



Audit and Standards Advisory Committee

Tuesday 16 June 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:

Choudry (Vice-Chair)
Bajwa
Blackman
Brown
Donnelly-Jackson
Kansagra
Mitchell

Councillors:

Agha, S Butt, De Souza and Ibrahim

Councillors:

A.Patel and H.Patel

Councillors:

Georgiou and Want

Councillors:

Ahmadi Moghaddam and Perrin

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 a of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

or

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

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

Agenda

Introductions, if appropriate.

Item	Page
1 Apologies for absence and clarification of alternate members	
2 Declarations of Interest	
Members are invited to declare at this stage of the meeting, the nature and existence of any relevant disclosable pecuniary or personal interests in the items on this agenda and to specify the item(s) to which they relate.	
3 Deputations (if any)	
To hear any deputations received from members of the public in accordance with Standing Order 67.	
4 Minutes of the previous meeting and action log	
4.1 To approve the minutes of the previous meeting held on Tuesday 24 March 2026 as a correct record.	To Follow
4.2 To note the updated Action Log from previous meetings of the Audit & Standards Advisory Committee.	1 - 6
5 Matters arising (if any)	
To consider any matters arising from the minutes of the previous meeting.	

Standards Items

6 Annual Standards Report for 2025 (including Standards Quarter Two and Three updates on gifts and hospitality 2025/26	7 - 22
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Following on from its referral at the previous meeting in March 2026, this report presents the Monitoring Officer's Annual Report to the Audit and Standards Advisory Committee (ASAC) for 2025. The report provides an update on Member conduct issues and the work of the Audit and Standards Advisory Committee, the Audit and Standards Committee (ASC) and the Monitoring Officer during 2025 together with the quarterly reports for Q3 & Q4 2025-26 on gifts and hospitality registered by Members and the status of Member training following the May 2026 elections.

Members are asked to note that the report also includes details on a proposed amendment to the Members' Code of Conduct Complaints Procedure, which (subject to approval) will require referral to the Audit & Standards Committee for formal approval and adoption. The amendment relates to the proposed extension of the normal deadline for carrying out an initial assessment under the Members' Code of Conduct Complaints Procedure to 15 working days.

Audit Items

7 Internal Audit Annual Report 2025-26 (including Annual Head of Internal Audit Opinion) 23 - 66

This report summarises the activity of Internal Audit for the financial year 2025-26, including an update on work completed since the previous updated provided in December 2025 including a summary on delivery of the Internal Audit Plan, key findings arising from audit work, and the extent to which agreed management actions have been implemented.

The report also provides the annual audit opinion, provided by the Deputy Director Organisational Assurance and Resilience (Head of Internal Audit), on the adequacy and effectiveness of the Council's framework for governance, risk management and control, which is used to support the Council's Annual Governance Statement.

8 Annual Counter Fraud Report 2025-26 67 - 82

The report sets out a summary of the counter fraud activity undertaken in 2025-26, including both proactive and reactive work across a range of fraud risks and also fulfils the requirements of the Local Government Transparency Code 2015, which requires local authorities to publish details of their counter-fraud activity.

Governance items

9 Chair's Annual Report 2025-26 83 - 94

To receive the annual report from Chair of the Audit and Standards Advisory Committee. The report covers the work of both the Audit & Standards Advisory Committee as well as the Audit & Standards Committee for the municipal year 2025-26.

Members are asked to note that the report has been prepared independently by the Chair of the Audit & Standards Advisory Committee.

10 Annual Governance Statement 2025-26 95 - 134

This report sets out the draft Annual Governance Statement (AGS) for

2025-26 as required by the Accounts and Audit Regulations 2015 (as amended) which details the outcome of the annual review of the effectiveness of the Council's governance framework, including its system of internal control.

Members are asked to note that the format and structure of the AGS has been refreshed for this year and is aligned with the CIPFA/SOLACE Delivering Good Governance in Local Government Framework Addendum (2025) and is being presented to the Audit & Standards Advisory Committee for consideration, in advance of referral on to the Audit and Standards Committee for formal approval.

Finance & External Audit items

11 **Draft External Audit Plan (including the Pension Fund) year ending 31 March 2026** 135 - 212

To receive and consider the Indicative External Audit Plans for the London Borough of Brent (including the Pension Fund) for the year ending 31 March 2025.

12 **Audit & Standards Advisory Committee Forward Plan & Work Programme for 2026-27** 213 - 214

To consider the Committee's work programme for the 2026 -27 Municipal Year and note the dates identified (as set out below) for future meetings:

- Monday 16 June 2026 (including Member Learning & Development session)
- Monday 27 July 2026
- Wednesday 23 September 2026
- Monday 30 November 2026
- Tuesday 2 February 2027
- Wednesday 24 March 2027

Please note all of the above meetings are scheduled to commence at 6pm and will be held in person at Brent Civic Centre.

13 **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: Monday 27 July 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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Audit & Standards Advisory Committee – Action Log March 2026

Meeting Date	Agenda No.	Item	Actions	Lead Officer and Timescale	Progress
24 Mar 26	5	Performance & management of i4B Holdings Ltd and First Wave Housing Ltd	<ul style="list-style-type: none"> Update to be provided for members on the position for establishing a central register for smoke and carbon monoxide detectors outside of the meeting. 	Natoyah Vincent/Jon Cartwright	In progress
			<ul style="list-style-type: none"> Current Shareholder and guarantor reports to be circulated to members. 	Natoyah Vincent/Jon Cartwright	In progress
			<ul style="list-style-type: none"> To review the headings of columns in the risk registers to ensure that the post-mitigation score reflects that those mitigations may not yet be completed and represents the RAG rating for successful implementation of the mitigations 	Natoyah Vincent/Jon Cartwright	In progress
			<ul style="list-style-type: none"> To review number 13 of the i4B risk register in light of the latest information regarding discussions with developers and mitigations in place at the next risk register review. 	Natoyah Vincent/Jon Cartwright	In progress
24 Mar 26	7	Procurement Strategy Progress Review	<ul style="list-style-type: none"> For the Committee to receive a further progress update at a future meeting (date to be confirmed) addressing the following issues: <ul style="list-style-type: none"> to expand and provide further explanation on the Council's sustainability approach in the context of procurement and commissioning within section 13 of the report. 	Edwin Mensah/Rhodri Rowlands	In progress

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			<ul style="list-style-type: none"> - The strategy for sole sourcing in relation to section 7.5 of the report. - The total spend on procurement. - The work and progress in filling procurement support vacancies - Consideration to be given to the inclusion of Social Value & Community Wealth considerations within the Council's corporate report (identified as action 23 July 25) 		
24 Mar 26	9	Annual Review of the Member Learning & Development Programme	Feedback regarding the interactivity of member learning and development sessions to be incorporated in the new member induction process following the May 2026 elections.	Amira Nassr	Completed
3 Feb 26	6.	Member Complaints & Code of Conduct	Details provided on complaints received during the corresponding year as appendix to report to include whether submitted by members of public or other councillor for future reports	Marsha Henry/Biancia Robinson	In progress
3 Feb 26	7.	Update on the Response to Housing regulator findings and Brent graded at C3	(1) Future updates to 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.	Thomas Cattermole/ Spencer Randolph Thomas Cattermole/ Spencer Randolph	In Progress

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			(2) Further progress update to be provided at appropriate stage identified (within the next 6 months)		
3 Feb 26	10.	External Audit Progress Update	Members of the Committee to be informed when final sign-off of the Council's 2024-25 Statement of Accounts has been completed.	Ravinda Jassar/ Minesh Patel	Completed
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
25 Sep 25	7	Self-Referral to Regulator of Social Housing - September 2025 Update	(1) That the 'The Notice Board' newsletter be disseminated to all members of the Audit and Standards Advisory Committee, for reference and information. (2) Details on the governance structure relating to the Housing and Tenant Satisfaction Improvement Board be provided for members of the Audit and Standards Advisory Committee.	Spencer Randolph Tom Cattermole	Completed Completed
25 Sep 25	8	Strategic Risk Report	(1) Feedback in relation to Risk E: Climate and Ecological Emergency Mitigation be relayed to the relevant risk owners, with	Darren Armstrong	In progress


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			<p>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>		
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	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 	Darren Armstrong	Ongoing

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			any related risks identified within the register		
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 Annual Report 2023-24	An update be sought from the Director Strategic Commissioning & Capacity Building on progress in addressing the Improvement Recommendation included within the Annual Report in relation to review of the Council's Procurement Strategy.	Minesh Patel & Councillor Chan (Vice-Chair)	In progress
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

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 Brent	Audit and Standards Advisory Committee 16 June 2026
	Audit and Standards Committee 16 June 2026
	Report from Director of Law – Monitoring Officer
	Lead Member – Deputy Leader & Cabinet Member for Finance & Resources (Councillor Gwen Grahl)
Annual Standards Report for 2025 (including Standards Quarter Two and Three updates on gifts and hospitality 2025/26)	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	Two Appendix A: Summary Members' Code of Conduct complaints received in 2025 Appendix B: Gifts and hospitality register for Q3 and Q4
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Marsha Henry, Director of Law 020 8937 4078 marsha.henry@brent.gov.uk Pameel Crowther-Newman, Head of Law, Litigation 020 8937 4102 Pameel.Crowther-Newman@brent.gov.uk Biancia Robinson, Principal Constitutional, Governance & Finance Lawyer 020 8937 1544 Biancia.robinson@brent.gov.uk

1.0 Executive Summary

- 1.1 This is the Monitoring Officer's Annual Report to the Audit and Standards Advisory Committee (ASAC) for 2025. It provides an update on Member conduct issues and the work of the Audit and Standards Advisory Committee, the Audit and Standards Committee (ASC) and the Monitoring Officer during 2025; together with the quarterly reports on gifts and hospitality registered by Members and the status of Member training following the May 2026 elections.
- 1.2 The report also recommends an amendment to the Members' Code of Conduct Complaints Procedure.

