the council's vision, principles, governance, priority use cases, success measures, and delivery roadmap. The strategy is scheduled for completion by Q2 of the next financial year.
- 7.8 We have recently undergone an exercise to decommission and block unauthorised AI tools within the Brent ecosystem, alongside issuing staff communications to reinforce the requirement to use only approved AI solutions.
- 7.9 The council's AI governance model is strengthened by dedicated in-house AI expertise, including a functioning Centre of Excellence that ensures safe, ethical and well-assured adoption of AI. This level of specialist expertise is uncommon in local government and positions Brent with a distinct advantage in scaling AI safely and responsibly across its services.
- 7.10 Brent continues to work closely with sector partners to ensure its AI approach aligns with emerging best practice and collective public-sector standards. The council is 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.
- 7.11 Brent also incorporates 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. Through participation in cross-council working groups, peer networks, and communities of practice, Brent ensures that its AI adoption is informed by the latest evidence, meets public-sector expectations, and demonstrably aligns with responsible, transparent, and trustworthy use of emerging technologies.
- 7.12 As part of Brent's Procurement Improvement Programme, work is underway to update the council's existing "How to Buy" guidance with an AI Procurement Addendum aligned to emerging UK Government standards.
- 7.13 The council will continue to monitor and assess its AI maturity on an ongoing basis. An initial self-assessment, using the UK Government's AI principles and data ethics tool, places the council at Level 1–2 (Foundational) on the five-level AI maturity scale. The target is to progress to Level 3–4 (Defined/Managed) by 2027.

8.0 Financial Considerations

- 8.1 All activity referenced, including the continued rollout of AI initiatives, governance enhancements, and delivery of the Digital Transformation Roadmap, are funded from existing budgets. The Digital Transformation Roadmap has been built into the Capital programme and will invest up to £8.7m across 2026/27 and 2027/28.
- 8.2 The anticipated £2.1m annual saving associated with cross-cutting digital and resident experience themes proposed as part of Draft Budget for 2026/27 have been incorporated into the draft Medium Term Financial Strategy.

9.0 Legal considerations

- 9.1 The council's expanding use of artificial intelligence (AI) engages a range of legal duties and compliance requirements, particularly in relation to data protection, procurement, public-law decision-making, and emerging government standards governing the safe deployment of AI technologies. Officers have addressed the majority of these requirements within the report and, as they work to resolve the gaps identified in the 2025/26 Internal Audit review, they are reminded to engage all relevant teams, including Legal Services.
- 9.2 There are no direct legal barriers to the council's continued adoption of AI, provided that appropriate oversight, risk controls, and compliance measures remain in place. As officers are asking the Committee merely to note the contents of this report, there are no legal implications arising from the recommendation.

10.0 Equity, Diversity & Inclusion considerations

- 10.1. AI must actively support the council's commitment to fairness, inclusion, and equitable service delivery. All AI pilots will incorporate fairness testing, bias monitoring, and representative data considerations in line with the council's EDI commitments.

11.0 Stakeholder and ward member consultation and engagement

- 11.1 AI adoption requires transparent engagement with internal and external stakeholders to maintain trust and alignment. A structured engagement process will be used to make sure ward members, service leads, and residents are properly consulted during all significant AI deployments, promoting transparency, alignment, and trust.

12.0 Climate Change and Environmental considerations

- 12.1 AI initiatives will be assessed for environmental impact, including energy usage, sustainability of data processing, and alignment with the council's climate commitments.

13.0 Human Resources

- 13.1 The implementation and wide use of AI tools can boost productivity and reduce repetitive tasks. The full impact is yet unknown but could lead to efficiencies requiring less people in some areas but increased skills in other areas, particularly in the AI skills and data analysis space. Clear communication, training, and positioning AI as a tool to drive improvements will be important.
- 13.2 Aligning the AI strategy with Brent's workforce strategy is essential to ensure HR considerations—such as workforce impact, changing roles, and emerging skills requirements—are fully integrated into the AI programme, enabling staff to prepare for and adapt to organisational change.

<p><u>Report sign off:</u></p> <p>Rachel Crossley Corporate Director Service Reform and Strategy</p>
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A. AI Risks

Risk Details

There is the risk of unauthorised use of generative AI, dependency on third-party platforms, heightened threat of Cyber attacks inadequate cyber security controls, and weak information governance could lead to reputational damage, resident mistrust, operational disruption, data breaches, and regulatory penalties.