2.0 Recommendations

- 2.1 That the Committee note the contents of the report.
- 2.2 That the Committee recommend to the Audit and Standards Committee that the normal deadline for carrying out an initial assessment under the Members' Code of Conduct Complaints Procedure be extended to 15 working days.

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.

Committee's Work during 2025

- 3.2 The ASAC met on seven occasions during 2025 six of which discussed standards related matters as follows:
 - (a) On 04.02.25 the Committee considered the Monitoring Officer's Annual Report on Code of Conduct Complaints and the Complaints Procedure. The report also advised members of the Government's consultation on potential changes to the current Standards regime.
 - (b) On 24.02.25 the Committee discussed and agreed the Council's response to the Government's consultation on potential changes to the current Standards regime.
 - (c) On 25.03.25 the Committee considered the Annual Report on Standards from the Monitoring Officer providing an update on Member conduct issues along with the quarterly update on gifts and hospitality registered by Members.

The Committee also considered the annual review of the Member Learning & Development Programme (including Member Expenses and the financial and procedural rules for governing the Mayors Charity) along

with the Council's use and conduct of surveillance techniques in accordance with the Regulation of Investigatory Powers Act (RIPA) 2000.

- (d) On 16.06.25 the Committee considered a Standards Update including the quarterly report on gifts and hospitality registered by Members, attendance record for Members in relation to mandatory training sessions and details on a standards case relating to the King's Lynn and West Norfolk Borough Council regarding the perception of undue influence on members of their Planning Committee.

The report also included an update on the recommendation made as part of the Council's External Audit Value for Money (VFM) Report (to accompany the 2023-24 accounts) that the Council consider strengthening provisions within the Members Code of Conduct regarding the registration of gifts and hospitality (G&H) to include more information for exceptional items to ensure transparency. The report detailed the outcome of the review undertaken by officers in response and subsequent change agreed to the provisions within the Members Code of Conduct relating to the registration of gifts and hospitality (approved by Full Council on 14 May 2025) requiring members accepting any gift or hospitality valued at £500 or more to provide reasons to the Monitoring Officer as to why they considered it appropriate to accept the gift or hospitality.

In addition, the Committee also received and considered the Annual Governance Statement 2024-25 which was subsequently referred to the Audit & Standards Committee for formal approval.

- (e) On 25.9.25 the Committee considered a further Standards Update including the quarterly report on gifts and hospitality registered by Members and the attendance record for Members in relation to mandatory training sessions as well as details of a standards decision made by Cornwall Council regarding the failure of a former councillor to correctly register a disclosable pecuniary interest (DPI) on being appointed to a new role and the Government's announcement of the Ethics and Integrity Commission, replacing the long-standing Committee on Standards in Public Life.
- (f) On 3.12.25 the Committee considered a Standards Update including the quarterly report on gifts and hospitality registered by Members and the attendance record for Members in relation to mandatory training sessions. The report also updated the Committee in respect of the responses to the Consultation on "Strengthening the standards and conduct framework for local authorities in England" and the Government's intended legislative response.

- 3.3 During January to December 2025, the Audit & Standards Committee met on one occasion on 25 March 2025 to consider and approve standards matters, namely, changes to the financial and procedural rules governing the Mayor's Charity Appeal.

Independent/Co-opted members

- 3.4 During 2025 Rhys Jarvis and Stephen Ross continued as Independent Co-opted Members, (Standards focussed) on the Committee with their current term of office due to expire in 2027. In addition, Sebastian Evans was appointed in February 2025 as an additional Independent Co-opted Member (for Audit) with his term of office due to expire in 2029.
- 3.5 The council also has three existing Independent Persons for Standards matters - Julie Byrom, William Goh and Keir Hopley whose continued appointment was approved at Full Council in May 2026. As the Committee will know, Independent Persons are a statutory role and are appointed for the purpose of being consulted by the Monitoring Officer, the Audit & Standards Committee and members in relation to any Code of Conduct complaints

Complaints against Members

- 3.6 Complaints under the Member Code of Conduct are submitted to the Director of Law - Monitoring Officer. Following consideration of the complaint the Monitoring Officer will decide the appropriate course of action in accordance with the Members' Code of Conduct Complaints Procedure.
- 3.7 During 2025, the Monitoring Officer received ten complaints alleging breaches of the Members' Code of Conduct. Of these complaints: a) three did not progress beyond the Initial Assessment Stage; b) six did not progress beyond the Assessment Criteria Stage; and c) one did not progress beyond the Review Stage. Attached as **Appendix A** is a summary of the complaints received in 2025.
- 3.8 The experience of dealing with the complaints received last year is that they are time consuming and demanding of focussed attention. The disposal of complaints even at relatively early stages of the process often requires enquiries to be made and consultations with an Independent Person. Currently, the Members' Code of Conduct Complaints Procedure requires the Monitoring Officer to carry out an initial assessment of complaints within 10 working days normally. The number and nature of complaints dealt with last year suggests that expectations should be set more realistically. It is proposed therefore that this Committee recommend to the Audit and Standards Committee that the normal timeframe for carrying out initial assessments be increased to 15 working days.

Gifts & Hospitality

- 3.9 Members are required to register gifts and hospitality received in an official capacity worth an estimated value of at least £50. This includes a series of gifts and hospitality from the same person that add up to an estimated value of at least £50 in a municipal year.
- 3.10 Gifts and hospitality received by Members are published on the Council's website and open to inspection at the Brent Civic Centre.

- 3.11 The Committee will note there has been regular declarations regarding gifts and hospitality during 2025.
- 3.12 For Q3 & Q4 of 2025-26, eight councillors have declared gifts and hospitality as being received including a late declaration. A summary of gifts & hospitality received for this period is set out in **Appendix B** together with the details of the receiving Councillors.
- 3.13 The Committee will recall that hospitality accepted by the Mayor in their civic role are recorded separately and published on the Council's website.

Monitoring Officer Advice Notes (MOANs)

- 3.14 During 2025 one Monitoring Officer Advice Note (MOAN) was issued in March providing practical guidance on the behaviours that do and do not constitute bullying (see paragraph 8 of the Code) and intimidation (see paragraph 9 of the Code). This MOAN is part of a series addressing all aspects of the Code in turn. A list of all MOANs issued since 2015 is available on the Member's internal SharePoint portal as are copies of those which are still relevant.

Member Training Attendance

- 3.15 At this Committee's request reports updating it on the attendance records for Members in relation to mandatory training sessions has become a standard reporting item. By way of update, the mandatory training programme following the May 2026 elections is currently underway, with sessions currently scheduled to conclude by the end of July 2026. Officers will update the Committee at its September meeting with respect to the attendance record for Members in relation to their mandatory training sessions.
- 3.16 The Committee will know that:
- a) It is a requirement of the Members' Code of Conduct that all members' *"must attend mandatory training sessions on this Code or Members' standards in general, and in accordance with the Planning Code of Practice and Licensing Code of Practice"*.
 - b) The schedule for all mandatory sessions is ordinarily published and approved in the Council calendar at the May Annual Council meeting.
 - c) All internal training sessions attended by Members are published on the Council's Website and on individual Member profile pages.
 - d) For face-to-face training sessions, reminders are sent via email, calendar invitations, and text messages and, on some occasions, direct telephone calls to Members. The same reminder process is employed for re-run(s) of sessions, where applicable, to take account of personal circumstances like work commitments and childcare arrangements etc.
 - e) during 2026/27 the Committee will receive regular updates on Members who have not completed the mandatory training sessions.

The Committee is reminded that:

- f) currently, there are five mandatory training sessions provided for all Members and five mandatory sessions provided for Committee Members and, where appropriate, co-opted Members. These are set out in Table 1 below.
- g) mandatory sessions are provided annually.
- h) all Committee Members and substitutes are required to attend the relevant session. In addition, all other Members are invited to attend the sessions.

3.17 Table 1

Mandatory Training	Mandatory Attendee requirement
1) Standards and the Code of Practice	All Members
2) Safeguarding Children and Young people	All Members
3) Safeguarding vulnerable adults	All Members
4) Equalities & Diversity Training	All Members
5) Data Protection Training	All Members
6) Planning	Committee Members only
7) Alcohol and Entertainment Licensing	Committee Members only
8) Scrutiny Induction	Committee Members only
9) Audit & Standards Committee and the Audit & Standards Advisory Committee induction training	Committee Members only
10) Brent Pensions Fund – Approach to responsible investment	Committee Members only

3.18 Members received an annual update on member training activity at the last meeting in March 2026 with officers able to confirm that all mandatory training was completed in 2025.

4.0 Financial Considerations

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

5.0 Legal Considerations

5.1 Pursuant to the Localism Act 2011, the Council has to have arrangements in place to deal with any allegations of failure to comply with the Brent Members' Code of Conduct (as set out in Part 5, of the Council's Constitution) and must

appoint an Independent Person whose views are sought and taken into account by the council before it makes its decision on an allegation that it has decided to investigate.

- 5.2 The Council, individual Members and co-opted Members are required to promote and maintain high standards of conduct in accordance with s27 of the Localism Act 2011. The attendance at mandatory training sessions is a means to achieve this and a requirement pursuant to the Brent Members' Code of Conduct as set out in Part 5, of the council's Constitution.

6 Additional Considerations

- 6.1 There are no
- a) Equity, Diversity & Inclusion 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:

Pameel Crowther- Newman

Deputy Director of Law & Monitoring Officer

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Complaints Received in 2025

	Date received	Complainant (s)	Outline of Complaint	Outcome	Review Requested	Review Outcome
1.	10.01.25	Member of the public	Allegations of rude, threatening and abusive behaviour	Insufficient evidence as to the conversation complained to substantiate the allegations. No breach of the code.	Yes	Decision upheld
2.	12.01.25	Officer	Alleged that the cllr "defamed" their character and "victimised them based on race, faith and suppression of free speech" following a council event.	Insufficient evidence to substantiate the allegation. No breach of the code.	No	

Appendix A: Summary Members' Code of Conduct Complaints received in 2025

3.	15.01.25	Member of the public	Alleged that Cllr, with another person, visited two properties and intimidated tenants residing there. Further, that the Cllr was aware of the false claims made by the person they accompanied and did not challenge them.	<p>There was merit in the assertions that the Councillor should have made sure 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. On balance, the other provisions of the Code were not breached.</p> <p>Cllr advised to apologise for the misleading statement made by the person they accompanied.</p>	No	
4.	28.02.25	Member of the public	Alleged that the Cllr harassed, bullied, victimised and threatened the complainant via messages and emails; and failed to follow the correct processes and constitutional steps required for the organisation's constitution and Charity Commission requirements.	<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	

Appendix A: Summary Members' Code of Conduct Complaints received in 2025

5.	28.04.25	Member of the public	Alleged that the Cllr breached confidentiality by disclosing exempt/confidential information in a public meeting.	Did not disclose a breach of the Code, or "sufficiently serious potential breaches of the Code to merit further consideration."	No	
6.	05.05.25	Member of the public	Alleged that the Cllr failed to respond to communications inviting them to meetings	Did not disclose a breach of the Code, or "sufficiently serious potential breaches of the Code to merit further consideration."	No	

Appendix A: Summary Members' Code of Conduct Complaints received in 2025

7.	17.06.25	Member of the public	Alleged threatening and bullying behaviour in respect of a parking dispute between neighbours, and then attended outside the property and re-painted the yellow line in front of the original line.	Breach of the Code, namely para 6 – you must treat others with respect and para 4 –you must maintain a high standard of conduct. Sanction: Member required to apologise to the Complainant.		
8.	17.12.25	Member of the public	Alleged failure to register interests and a conflict of interest.	Complaint withdrawn when a request for confidentiality refused. In any event, complaint assessed as having met a number of initial assessment criteria and not meriting further consideration. Namely, delay, not disclosing a sufficiently serious potential breach of the Code and appearing to be politically motivated or otherwise submitted with an improper motive.	N/A	

Appendix A: Summary Members' Code of Conduct Complaints received in 2025

9.	13.10.25	Member of the public	<p>Various complaints about ward councillor conduct ranging from allegedly lodging a complaint about the complainant to a political party and not responding to enquiries about it to allegations of discrimination and disrespectful conduct.</p>	<p>As for the main complaint, no evidence to indicate that the councillors were undertaking council business or otherwise acting in their official capacity as councillors.</p> <p>In any event, dissatisfaction with the outcome of enquiries to councillors also outside the scope of the Code. Performance issues, as opposed to conduct issues, are not Code matters. Further, none of the councillors' responses disclosed even a potential breach of the Code.</p> <p>Complaint dismissed as outside the Council's jurisdiction.</p> <p>As for the historical complaints, it would be inequitable, unreasonable or otherwise not in the public interest to allow the complainant to pursue complaints dating back three and four years.</p>	N/A	
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Appendix A: Summary Members' Code of Conduct Complaints received in 2025

10.	05.12.25	Member of the public	This complaint was supplementary to the complaint set out at 9. above alleging a pattern of disrespectful, intimidatory and dismissive behaviour at a residents' association meeting and in subsequent correspondence.	Complaint appeared to be a continuation of complainant's political disagreements with the councillors concerned and not a permissible or appropriate use of the Members' Code of Conduct Complaints Procedure. No further action merited.	N/A	
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Appendix B - Gifts and Hospitality

No	Councillor	Date of gift	Gift received	Value £	From
1	Cllr Ahmadi Moghaddam	09.11.2024	Theatre Tickets - Starlight Express	105.00	Michael Harrison Entertainment Ltd
2	Cllr Rajan-Seelan	23.08.2025	Dinner for two - 13th Anniversary invitation	100.00	Received from Prash Dava
3	Cllr M Patel	11.11.2025	Ticket for Coven play at the Kiln Theatre	20.00	Received from Kiln Theatre Board
		10.03.2026	Kiln Theatre Board press pass - "Manic Street Creature" show.	15.00	Kiln Theatre
4	Cllr Akram	11.11.2025	8 tickets for England Vs Serbia, all 8 tickets allocated to Residents.	280.00	(Value £35.00 each - total £280). Received from the FA
5	Cllr M Butt	29.11.2025	Hilton UK Foundation Ball - Food and Drink	100.00	Received from Cygnet Property and Leisure PLC
		19.03.2026	2 x tickets - Caraboa Cup.	160.00	The FA
6	Cllr T Benea	020.03.2026	Box of Chocolates	150.00	Received from Dr Mohammed Majim at Willesden Green Surgery
7	Cllr C Clinton	08.02.2026	Bucks Fizz	7.88	Received from resident of 34 Stanley Park Drive
		12.02.2026	Celebrations 69g	2.09	Received from residents of 55 Grand Union Heights
		08.03.2026	Marks and Spencers Gift bag (mix of food& drink items)	29.99	HM Court of Praise Church, 451 Sunleigh Road
8	Cllr P Knight	23.04.2026	A standard ticket and an under 18 ticket for a Royal Philharmonic performance	62.00	Royal Philharmonic Orchestra

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 <p>Brent</p>	<p align="center">Audit and Standards Advisory Committee 16 June 2026</p>
	<p align="center">Report from the Corporate Director of Finance and Resources</p>
	<p align="center">Lead Member - Deputy Leader and Cabinet Member for Finance and Resources (Councillor Gwen Grahl)</p>
<p align="center">Internal Audit Annual Report 2025-26</p>	

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 Annual Report 2025-26
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. This report summarises the activity of Internal Audit for the financial year 2025-26, including an update on work completed since the previous updated provided in December 2025.
- 1.2 This report provides a consolidated overview of Internal Audit activity during 2025-26. This includes summarising delivery of the Internal Audit Plan, key findings arising from audit work, and the extent to which agreed management actions have been implemented.
- 1.3 The report supports the Committee in fulfilling its governance responsibilities by:
 - summarising delivery of the Internal Audit Plan;

- highlighting key findings and areas for improvement identified through audit work;
- reporting on the implementation of agreed management actions; and
- providing the Head of Internal Audit's annual opinion.

1.4 The Head of Internal Audit's opinion, included within Appendix 1, concludes that the Council's governance, risk management and control arrangements are generally adequate and effective, with some improvement required. This opinion is a key source of assurance supporting the Council's Annual Governance Statement.

2.0 Recommendation

2.1 The Committee is asked to:

- a) note the outcomes of the internal audit work completed in 2025-26; and
- b) note the Head of Internal Audit's annual opinion.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 Internal Audit contributes to the delivery of Council priorities by helping the Council operate effectively, use its resources well, and achieve its objectives. This is done through providing independent, risk-based assurance, advice and insight on how well key systems, processes and controls are working.

3.1.2 Internal Audit supports the Council in achieving its objectives by evaluating the effectiveness of governance, risk management and control processes. This includes providing assurance over whether key risks are being effectively identified and managed, alongside highlighting opportunities to strengthen systems and processes.

3.1.3 Internal Audit activity also supports broader organisational priorities, including financial sustainability, regulatory compliance, service improvement and organisational resilience. The outcomes of this work, and the Council's response to recommendations, contribute directly to strengthening the control environment and supporting improved performance.

3.1.4 Through its work, Internal Audit provides assurance to Members and senior leadership on the effectiveness of the arrangements in place to deliver the Council's strategic objectives.

3.2 Background

3.2.1 The Council is required to maintain an adequate and effective Internal Audit function in accordance with the Accounts and Audit Regulations 2015 (as

amended). Internal Audit provides independent assurance to the Chief Executive, Section 151 Officer, senior management, and the Audit and Standards Advisory Committee.

3.2.2 Internal Audit also supports the Committee in fulfilling its oversight role by reporting on the adequacy of internal controls, the management of key risks, and the progress made by management in implementing agreed improvements.

3.2.3 The work of Internal Audit is delivered in accordance with the Global Internal Audit Standards (GIAS), which set out the requirements for professional internal auditing in the UK public sector. These standards require the Head of Internal Audit to provide an annual opinion on the overall adequacy and effectiveness of governance, risk management and control arrangements.

3.2.4 Given the scale and complexity of the Council's operations, Internal Audit delivers its work through a risk-based and flexible approach. This enables the function to balance the need to provide assurance over core systems and controls while responding to emerging risks, organisational priorities and management requests.

3.2.5 The Internal Audit Plan for 2025–26, approved by the Committee in March 2025, was structured across four components:

- **Core assurance** – providing assurance over key financial systems and fundamental controls;
- **Agile risk-based work** – enabling responsive coverage of emerging and priority risk areas;
- **Consultancy and advisory work** – supporting management in strengthening control design and governance;
- **Follow-up activity** – confirming that agreed audit actions have been implemented and embedded

3.2.6 This approach reflects Internal Audit's move towards a more agile and risk-focused model, ensuring that assurance activity remains aligned to the Council's evolving risk profile while maintaining appropriate coverage of core systems.

3.3 Internal Audit Annual Report 2025-26

3.3.1 The Internal Audit Annual Report is attached at Appendix 1. It provides detailed information on the work undertaken during 2025–26, including audit findings, assurance opinions, follow-up activity, and the Head of Internal Audit's annual opinion.

3.3.2 The Internal Audit Plan was designed to address key risk areas that could impact the delivery of the Council's objectives, drawing on the Strategic Risk

Register, prior audit findings, sector intelligence and consultation with senior management.