Risk Update

In early 2025, Internal Audit initiated a governance review to understand whether the organisation had the strategy, controls and capability needed to support safe, ethical and compliant adoption. The review was prompted by concerns that AI activity was outpacing the Council's maturity and that existing risk, procurement and data protection processes were not designed with AI-specific risks in mind.

The review concluded in October 2025 with a Limited Assurance rating, identifying gaps in policy, governance, training, procurement and ongoing monitoring. These issues stem from several underlying drivers: the speed and decentralisation of AI adoption, the absence of an AI Strategy, early-stage governance maturity, limited staff capability, insufficient vendor assurance processes, and the rapidly evolving regulatory environment.

In December 2025, the Directors' Risk Review recommended elevation of AI to the Strategic Risk Register, recognising that the combination of uncoordinated adoption, compliance risk and organisational exposure constituted a material corporate-level threat. The risk was formally added in January 2026.

The core risk arises from AI adoption outpacing the Council's governance maturity, leading to inconsistent standards, gaps in oversight, and uneven capability across services. Key contributing factors include the absence of a cohesive AI Strategy, incomplete policy framework, early-stage staff literacy, insufficient vendor assurance arrangements, and emerging regulatory obligations under UK GDPR, transparency requirements, and evolving UK/EU AI standards.

The council is addressing these risks as work over 2025/26 has focused on establishing stronger governance foundations for AI activity across the organisation. Although Brent's AI maturity remains in its early stages, important controls are already in place to reduce exposure and create a clearer framework for responsible adoption. A strengthened governance model now provides oversight across strategy, ethics, data protection and cyber security. The Programme Manager for AI & Automation has taken responsibility for leading delivery of the Council's AI strategy. Brent also incorporates 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

Risk Scores	I	L	T	Trend
CURRENT	4	3	12	
Previous	4	3	12	
Target	3	2	6	

Key Controls & Mitigating Actions

- We have an AI and Data Board, supported by a dedicated Data Ethics Board, to provide expert guidance on the responsible development and deployment of AI systems.
- Clear accountability held by the Director of CII, who is responsible for ensuring AI activities across the organisation meet regulatory, ethical, and organisational expectations.
- Strategic oversight provided by the Programme Manager for AI & Automation, ensuring coordinated delivery, risk management, and alignment across all AI initiatives. This role acts as the central governance lead, ensuring projects follow agreed standards and frameworks.
- Shadow Ai Monitoring is now in place to detect and manage unauthorised Ai use.
- Mandatory completion of DPIAs and AI Impact Assessments for all AI projects to ensure potential risks, especially around data protection, bias, and individual rights. And shadow AI monitoring.
- Corporate Risk monitoring to track AI-related risks at an organisational level, ensuring they are visible, assessed, and managed through established risk-management processes. This provides ongoing oversight as systems evolve.
- Cyber assurance provided through the STS team, to identify vulnerabilities and reduce the risk of AI-enabled cyberattacks. This ensures AI systems meet high security standards before going live

AI Risks

◆ Action Plan

Ref	Action	Target Date	Status	Comments
1.	We will Develop AI Strategy & Policy Framework	31 July 2026	In Progress	A Council wide AI strategy is being drafted, supported by a comprehensive AI Policy Framework. This will set out minimum standards for transparency, data use, ethical safeguards, and assurance requirements. This work directly supports the creation of a consistent governance baseline across the organisation.
2.	We will Strengthen governance structures and KPIs	31 July 2026	In Progress	Governance mapping has been completed and will inform a strengthened structure including clearer decision rights, reporting lines, and KPIs. This forms a core part of the long-term capability building programme and supports the move from High to Medium risk.
3.	Introduce risk based, Responsible and Ethical AI training for Brent Staff	31 July 2026	In Progress	A new mandatory training framework is being developed to improve cultural readiness and ensure staff understand safe use expectations, risk indicators, escalation routes, and ethical considerations. This will become a baseline requirement for all AI related activity.
4	Update procurement & supplier due diligence	31 July 2026	Planned	Procurement and due diligence processes will be updated to incorporate AI specific requirements, including transparency obligations, model governance expectations, data protection compliance, and risk disclosures. This ensures suppliers meet minimum AI safety standards.
5	Identify AI vendors appropriate to our tooling strategy and explore internal AI capability	31 July 2026	In progress	A catalogue of AI vendors and tools in use across Brent is being developed. This will support risk management, contract visibility and alignment to the Council's tooling strategy. Internal capabilities will also be assessed to ensure we can safely build and manage AI in house where appropriate.