3.3.3 Delivery of the plan has provided assurance across a broad range of areas, including:

- key financial systems;
- high inherent risk areas;
- ICT and cyber controls;
- major programmes and operational services; and
- cross-cutting corporate functions such as procurement and contract management.

3.3.4 The plan also retained flexibility to respond to emerging risks and priorities. This has enabled Internal Audit to undertake additional work, including advisory reviews and management-requested assurance, where this has been identified as beneficial.

3.3.5 The Head of Internal Audit's opinion is informed by this programme of work, alongside insights from follow-up activity and other sources of assurance across the Council.

3.3.6 Further detail on the outcomes of this work, including individual audit findings and assurance opinions, is set out in Appendix 1.

3.4 Internal Audit Activity and Outcomes

3.4.1 Internal Audit delivered a comprehensive programme of work during 2025–26, providing assurance across a wide range of the Council's systems, services and risk areas.

3.4.2 In total, 53 reviews were completed during the year, comprising:

- 11 core assurance reviews;
- 12 reviews of key inherent and emerging risk areas;
- 4 school audits;
- 5 consultancy and advisory engagements; and
- 21 follow-up reviews.

3.4.3 The programme included coverage of key financial systems, ICT and cyber controls, operational service areas and cross-cutting corporate functions. This

breadth of coverage provides a robust evidence base to support the Head of Internal Audit's annual opinion.

3.4.4 Across assurance reviews undertaken during the year, a mix of assurance opinions were provided, with the majority concluding moderate or limited assurance. This reflects the focus of audit work on higher-risk and more complex areas, where control environments are typically less mature or subject to ongoing change.

3.4.5 In total, Internal Audit raised a significant number of improvement actions, including high and medium risk findings requiring management attention. Encouragingly, 100% of audit recommendations were accepted by management, demonstrating a strong commitment to addressing identified issues.

3.4.6 Follow-up work remains a key component of Internal Audit activity. During 2025–26:

- 90 actions were followed up;
- overall implementation rates improved to 79% within original timescales; and
- implementation of high-risk actions continues to be closely monitored.

3.4.7 At the time of reporting, a small number of actions remain overdue. While these are not considered significant in aggregate to the overall control environment, they highlight the importance of sustained management focus to ensure timely implementation of agreed improvements.

3.4.8 The overall pattern of results indicates that, while there is a generally sound framework of governance, risk management and control in place, a number of control weaknesses persist in specific areas. These are largely in higher-risk, complex or cross-cutting areas.

3.5 Conclusion

3.5.1 The work undertaken by Internal Audit during 2025–26 provides a sufficient and appropriate evidence base to support the Head of Internal Audit's annual opinion.

3.5.2 Overall, the Council has a sound framework of governance, risk management and internal control in place. While areas for improvement remain, these are recognised and are being actively addressed through management action and improvement programmes.

3.5.3 Internal Audit will continue to monitor progress in addressing identified issues and will provide ongoing assurance, advice and insight to support further strengthening of the Council's governance and control environment.

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 Global Internal Audit Standards in the UK Public Sector Application Note requires the Chief Audit Executive (Head of Internal Audit) to make an annual conclusion over the effectiveness of the organisation's governance, risk management and control.

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

Internal Audit Annual Report

2025-26

1. Introduction

This report summarises the work undertaken and delivered by Internal Audit for the financial year 2025-26, in accordance with the plan and programme of work agreed in March 2025.

The report is intended to support the Council Management Team (CMT) and the Audit and Standards Advisory Committee in obtaining assurance that the Council has a sound framework of governance, risk management and internal control. It does this by summarising delivery of the Internal Audit plan, updating on the performance of the function, highlighting areas where high priority recommendations have been made and commenting on the level of implementation of audit recommendations by management.

*It should be noted that items marked with ** denote areas that were previously reported to the Audit and Standards Advisory Committee in December 2025. These have been re-presented within this report for completeness as part of the annual opinion. As a result, the status of findings may have progressed since their original reporting, and updated follow-up outcomes will be reported during 2026–27.*

Head of Internal Audit Annual Opinion and Conclusion

The Global Internal Audit Standards (GIAS) came into force in January 2025. GIAS 11.3 (Communicating Results) references that the Chief Audit Executive (Head of Internal Audit) may be required to make a conclusion over the effectiveness of the organisation's governance, risk management and control.

The *Global Internal Audit Standards in the UK Public Sector Application Note* requires the Chief Audit Executive (Head of Internal Audit) to make an annual conclusion over the effectiveness of the organisation's governance, risk management and control. Furthermore, the Head of Internal Audit must also report annually on the results of the quality assessment carried out under GIAS 12.1 Internal Quality Assessment, including progress against action plans to address instances of non-compliance.

This report satisfies both of those requirements, with the Head of Internal Audit Annual Opinion detailed at section 10, and the Quality Assurance and Improvement Programme at section 11.

2. Independence and Objectivity

Confirmation of Independence

The Global Internal Audit Standards require that the Internal Audit function must be independent and internal auditors must be objective in performing their work. To this end, the “Chief Audit Executive” (Head of Internal Audit) must confirm, at least annually, that the organisational independence of the internal audit function has been preserved.

The Deputy Director Organisational Assurance and Resilience fulfils the role of Head of Internal Audit for the Council. The Deputy Director, Organisational Assurance and Resilience (Head of Internal Audit hereafter) is therefore pleased to report that there have been no actual or perceived threats to the independence and objectivity of the Internal Audit function in relation to the work carried in 2025-26.

The Head of Internal Audit and all internal auditors have continued to receive unfettered access to CMT, senior management, officers and all information/records necessary to undertake our work, and there have been no restrictions placed upon the function. The internal audit function was subject to an External Quality Assessment (EQA) in 2022-23, which identified no concerns regarding the independence or objectivity of the function.

Head of Internal Audit – other areas of responsibility

The Head of Internal Audit (as the Deputy Director Organisational Assurance and Resilience) is responsible for the management of other services/functions within the Council, specifically: Counter Fraud and Investigations; Health and Safety; Insurance; and Emergency Planning and Resilience. In-line with the agreed programme of work for 2024-25, an audit review of the Insurance function was undertaken in 2024-25 as part of the *core assurance* plan, which has been subsequently followed up in 2025-26. The Head of Internal Audit had no involvement in this process, with the Deputy Head of Assurance reporting directly to management.

3. Assurance and Risk Ratings

Assurance Ratings

The following assurance opinions are applied across all assurance reviews (assurance ratings/opinions are not provided for consultancy and advisory work).

Assurance Rating	Description
Substantial	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	An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.
Limited	There are a number of 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 High recommendations indicating significant failings. Any High 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

Risk Ratings

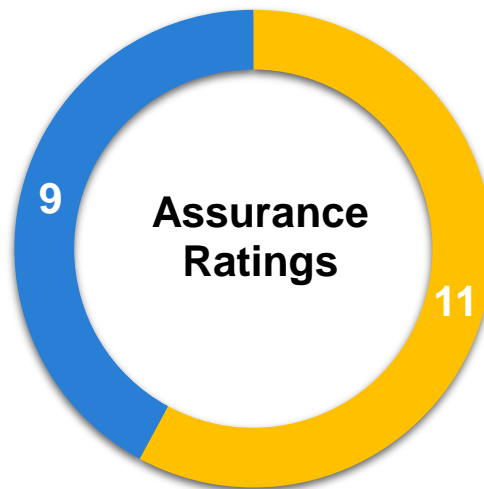
For each review undertaken, where gaps or weaknesses in the design and operation of controls are highlighted, or where opportunities for the further improvement/optimisation of controls are identified, recommendations are raised and agreed with management. Findings and issues raised by Internal Audit (and therefore the resulting recommendations) are graded in terms of the associated level of risk. An indication of the level of assurance and confidence provided from an audit review is therefore gained by examining the number and level of issues identified.

The following definitions are used to inform these ratings:

Risk Rating	Description
Critical	A finding that could have a: critical impact on operational performance; critical monetary or financial statement impact; critical breach in laws and regulations that could result in material fines or consequences; and/or a 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; significant monetary or financial statement impact; significant breach in laws and regulations resulting in significant fines and consequences; and/or a significant impact on the reputation or brand of the organisation.
Medium	A finding that could have a: moderate impact on operational performance; moderate monetary or financial statement impact; moderate breach in laws and regulations resulting in fines and consequences; and/or a 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; Minor monetary or financial statement impact; minor breach in laws and regulations with limited consequences; and/or a minor impact on the reputation of the organisation.

4. Summary of Activity 2025-26 - Dashboard

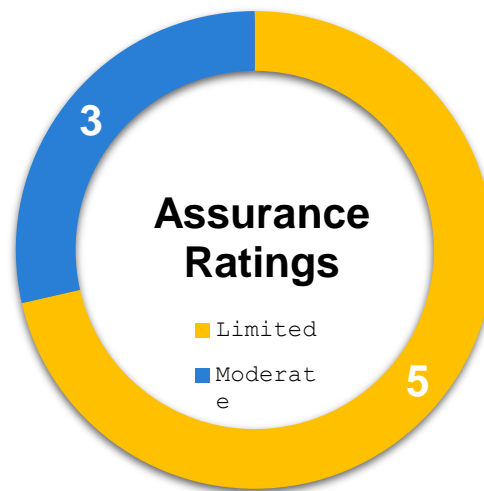
- 53** Audits Completed
 - 11** Core Assurance
 - 12** Assurance over inherent risks
 - 4** School audits
 - 5** Consultancy/Advisory reviews
 - 21** Follow-up reviews



5a. Core Assurance Work 2025-26 - Dashboard

This work is undertaken to provide assurance over the Council's core/key systems and controls. This is in accordance with a rolling, 3-year cyclical plan.

- 11 Audits Completed** (100% of plan)
- 5 Key Financial Systems reviews**
- 3 IT Reviews**
- 3 Inherent Risks reviews**



5b. Core Assurance Work 2025-26 - Summary

Type	System / Process	Status	Assurance Provided	Number of Findings		
				HIGH Risk	MEDIUM Risk	LOW Risk
Key Financial Systems	♦ Assets and Valuations	Complete	Limited	4	-	-
	♦ Capital Expenditure	Complete	Moderate	-	4	3
	♦ Debt Management - Extended Follow-up	Reporting	Follow-up - Partially Implemented	-	-	-
	♦ Council Tax and Business Rates	Complete	Limited	2	3	1
	♦ Budgetary Control	Complete	Moderate	-	2	2
ICT / Cyber	♦ STS Assurance Mapping	Complete	N/A - Advisory	-	-	-
	♦ STS Asset Management	Reporting	Limited	4	2	-
	♦ IT Application - Oracle	Complete	Limited	4	2	2
Inherent Risks	♦ Housing Compliance - FRA - Extended Follow-up	Complete	Follow-up - Partially Implemented	-	-	-
	♦ Contract Management	Complete	Limited	3	-	-
	♦ Children's Safeguarding	Complete	Moderate	-	4	-

5c. Core Assurance Work 2025-26 – Findings (High & Medium)

i) *Key Financial Systems* - work undertaken to provide assurance over the effectiveness and efficiency of key financial controls.

System / Process	Scope	Assurance Provided	Summary of Findings	Responsible Officer /Target Implementation Date
♦ Assets and Valuations	Key Control Testing	Limited	<p>High Risk</p> <ol style="list-style-type: none"> 1. Lack of a defined framework and documented processes for maintaining asset registers 2. Roles and responsibilities for asset register management not clearly defined 3. Property Asset Register maintained manually leading to incomplete and unreliable information 4. Inconsistent use of Unique Property Reference Numbers across records and systems 	<p>Head of Property Q3 - 2026/27</p>
♦ Capital Expenditure	Key Control Testing	Moderate	<p>Medium Risk</p> <ol style="list-style-type: none"> 1. Inconsistent application of capital governance and financial management processes 2. High reliance on manual, spreadsheet-based monitoring and reporting 3. Risk management arrangements not fully embedded or implemented 4. Weaknesses in accuracy, classification and approval of capital budget adjustments 	<p>Head of Finance Q3 - 2026/27</p>
♦ Debt Management	Extended Follow-Up	Not applicable – follow-up review	<p>The Debt Management service has made good progress in implementing Internal Audit recommendations, with improvements to governance, data quality, and operational processes, including enhanced oversight of write-offs, strengthened reporting, and more coordinated working with Adult Social Care. While some areas such as automation and policy alignment remain in development, there is</p>	<p>Service Manager Revenue and Debt Revised Target Implementation</p>

System / Process	Scope	Assurance Provided	Summary of Findings	Responsible Officer /Target Implementation Date
			<p>clear evidence of a more structured and proactive approach to debt recovery.</p> <p>Progress against actions is positive overall, with 1 of 4 high-priority recommendations implemented, 2 showing good improvement and 1 in progress; and 7 of 9 medium-priority recommendations implemented, with the remaining 2 addressed through alternative management actions.</p>	Dates Q2 - 2026/27
♦ Council Tax and Business Rates	Key Control Testing	Limited	<p><i>** Previously reported to the Audit and Standards Advisory Committee in December 2025**</i></p> <p>High Risk</p> <ol style="list-style-type: none"> Delays and omissions in issuing reminder and summons notices Weak controls over Council Tax discounts and exemptions <p>Medium Risk</p> <ol style="list-style-type: none"> Backlog of unresolved discrepancies due to incomplete investigations Debt Recovery Policy outdated and lacking version control No independent review and authorisation of reconciliations Legacy data issues not effectively addressed 	<p>Head of Council Tax and Financial Assessments</p> <p>Q3 - 2026/27</p>
♦ Budgetary Control	Key Control Testing	Moderate	<p>Medium Risk</p> <ol style="list-style-type: none"> Variance escalation and mitigation not supported by defined thresholds Lessons learned and assumptions not consistently documented 	<p>Head of Finance</p> <p>Q2 - 2026/27</p>

5c. Core Assurance Work 2025-26 – Findings (High & Medium)

ii) *IT Audit* - work undertaken to provide assurance over the effectiveness and efficiency of IT key controls.

System / Process	Scope	Assurance Provided	Summary of Findings	Responsible Officer /Target Implementation Date
♦ STS Assurance Mapping	Advisory – Key Controls	<i>Not Applicable - Advisory</i>	<p>During 2025–26, Internal Audit completed an advisory review to map the assurance arrangements in place over key IT risks within the Shared Technology Service (STS). The exercise did not provide an assurance opinion but focused on identifying existing sources of first, second and third line assurance, highlighting gaps or overlaps in coverage, and producing a consolidated IT assurance map to support improved governance, risk oversight and future internal audit planning.</p> <p>The outcomes of this work will be used to inform the 2026–27 Internal Audit Plan, with a focus on targeting areas where assurance coverage was identified as limited or requiring further independent validation. This will enable Internal Audit to provide more robust assurance over key IT risks and strengthen the overall assurance framework within STS.</p>	STS Managing Director Q3 - 2026/27
♦ STS Asset Management	Key Controls Testing	Limited	<p>High Risk</p> <ol style="list-style-type: none"> 1. Information and Communications Technology asset records incomplete and unreliable 2. Weak controls over asset lifecycle management and disposal 3. Inadequate access controls over asset management systems 4. Physical security controls not consistently applied <p>Medium Risk</p> <ol style="list-style-type: none"> 1. No overarching asset management strategy or governance framework 	STS Managing Director Q3 - 2026/27

System / Process	Scope	Assurance Provided	Summary of Findings	Responsible Officer /Target Implementation Date
			<ul style="list-style-type: none"> 2. Limited assurance over device security compliance and incident response 	
<ul style="list-style-type: none"> ♦ IT Application - Oracle 	<p>Key Controls Testing</p>	<p>Limited</p>	<p>High Risk</p> <ul style="list-style-type: none"> 1. Delays in removing system access for leavers 2. Weaknesses in User Access Review process 3. Role and permissions matrix incomplete and outdated 4. Lack of monitoring of privileged user activity <p>Medium Risk</p> <ul style="list-style-type: none"> 1. Inconsistent joiner and mover access provisioning 2. Weak password controls and limited review of system and generic accounts 	<p>Head of Oracle Cloud Support Q2 - 2026/27</p>

5c. Core Assurance Work 2025-26 – Findings (High & Medium)

iii) **Inherent Risks** - work undertaken to provide assurance over the effectiveness and efficiency of key controls relating to inherent risks.

System / Process	Scope	Assurance Provided	Summary of Findings	Responsible Officer /Target Implementation Date
<ul style="list-style-type: none"> Housing Compliance Extended Follow-up 	Extended Follow-Up	<i>Not Applicable – follow-up</i>	While key operational controls, such as evidence retention and managerial oversight, are now embedded, challenges remain. These predominantly relate to data quality and the need for consistent processes across teams and contractors. Progress in these areas has been slower due to the volume of historic remedial actions still requiring completion and ongoing system and data-cleansing work. The Fire Risk Assessment programme has been refreshed and expanded, identifying additional blocks not previously captured. Immediate risk assessments have been carried out by the Housing Compliance Team, with formal FRAs scheduled for completion. Internal Audit also acknowledges that embedding True Compliance and achieving full reliability of FRA management processes is still in progress.	Director Housing Services Revised Target Implementation Dates Q4 - 2026/27
<ul style="list-style-type: none"> Contract Management (Cross-cutting) 	Key Controls Testing across sample of contracts	Limited	High Risk <ol style="list-style-type: none"> Governance arrangements inconsistent with unclear ownership No fully embedded contract management framework Weak performance monitoring, financial oversight and value-for-money assessments 	Head of Procurement Q4 - 2026/27
<ul style="list-style-type: none"> Children’s Safeguarding 	Key control testing	Moderate	Medium Risk <ol style="list-style-type: none"> No central register of safeguarding training Gaps and delays in social worker supervision Oversight of staffing levels and workforce gaps Inconsistent recording and tracking of safeguarding actions 	Director of Early Help and Social Care Q2 - 2026/27

6a. Risk-Focussed Work 2025-26 - Dashboard

This section of the plan is intended to be flexible and adaptive to respond to changing risks and priorities.