Risk Evaluation Matrix

The following impact and likelihood criteria are used to analyse and evaluate the Council's Strategic Risks.

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IMPACT

Score	Financial	Service Delivery	Health and Wellbeing	Reputation
5	Major Financial loss (above £2m)	Major disruption to a number of critical services	Multiple deaths / serious life-changing injuries / extreme safeguarding concerns.	Long term damage – e.g. adverse national publicity.
4	Significant Financial loss (above £1m)	Major disruption to a critical service.	Multiple casualties with life changing injuries / significant safeguarding concerns.	Medium to long term damage – e.g. adverse local publicity.
3	Moderate Financial Loss (less than £1m)	Moderate disruption to a critical service	Moderate risk of injury / noticeable safeguarding risks.	Medium term damage
2	Small Financial loss (less than £500k)	Moderate disruption to an important service.	Low level injuries / safeguarding risks.	Short term damage
1	Minor financial loss (less than £100k)	Brief disruption to important service	No immediate impacts to health or wellbeing	Some damage to specific functions

1	2	3	4	5
Rare	Unlikely	Possible	Likely	Very Likely
Highly unlikely, but it may occur in exceptional circumstances.	Not expected, but there's a small possibility it may occur at some point.	This event might occur at some point and/or there is a history of occurrence of this risk at this, or other, Councils	There is a strong possibility this event will occur.	This event is expected to occur in most circumstances.

LIKELIHOOD

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	Audit and Standards Advisory Committee 3 February 2026
	Report from the Corporate Director of Finance and Resources
	Lead Member - Deputy Leader and Cabinet Member for Finance and Resources (Councillor Mili Patel)
Internal Audit Interim Report 2025-26 - Addendum	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	One Appendix 1: Internal Audit Interim Report 2025-26 - Addendum
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Darren Armstrong, Deputy Director Organisational Assurance and Resilience 020 8937 1751 Darren.Armstrong@brent.gov.uk

1.0 Executive Summary

- 1.1 Further to feedback from the Audit and Standards Advisory Committee on 3 December 2025, this report provides an update on action owners, accepted recommendations, and implementation dates for audits reported as completed within the Interim Internal Audit Report. It also reinstates the 'Basis of Our Classifications' and 'Assurance Definitions' for clarification. These details are presented in Appendix 1.

2.0 Recommendations

- 2.1 The Committee is asked to note the report.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.1.1 The role and mission of the Internal Audit function is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. Internal Audit helps the Council to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the governance, risk management and control processes in place.
- 3.1.2 The mission of Internal Audit is achieved through providing a combination of risk-based assurance and consulting activities. The assurance suite of work involves assessing how well the systems and processes are designed and operating in order to effectively mitigate risk, while consulting activities aid with the improvement in systems and processes where necessary.
- 3.1.3 The response of the Council to the activity of Internal Audit should lead to the strengthening of governance arrangements and the control environment, and therefore, contribute to the achievement of strategic objectives.

3.2 Interim Internal Audit Report Update

- 3.2.1 This update responds to the Committee's request for greater clarity on the implementation of agreed actions within the Interim Internal Annual Report. Appendix 1 sets out:
- Responsible officers for each audit area;
 - Accepted recommendations and their priority;
 - Implementation dates; and
 - Basis of our classifications and assurance definitions to support interpretation of audit outcomes.

4.0 Stakeholder and ward member consultation and engagement

- 4.1 None.

5.0 Financial Considerations

- 5.1 The report is for noting and so there are no direct financial implications.

6.0 Legal Considerations

- 6.1 All Local Authorities are required to make proper provision for Internal Audit in line with the 1972 Local Government Act and Accounts and Audit Regulations 2011 (as amended). The Public Sector Internal Audit Standards 2017, also require proper planning of audit work.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 None.