6b. Risk-Focussed Work 2025-26 - Summary

System / Process	Status	Assurance Provided	Number of Findings		
			HIGH	MEDIUM	LOW
♦ Residential and Nursing Care	Completed	Limited	3	1	-
♦ Pay Policy and Allowances	Completed	Limited (Management Letter)	6	-	-
♦ HRA Financial Management	Reporting	Moderate	0	4	0
♦ AI Governance	Completed	Limited	2	3	-
♦ Parking Debt Collection	Completed	Moderate	1	6	0
♦ Wembley Learning Zone	Completed	N/A - Advisory	9	2	1
♦ Deputyship / Appointees	Completed	Limited	5	3	-
♦ GLA Affordable Housing Programme	Reporting	N/A - Advisory	3	-	-
♦ Waste Management / Enforcement	Reporting	Moderate	-	-	-
♦ Housing Voids	Fieldwork in Progress	Review not yet concluded – outcomes will be reported to the Committee in Q2			
♦ Management of Tenancy Management Organisations	Fieldwork in Progress	Review not yet concluded – outcomes will be reported to the Committee in Q2			
♦ Housing & Tenant Satisfaction Improvement Programme	Completed	Moderate	0	2	1

6c. Risk-Focussed Work 2025-26 - Findings (High & Medium)

System / Process	Scope	Assurance Provided	Summary of Findings	Responsible Officer /Target Implementation Date
♦ Residential and Nursing Care	Risk-based	Limited	<p><i>** Previously reported to the Audit and Standards Advisory Committee in December 2025**</i></p> <p>High Risk</p> <ol style="list-style-type: none"> 1. Financial assessments inaccurate and not properly approved 2. Quality assurance processes poorly defined 3. Lack of end-to-end service <p>Medium Risk</p> <ol style="list-style-type: none"> 1. Governance documentation incomplete and outdated 	<p>Head of commissioning, Contracting and Market Management</p> <p>Q1 - 2026/27</p>
♦ Pay Policy and Allowances	Risk-based	Limited – Management Letter	<p><i>** Previously reported to the Audit and Standards Advisory Committee in December 2025**</i></p> <p>High Risk</p> <ol style="list-style-type: none"> 1. High value of irregular and non-standard payments identified 2. Widespread non-compliance with Pay Policy and Procedures 3. Payments processed without proper authorisation 4. Lack of supporting documentation and audit trail 5. Inadequate verification due to fragmented systems 6. Weak oversight and accountability across services 	<p>Director Human Resources and Organisational Development</p> <p>Q1 - 2026/27</p>
♦ Housing Revenue Account (HRA) - Financial Management	Risk-based	Moderate	<p>Medium Risk</p> <ol style="list-style-type: none"> 1. Roles and ownership for budgeting improvements unclear 2. Reliance on incremental budgeting and outdated debt management policies 3. Lack of challenge over key financial assumptions 	<p>Head of Finance</p> <p>Q3 - 2026/27</p>

System / Process	Scope	Assurance Provided	Summary of Findings	Responsible Officer /Target Implementation Date
			4. Monitoring arrangements weakened by paused governance forums	
♦ AI Governance	Risk-based	Limited	<p>** Previously reported to the Audit and Standards Advisory Committee in December 2025**</p> <p>High Risk</p> <ol style="list-style-type: none"> 1. No cohesive Artificial Intelligence strategy or policy framework 2. Governance and oversight fragmented with no clear accountability <p>Medium Risk</p> <ol style="list-style-type: none"> 1. Gaps in training and organisational readiness 2. Procurement processes not adapted for Artificial Intelligence risks 3. Artificial Intelligence risks not fully integrated into corporate risk management 	<p>Transformation Programme Manager</p> <p>Q2 - 2026/27</p>
♦ Parking Debt Collection	Risk-based	Moderate	<p>High Risk</p> <ol style="list-style-type: none"> 1. Reconciliation and write-off processes lack a formal financial governance framework <p>Medium Risk</p> <ol style="list-style-type: none"> 1. Governance and oversight not fully documented 2. Limited assurance over data completeness and system interfaces 3. Case progression monitoring not formally controlled 4. Policies and procedures not up to date 5. Weak documentation of enforcement processes 6. Management information fragmented and reliant on manual processes 	<p>Notice Processing Manager</p> <p>Q2 - 2026/27</p>

System / Process	Scope	Assurance Provided	Summary of Findings	Responsible Officer /Target Implementation Date
♦ Wembley Learning Zone	Risk-based	N/A - Advisory	<p><i>** Previously reported to the Audit and Standards Advisory Committee in December 2025**</i></p> <p>High Risk</p> <ol style="list-style-type: none"> 1. Lack of clarity over safeguarding training and Disclosure and Barring Service status 2. Inconsistent pricing and unverified financial transactions 3. Weak financial governance and inaccurate record-keeping 4. Incomplete event tracking and invoicing issues 5. Lack of role clarity and procurement non-compliance 6. Catering delivered without appropriate compliance controls <p>Medium Risk</p> <ol style="list-style-type: none"> 1. Risk assessments not tailored to the service 2. No documented succession planning arrangements 	<p>Head of Education and Learning</p> <p>Q1 - 2026/27</p>
♦ Deputyship Appointees /	Risk-based	Limited	<p>High Risk</p> <ol style="list-style-type: none"> 1. Use of pooled accounts increasing risk of misallocation 2. System integration weaknesses leading to manual processes 3. No formal governance, procedures or reporting framework 4. Weak segregation of duties 5. Data security and fraud risks <p>Medium Risk</p> <ol style="list-style-type: none"> 1. No structured monitoring of Office of the Public Guardian and Department for Work and Pensions compliance 2. Fragmented adult social care debt management processes 3. Delays in legal authority and financial arrangements 	<p>Head of Council Tax and Financial Assessments</p> <p>Q1 - 2026/27</p>

System / Process	Scope	Assurance Provided	Summary of Findings	Responsible Officer /Target Implementation Date
♦ GLA Affordable Housing Programme	Risk-based	<i>N/A - Advisory</i>	High Risk 1. Weak programme controls and inconsistent documentation 2. Fragmented governance and accountability 3. Action plans not addressing root causes of issues	Head of Capital Delivery Q4 - 2026/27
♦ Waste Management / Enforcement	Risk-based	Moderate	Medium Risk 1. Policies and procedures not up to date 2. Inconsistent case recording and documentation 3. Weak evidence retention and audit trail for enforcement actions	Senior Technical Officer Q4 - 2026/27
♦ Housing & Tenant Satisfaction Improvement Programme	Risk-based	Moderate	Medium Risk 1. Risk identification and logging framework not defined 2. No programme-level benefits management approach	Programme Manager Q1 - 2026/27

7. Consultancy and Advisory Work 2025-26

In addition to assurance work, Internal Audit is also required to provide consultancy and advisory services to add value and to help improve the effectiveness of the Council's governance, risk management and control arrangements. The below table summarises the main consultancy and advisory work undertaken in 2025-26; however, it should be noted that in addition to these, Internal Audit has continued to provide ad-hoc support, such as active participation in Boards and meetings (including the Budget Assurance Panel and the Embrace Change Programme).

System / Process	Status	Scope / Advice Provided
♦ Martyn's Law	Completed	<p>The 2025–26 Audit Plan, approved by the Audit and Standards Advisory Committee, was based on the Council's key strategic risks, including Emergency Preparedness, Response and Recovery. This reflects the risk that the Council may not be fully prepared for, or able to respond effectively to, a major incident, with potential impacts on service delivery and the safety and wellbeing of residents and staff.</p> <p>This area is of increased importance following the introduction of the Terrorism (Protection of Premises) Act 2025 (Martyn's Law), which requires qualifying premises to implement proportionate security measures to reduce vulnerability to terrorist threats.</p>
♦ Barnham Park - Accounts	Completed	<p><i>Management Request.</i></p> <p>Annual sign off of Barham Park Accounts</p>
♦ DEFRA Grant	Completed	<p><i>Management Request.</i></p> <p>To provide assurance that grant payment has been spent in line with the scheme guidance.</p>
♦ Supported Internships Grant	Completed	<p><i>Management Request.</i></p> <p>To provide assurance that grant payment has been spent in line with the scheme guidance.</p>
♦ Brent River College	Completed	<p><i>Management Request.</i></p> <p>To provide assurance that grant payment has been spent in line with the scheme guidance.</p>

8. School Audit Work 2025-26

During 2025–26, Internal Audit delivered a programme of school audits using a risk-based methodology, focused on providing independent assurance over key areas of governance, financial management and internal control. Reviews were planned and executed in line with the Internal Audit methodology, with clear scoping, control testing and engagement with school leadership, and a focus on delivering practical recommendations to support improvement.

In addition to individual audits, a thematic analysis was undertaken to identify common control weaknesses and systemic risks across schools, supporting more targeted reporting and future planning.

Internal Audit also undertook wider engagement and advisory activity, including contributions to governor forums and sessions with school leaders and business managers. These sessions shared key audit findings, highlighted common risk areas and reinforced expected controls, supporting stronger oversight and promoting a more consistent control environment across schools.

System / Process	Status	Assurance Provided	Number of Findings		
			HIGH	MEDIUM	LOW
♦ Harlesden Primary School	Completed	Limited	3	4	-
♦ Ashley College PRU	Completed	Moderate	-	5	4
♦ Newman Catholic College	Completed	Limited	16	10	5
♦ Elsley	Completed	Moderate	-	7	6

9a. Follow-up Work 2025-26 - Dashboard

This section of the report provides an update on following-up on audits completed in 2024-25.

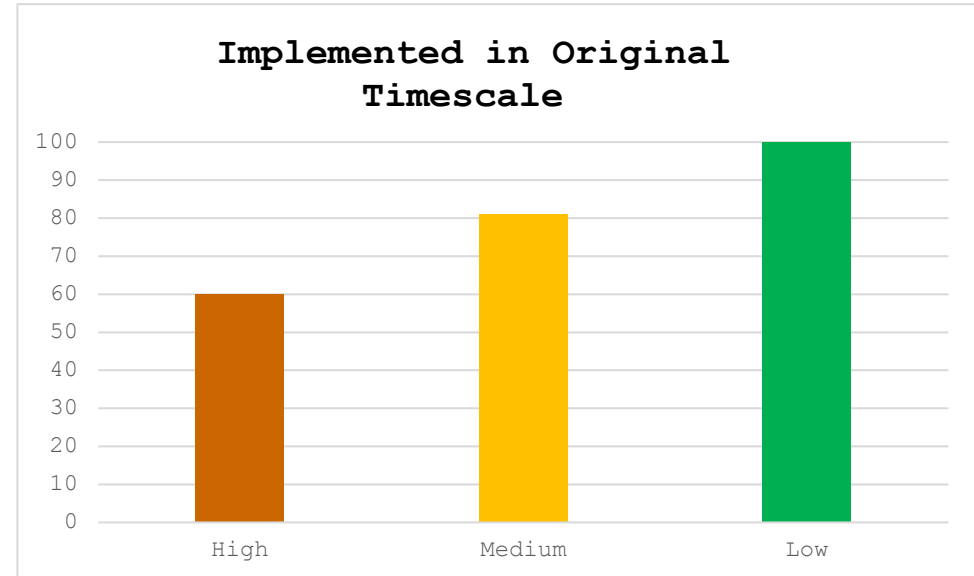
21 Follow-ups completed

90 Actions Followed Up

30 High risk

41 Medium risk

19 Low risk

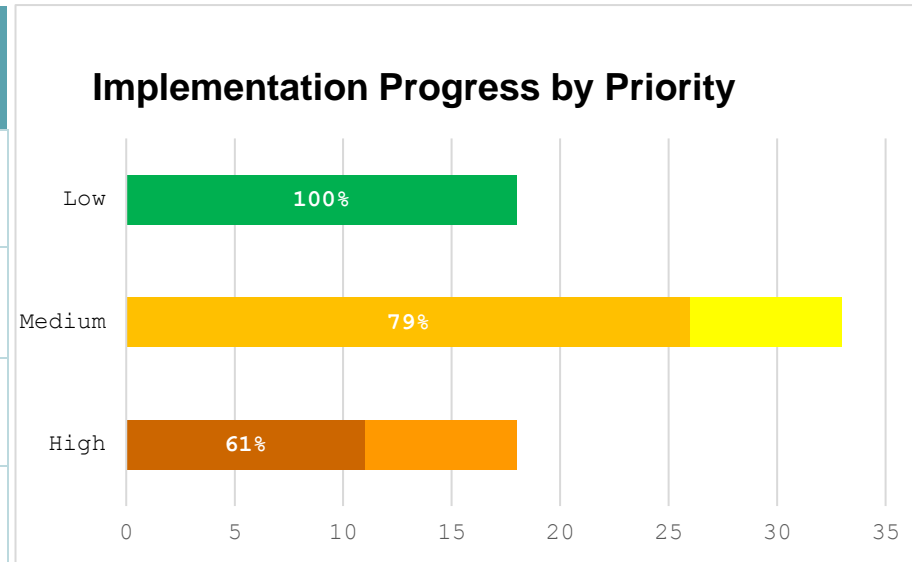


**79% of all actions
implemented within
original target dates**

9b. Follow-up Work 2025-26 – Summary

Follow-up reviews are undertaken to monitor the implementation of agreed actions and confirm that risks have been appropriately addressed. Internal Audit tracks progress through an action monitoring process, including validation of evidence where required. The table below provides the Committee with an overview of the implementation status of actions arising from audits completed in 2024–25.

Risk Level	Total Actions Due	Total Implemented	%	Prior Year – 2024/25	Trend
High	18	11	61%	64%	↔
Medium	33	26	79%	61%	↑
Low	18	18	100%	95%	↑
Totals	69	55	79%	67%	↑



Audit Followed Up (from 2024-25)	Agreed Actions Due			Actions Implemented at Follow-up		
	H	M	L	H	M	L
♦ General Ledger	-	3	2	-	3	2
♦ Treasury Management	-	-	2	-	-	2
♦ Insurance	-	2	-	-	-	-
♦ VAT	-	3	2	-	3	2
♦ STS Procurement	1	1	-	1	1	-
♦ STS Project Management	-	4	1	-	4	1
♦ IT Application - Mosaic	-	3	-	-	3	-
♦ Recruitment Vetting	-	-	2	-	-	2
♦ True Compliance	1	1	-	1	1	-
♦ Health and Safety Compliance	5	-	-	-	-	-
♦ Procurement	1	-	-	1	-	-
♦ Performance Management	-	-	-	-	-	-
♦ Section 20/20B Major Works and Improvement re-charges	-	1	-	-	-	-
♦ Social Housing (Regulation) Act – inspection preparedness (ASB)	1	1	-	2	1	-
♦ Discretionary Housing Payments	-	1	4	-	1	4
♦ Re-defining Local Services – Contract Management	-	2	2	-	2	2
♦ Direct Payments (Children's)	-	-	-	-	-	-
♦ Direct Payments (Adults)	3	2	-	3	2	-
♦ S106/CIL	-	2	1	-	2	1
♦ Carlton Vale Infant School	4	2	-	3	-	-
♦ Lyon Park Primary School	1	5	2	1	5	2
Total Actions	18	33	18	11	26	18

Rate of Implementation

High – 61%

Medium – 79%

Low – 100%

9c. Overdue Actions

At the time of preparing this opinion, there were 9 actions (6 High, 3 medium) identified as ‘overdue’ – i.e. actions that have not been implemented within both original and revised target dates. It should however be noted that management continue to liaise with Internal Audit to ensure these actions are closed as quickly as possible.

Audit Title	Finding Header	Risk Level	Original Target Date	Revised Target Date	Status
Health and Safety Compliance	Lack of Centralised Governance Structure and Oversight	High	Mar-26	Sep-26	Overdue
	Lack of Centralised Data Management	High	Sep-25	Sep-26	Overdue
	Compliance Oversight and Verification of Data	High	Sep-25	Sep-26	Overdue
	H&S Non-Compliance Risks of Historic Leases	High	Sep-25	Sep-26	Overdue
	Performance Metrics and Reporting	High	Sep-25	Sep-26	Overdue
Section 20/20b Major Works and Improvement re-charges	Improvements to Policies and Procedures	Medium	Jul-25	N/A	In Validation
Carlton Vale	No formal income charging procedures	High	Sep-25	June- 26	In Validation
	Roles/responsibilities unclear in financial delegation.	Medium	Sep-25	June- 26	In Validation
	Overtime used instead of contract modification	Medium	Sep-25	June- 26	In Validation

10. Head of Internal Audit Opinion - 2025-26

The Head of Internal Audit (HIA) is required to provide an annual opinion and report that can be used by the Council to inform its governance statement. The relevant standards require that the annual opinion must conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. In addition, CIPFA's guidance on the *'Role of the Head of Internal Audit in Public Service Organisations'* requires that the Head of Internal Audit's overall opinion is objective and supported by sufficient, reliable, relevant, and useful information and evidence.

The HIA opinion in relation to the financial year 2025-26 is **Reasonable Assurance**:

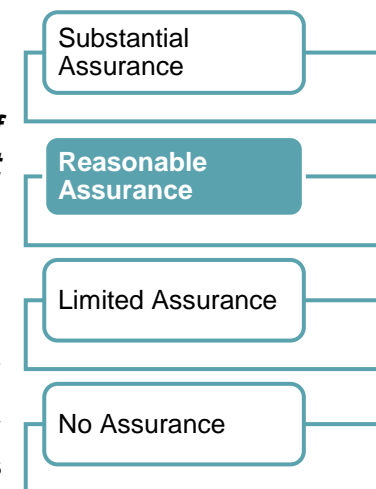
"The adequacy and effectiveness of the overall arrangements for the Council's systems of internal control, risk management and governance are adequate, with some improvement required."

Scope

The HIA opinion is primarily supported and underpinned by the work carried out by the Internal Audit function in 2025-26, as set out and described within the sections above. This programme of work, in particular the *core assurance* plan was agreed with CMT and the Audit and Standards Advisory Committee in March 2025. The opinion is also provided for consideration in preparing the Council's Annual Governance Statement for 2025-26, which will be published alongside the Council's financial statements for the year ended 31 March 2026.

In considering the HIA opinion, the following limitations should be recognised:

- ♦ the plan does not purport to address all risks facing the Council, and instead represents a deployment of limited audit resource. The Council Management Team and the Audit and Standards Advisory Committee acknowledged these limits in approving the plan;
- ♦ Assurance can never be absolute and neither can internal audit work be designed to identify or address all weaknesses that might exist;



- ♦ The responsibility for maintaining adequate and appropriate systems of internal control resides with management, and not Internal Audit.

Reliance on work undertaken

In 2025-26, Internal Audit continued to adopt a revised methodology that moved away from the traditional, rigid 'annual plan' approach. This approach has enabled Internal Audit to strike the right balance between providing a robust level of assurance over the Council's core/key systems and controls (core assurance), while also being more adaptive and flexible to emerging risks and issues (risk-based plan). The work undertaken by Internal Audit in 2025-26 was closely aligned to the Council's Strategic Risk Register and corporate priorities. In addition, Internal Audit maintained a live, independent risk assessment and regularly consulted with senior management to identify significant risks and to gain an understanding of the Council's assurance needs. As a result, the audits undertaken in 2025-26 focussed on areas with a high assurance requirement.

The work undertaken in-year has also been delivered by a skilled and experienced in-house team, supported and complemented by a co-sourced provider, PwC, who provide access to skills, expertise and specialisms, including IT audit.

As reported in Section 2 of this report, there have been no actual or perceived risks, threats or impairments to the independence or objectivity of Internal Audit.

Basis of opinion

A total of 53 reviews were delivered in-year by Internal Audit, with 9 Moderate assurance and 11 Limited assurance opinions provided. While the number of Limited opinions represents an increase compared to the prior year, this should be considered in the context of the Internal Audit approach, which is deliberately risk-based and focused on areas of highest inherent risk and assurance need.

No critical risk issues/concerns were identified or reported in the work undertaken in 2025-26. 64 high-risk issues have been raised within individual audit reviews, which is an increase of 39 from 2024-25, however, in the main, where weaknesses were identified during individual audits, these were not considered to be significant, in aggregate, to the Council's overall governance arrangements and system of internal control.

A number of pieces of unplanned/additional work was also undertaken at the request of management. This demonstrates a willingness on the part of management to proactively seek Internal Audit advice in relation to the improvement of controls and risk management, outside the delivery of the audit plan.