8.0 Climate Change and Environmental Considerations

8.1 None.

9.0 Communication Considerations

9.1 None.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources

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Internal Audit Interim Report 2025-26 - Addendum 2025-26

1b. Core Assurance Work 2025-26 – Findings (High & Medium)

This section of the report provides a summary of findings for all *core assurance* audits completed to date.

System / Process	Assurance Provided	Summary of Findings	Internal Audit Update - January 2026
♦ Council Tax and Business Rates	Limited	<p>High Risk</p> <ol style="list-style-type: none"> Discounts and Exemptions Council's internal controls over Council Tax discounts and exemptions are currently weak, with issues identified across policy documentation, segregation of duties, and eligibility verification Delays and Omissions in Issuance of Reminder and Summons Notices Testing revealed frequent delays in issuing reminder and summons notices beyond policy timelines, with some notices not issued at all despite outstanding debts. <p>Medium Risk</p> <ol style="list-style-type: none"> Follow-up of warning discrepancies Weaknesses in follow-up, escalation, and coordination with the Valuation Office Agency (VOA) have led to long-standing discrepancies and recurring data mismatches, heightening the risk of inaccurate records and billing errors Lack of Independent Review and Authorisation of Reconciliations The quarterly property data reconciliation reports are prepared without any formal independent review or authorisation Inconsistent Recovery Actions Recovery officers prioritise accounts subjectively, focusing mainly on high-balance or "critical" cases, which causes delays or inconsistencies in pursuing lower-balance accounts and risks revenue leakage. 	<p>Responsible Officers: Head of Revenue and Debt; Revenues & Debt Service Manager; Service Manager – Debt Recovery</p> <p>Recommendations Accepted: High: 2 Medium: 3 Low: 1 (Total: 6)</p> <p>Final Implementation Date: All remaining actions are targeted for 31 October 2026, with the process improvements relating to reminder and summons notices and the Debt Recovery Policy update already completed.</p> <p>Internal Audit plan to undertake a follow-up to measure progress towards implementation of actions in Q4 2026-27.</p>

2b. Risk-Focussed Work 2025-26 - Findings (High & Medium)

This section of the report provides a summary of findings for all *core assurance* audits completed to date.

System / Process	Assurance Provided	Summary of Findings	Management response Summary
♦ Residential and Nursing Care	Limited	<p>High Risk</p> <p>1. Financial Assessments Our review identified that half of the financial assessments reviewed were calculated incorrectly and issued to service users without prior approval, resulting in unnecessary costs to the Council. Furthermore, delays in completing assessments meant that in some cases, the Council funded care for up to 11 months before establishing who was financially responsible.</p> <p>2. Quality Assurance Process The evidence section of the Quality Assurance document is not structured to capture precise examples of compliance, descriptions of what qualifies as evidence, and sample sizes are not included to give context to what is being recorded. Also, where standards are unmet or partially met there is no clear process for revaluation to attest compliance.</p> <p>3. Residential and Nursing Care Oversight There is no effective oversight of all elements of the end to end residential and nursing care service to identify any failures in the process, such a forum to review the effectiveness of monitoring and reporting.</p> <p>Medium Risk</p> <p>4. Governance The current Adult Social Care Charging Guidance (2016) lacks key governance details, including the author, approval information, and scheduled review dates. It also does not specify when financial assessments should be completed or how they should be documented. Additionally, there is no clear requirement for Senior Officer approval before assessment outcomes are shared with service users.</p>	<p>Responsible Officers: Head of Commissioning, Contracting & Market Management; Service Manager Benefits Subsidy & Policy; Digital Programme Manager</p> <p>Recommendations Accepted: High: 3 Medium: 1 (Total: 4 issues, 8 recommendations)</p> <p>Final Implementation Date:</p> <ul style="list-style-type: none"> Financial assessment accuracy & Mosaic uploads: 31 Jan 2026 QA process improvements: 31 Jan 2026 (validation doc), 31 Mar 2026 (scoring redesign) Charging Policy update & training: 30 Apr 2026 Oversight forum: 31 Jan 2026 <p>Internal Audit plan to undertake a follow-up to measure progress towards implementation of actions in Q4 2026-27.</p>

System / Process	Assurance Provided	Summary of Findings	Management response Summary
♦ AI Governance	<i>Limited</i>	<p>High Risk</p> <ol style="list-style-type: none"> 1. Strategy and policy framework AI is currently being introduced through isolated pilot projects under the broader Digital Strategy. However, the absence of a unified Council-wide AI strategy has led to fragmented and reactive deployment. This has resulted in inconsistent approaches and varying quality in how benefits are tracked and assessed. 2. Governance and Oversight AI oversight is dispersed across existing forums, without a single, end to end framework or accountable owner. The ethics board is advisory only. <p>Medium Risk</p> <ol style="list-style-type: none"> 3. Training There is no Council-wide training programme on AI risks, role-specific expectations, or systematic tracking of completion. 4. Procurement and Due Diligence The Council's procurement framework has not been adapted for AI. This increases ethical, legal, and value-for-money risks despite some oversight through existing forums and DPIAs 5. AI Risk Management AI risks are captured on the digital risk register and managed largely through project level DPIAs. However, they are not included on the corporate risk register, and key enterprise level exposures such as information governance failures from AI use and the risk of shadow AI are not formally owned or mitigated. 	<p>Responsible Officers: Interim Head of Digital Transformation; Digital Transformation Programme Manager – AI; Head of Digital Transformation</p> <p>Recommendations Accepted: High: 2 Medium: 3 (Total: 5)</p> <p>Final Implementation Date:</p> <ul style="list-style-type: none"> AI Strategy & Training: 30 Apr 2026 Governance Framework & Risk Register: 31 Jul 2026 Procurement Addendum: 31 Jan 2026 <p>Internal Audit plan to undertake a follow-up to measure progress towards implementation of actions in Q3 2026-27.</p>
♦ Wembley Learning Zone (WLZ)	<i>Management Letter</i>	<p>Internal Audit completed a review of Wembley Learning Zone at management's request. The review identified several issues and concerns, including:</p> <ol style="list-style-type: none"> 1. Safeguarding – there is currently a lack of clarity regarding the safeguarding training and DBS status of WLZ team members. 	<p>Responsible Officers: Head of Setting and School Effectiveness; Project Manager</p> <p>Recommendations Accepted: High: 9 Medium: 2 Low: 1 (Total: 12)</p> <p>Final Implementation Date:</p>

System / Process	Assurance Provided	Summary of Findings	Management response Summary
		<ol style="list-style-type: none"> Event Charges – the pricing of events is inconsistent, with lower rates charged in some instances. Write-offs – a write-off credit of c£10k could not be accounted for or verified. Event Bookings – the tracking of bookings was inconsistent and incomplete and did not correspond to invoices received. Staffing and Job Descriptions – up to date JDs and procedures could not be located or provided during the audit. Procurement – WLZ use a Council issued Credit Card that has been used to by-pass traditional procurement routes. 	<ul style="list-style-type: none"> Safeguarding DBS renewal: Completed Oct 2025; training ongoing Financial reconciliation & booking reconciliation: 31 Aug 2025 BestBrent booking system: Implemented Jan 2026 Procurement training, catering compliance, risk assessments, staff manual, marketing refresh: 1 Jan 2026 <p>Internal Audit plan to undertake a follow-up to measure progress towards implementation of actions in Q4 2026-27.</p>
♦ Pay Policy and Allowances	<i>Management Letter</i>	<p>Internal Audit completed a planned review of the Council's Pay Policy and Allowances. The review has highlighted several issues regarding the consistent application of, and adherence to, the Council's Pay Policy and Procedures, including:</p> <ol style="list-style-type: none"> Expenditure monitoring a controls require improvement; A number of payments were found to fall outside of the agreed pay rates. Some payments were processed without full authorisation. Several payments lacked supporting records. Legacy systems and fragmented data have made it difficult to validate payments. Limited monitoring and oversight at a service level have contributed to informal practices. 	<p>Responsible Officers: Corporate Director Finance and Resources; Director HR & Organisational Development; Deputy Director Finance; Head of Transactional Finance; Senior HR Business Partner</p> <p>Recommendations Accepted: High: 6 (systemic issues across governance, authorisation, documentation, verification, oversight)</p> <p>Final Implementation Date: Immediate actions underway via Pay & Allowances Project Review; formal follow-up scheduled Q4 2025–26</p> <p>Internal Audit plan to undertake a follow-up to measure progress towards implementation of actions in Q2 2026-27.</p>

Appendix A – Basis of our Classifications

Critical

A finding that could have a:

- **Critical** impact on operational performance; or
- **Critical** monetary or financial statement impact; or
- **Critical** breach in laws and regulations that could result in material fines or consequences; or
- **Critical** impact on the reputation or brand of the organisation which could threaten its future viability.

High

A finding that could have a:

- **Significant** impact on operational performance; or
- **Significant** monetary or financial statement impact; or
- **Significant** breach in laws and regulations resulting in significant fines and consequences; or
- **Significant** impact on the reputation or brand of the organisation.

Medium

A finding that could have a:

- **Moderate** impact on operational; or
- **Moderate** monetary or financial statement impact; or
- **Moderate** breach in laws and regulations resulting in fines and consequences; or
- **Moderate** impact on the reputation or brand of the organisation.

Low

A finding that could have a:

- **Minor** impact on the organisation's operational performance; or
- **Minor** monetary or financial statement impact; or
- **Minor** breach in laws and regulations with limited consequences; or
- **Minor** impact on the reputation of the organisation.

Appendix B – Assurance Definitions

Rating	Description
Substantial Assurance	There is a sound control environment with risks to key service objectives being satisfactorily managed. Recommendations will normally only be Advice and Best Practice
Moderate Assurance	An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are <i>medium</i> priority recommendations indicating weaknesses, but these do not undermine the system's overall integrity. Any <i>critical</i> recommendation will prevent this assessment, and any <i>high</i> recommendations would need to be mitigated by significant strengths elsewhere.
Limited Assurance	There are several significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are <i>high</i> recommendations indicating significant failings. Any <i>high</i> recommendations would need to be mitigated by significant strengths elsewhere.
No Assurance	There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.

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	A	E	F	G	H	I	J
1	ASAC FORWARD PLAN / WORK PROGRAMME / UPCOMING AGENDA 2025-26						
2	Topic / Date	16-Jun-25	23-Jul-25	25-Sep-25	03-Dec-25	03-Feb-26	24-Mar-26
3	Internal Audit & Investigations						
4	Internal Audit Annual Report, including Annual Head of Audit Opinion	X					
5	Annual/Interim Counter Fraud Report	X			X		
6	Internal Audit Plan Progress Update				X	X	
7	Internal Audit Strategy & Plan						X
8	External Audit						
9	External Audit progress report		X				X
10	Audit Findings Report Council & Pension Fund Accounts 2024-25				X	X	
11	Draft External Audit Plan 2025-26 (incl Pension Fund)	X					X
12	Annual Auditor's Report			X			
13	Financial Reporting						
14	Treasury Management Mid-term Report				X		
15	Treasury Management Strategy				X		
16	Statement of Accounts & Pension Fund Accounts		X		X*		
17	Treasury Management Outturn Report		X				
18	Progress on implementation of FM Code		X				
19	Governance						
20	To review performance & management of i4B Holdings Ltd and First Wave Housing Ltd			X			X
21	Procurement review including arrangements for securing value of money, community wealth & social value		X				X
22	Referral to Social Housing Regulator	X		X		X	
23	Review of the use of RIPA Powers						X
24	Receive and agree the Annual Governance Statement	X*					
25	Risk Management						
26	Strategic Risk Register Update			X			
27	Emergency Preparedness		X				
28	Deep Risk Dive on AI					X	
29	Audit Committee Effectiveness						
30	Review the Committee's Forward Plan	X	X	X	X	X	X
31	Review the performance of the Committee (self-assessment)		X				
32	Chair's Annual Report	X					
33	Training Requirements for Audit Committee Members (as required)						
34	Standards Matters						
35	Standards Report (including gifts & hospitality)	X		X	X		X
36	Annual Standards Report						X
37	Member Complaints & Code of Conduct					X	
38	Review of the Member Development Programme and Members' Expenses (incorporating Review of the Financial and Procedural Rules governing the Mayor's Charity Appeal)						X
39	Committee Development						
40	Treasury Management Training						
41	Levels of Control and Lines of Defence Training						
42	Review of Committee performance linked to Global Internal Audit Standards						
43	Role of External Audit & Committee						
44							
45	* Requires approval by Audit & Standards Committee						

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