Implementation of Actions

Internal Audit has also continued to closely and robustly monitor management's implementation of recommendations and actions arising from audit reviews, with each audit subject to a thorough follow-up review. The HIA opinion for 2024-25 identified an area for improvement relating to the rate of implementation of audit actions within original target dates, with the rate of implementation 64% in 2024-25. There has been a marked improvement with overall implementation at **79%** for 2025-26. The rate of High risk actions implemented within original target dates has also risen from 48% in 2023-24 to 64% in 2024-25 and sits at 60% in 2025-26. There has also continued to a clear tone-from-the-top at a corporate level to actively review and scrutinise the outcomes of internal audit work, with a particular focus and emphasis placed on follow-up outcomes. Continued focus and management oversight will be necessary to ensure that this improvement is sustained and that the upward trend remains consistent.

At the time of preparing this opinion, there were 9 actions (6 High, 3 medium) identified as 'overdue' – i.e. actions that have not been implemented within both original and revised target dates. It should however be noted that management continue to liaise with Internal Audit to ensure these actions are closed as quickly as possible. Furthermore, it is the view of the Head of Internal Audit that these outstanding issues are not considered to be significant, in aggregate, to the Council's overall governance arrangements and system of internal control.

Other considerations and sources of assurance

In providing the Head of Internal Audit opinion for 2025-26, the following sources of assurance have also been considered:

1) Corporate Peer Challenge

The LGA Corporate Peer Challenge (CPC) (January 2025) and Progress Review (November 2025), which recognised strong member-officer relationships, improving financial governance and a positive organisational culture, while identifying opportunities for further improvement in transformation and financial planning. The CPC is a highly valued improvement and assurance tool that involved a team of senior local government members and officers undertaking a desktop review of key finance, performance and governance information, who then subsequently spent days on site to provide robust, strategic and credible challenge and support.

2) External Audit

The Council's Statement of Accounts for 2024–25 was audited in accordance with the Local Audit and Accountability Act 2014 and was published on the Council's website following completion of the external audit. Grant Thornton issued an unqualified audit opinion on the Council's 2024–25 financial statements, with the final certificate of completion to be issued following completion of Whole of Government Accounts procedures, which do not have a material impact on the Council's financial statements.

In addition, the External Auditor's Annual Report for the year ended 31 March 2025, produced under the Value for Money framework, identified significant weaknesses in relation to financial sustainability, reflecting the scale of medium-term savings required to address ongoing demand-led pressures and reduce reliance on reserves. A further significant governance weakness was identified in respect of the Council's self-referral to the Regulator of Social Housing, relating to the governance and assurance of housing compliance arrangements.

The External Auditor also raised a small number of additional improvement recommendations during 2024–25, including in relation to the use of the Property Strategy to review the Council's asset base, maintaining focus on the cumulative Dedicated Schools Grant deficit, and strengthening financial planning arrangements within the Housing Revenue Account.

3) Procurement Peer Review

A Procurement Peer Review was undertaken in January-March 2025 in response to significant external and internal drivers, including the implementation of the Procurement Act 2025, the requirements of the Council's wider Change Programme, and findings raised through External Audit. The purpose of the review was to assess whether procurement arrangements were robust, compliant and fit for purpose, and to identify areas where governance, capability and processes required strengthening.

The review highlighted the need for a more consistent and mature approach to procurement practice, clearer organisational accountability, and improvements to both strategic and operational oversight. In response, the Council established a Procurement Improvement Programme (PIP) in May 2025 to address the recommendations and to ensure that procurement governance aligns with statutory expectations, delivers value for money and supports the Council's financial sustainability.

4) Work of the Counter Fraud and Investigations function

The Counter Fraud and Investigations function has delivered a programme of reactive and proactive work in 2025-26. The Head of Internal Audit has considered the findings and outcomes across all of the Counter Fraud activity in reaching the annual opinion for 2025-26.

5) Other Considerations

- i. *Delivering Good Governance in Local Government* - The HIA is satisfied that the Council's framework of governance for the year ended 31 March 2026 complies in all material respects with guidance on proper practices as set out the CIPFA/SOLACE publication "Delivering Good Governance in Local Government (2016)". The Council is also actively taking steps to address the new guidance from CIPFA and Solace on the annual review of governance and internal controls, and the preparation of the Annual Governance Statement (Addendum to the Delivering Good Governance in Local Governance framework).
- ii. *Risk Management* - The Council's risk awareness and risk culture has continued to improve in 2025-26. Overall, there is a good awareness of the Council's risk management framework and strategic risks, although further work is necessary to enhance the quality and completeness of risk registers at a departmental and service level.
- iii. The role of both the Assurance Board and Budget Assurance Panel, which were set up in 2023, and how these boards have continued to contribute to improving the effectiveness of the robustness and effectiveness of the Council's governance, risk and internal control environment by receiving reports on a range of governance, assurance and financial management related matters in-year.

Areas for Improvement

In determining the opinion, the HIA has considered any key themes or issues emanating from audit work undertaken in 2025-26, and/or any areas where enhancements can be made to the Council's governance, risk management and internal control frameworks. The following observations are made:

1. Assets and Valuations

The Council holds a substantial and diverse property portfolio which underpins service delivery, regeneration activity and income generation. Maintaining a complete and accurate asset register is therefore essential to ensuring robust financial reporting, effective asset management and compliance with CIPFA requirements. During 2025-26, an Internal Audit identified significant weaknesses in the governance and control environment supporting the Council's two key registers: the Finance-led Fixed Asset Register (FAR) and the Property-led Property Asset Register (PAR). The review found that governance and ownership were fragmented, the PAR was maintained manually and was not complete or CIPFA-compliant, and there were no formal policies, defined responsibilities or

systematic reconciliations between the two registers. Testing of a sample of properties revealed data gaps, limited supporting evidence, inconsistencies in Unique Property Reference Numbers and difficulties reconciling information across systems.

These weaknesses present a material risk to the accuracy of property information, the reliability of capital accounting entries and the Council's ability to make informed strategic asset decisions. They reflect both design issues, such as the absence of formalised procedures, data standards and reconciliation processes, and operational weaknesses, including untimely updates and insufficient documentation. The governance significance of these issues was reinforced during the 2023/24 external audit, where asset and valuation concerns contributed to delays in the completion of the financial statements.

Prior to this, and in preparation for the 2024/25 accounts, the Council established a number of cross-council working groups, bringing together Housing, Regeneration, Property, Legal and Finance, to strengthen asset governance, address the issues raised, and ensure services hold accurate and validated information on the assets for which they are responsible. Given the scale and complexity of the portfolio, comprising more than 15,000 assets including additions, disposals and assets under construction, this work has been resource-intensive. Dedicated capacity has been allocated to support data collection, liaison with valuers and coordination across service areas. While significant progress has been made, the scale of work required led to a three-week delay against the original timetable for producing the draft 2024-25 financial statements, reflecting the volume of data-verification and re-valuation activity required.

External Audit also noted that prior-year issues with property, plant and equipment (PPE) balances significantly affected the timing of the audit. Variances were identified in the reconciliation between the FAR and the valuation report, and supporting valuation information required correction before audit work could proceed. The delay in receiving a correct, fully reconciled valuation report meant that auditors had to repeat certain procedures, further reinforcing the need for stronger controls, clearer ownership arrangements and more reliable asset information.

While meaningful progress has been made in strengthening governance and improving data quality, further development will continue beyond year-end to ensure that asset-related processes are consistently applied across the organisation and that high-quality information is maintained. A continued focus on formalising policies, clarifying roles, embedding reconciliation routines and improving data standards will be essential to securing long-term assurance and preventing recurrence of the issues experienced in previous audit cycles.

2. Housing Compliance

In line with co-regulation requirements, the Council made a self-referral to the Regulator of Social Housing and, in May 2025, received a C3 judgement in relation to compliance with the Safety and Quality Standard. This judgement did not represent an overall regulatory assessment of the Council's housing service, but confirmed significant improvement is required in specific areas of landlord health and safety assurance. In response, the Council engaged specialist external advisers to undertake audits and root-cause analysis across all compliance workstreams, providing independent assurance and helping to shape a comprehensive improvement plan. This work is now overseen through strengthened governance arrangements within the Housing and Tenant Satisfaction Improvement Programme. Integrated assurance is provided through the Programme Board, on which the Head of Internal Audit sits.

During 2025-26, the Council continued to undertake work to strengthen the governance and assurance of its housing compliance responsibilities. In March 2025, a self-assessment of data held within the True Compliance system highlighted concerns about the management of key building safety areas. In particular, actions arising from Fire Risk Assessments had been recorded as complete without sufficient evidence, and similar issues were identified in water safety and asbestos compliance processes. In addition, although the Council held stock condition information for the majority of homes, recorded survey data was missing for more than half of the stock.

3. Procurement Improvement Plan

A Procurement Peer Review was undertaken in early 2025 in response to a combination of external and internal drivers, including the implementation of the Procurement Act 2025, findings raised through External Audit, and the Council's wider transformation programme. The review identified the need for a more consistent and mature approach to procurement practice, alongside clearer accountability, strengthened governance, and improved operational oversight.

In response, the Council established a Procurement Improvement Programme (PIP) to address the identified weaknesses and to strengthen procurement governance, capability and compliance with statutory requirements. The programme also reflects broader improvement activity across procurement, contract management and commissioning arrangements.

Internal Audit work undertaken during 2025–26, including the Contract Management review and related follow-up activity, has reinforced the findings of the Peer Review. In particular, this work identified ongoing weaknesses in governance arrangements,

inconsistent application of contract management controls, limited corporate oversight, and gaps in performance monitoring and value for money assessment. These issues highlight the importance of ensuring that improvements are not only designed but are effectively embedded and operating consistently across the organisation.

The scale and cross-cutting nature of the required improvements mean that sustained effort is needed to ensure consistent implementation across Directorates and to achieve the intended benefits. A continued emphasis on embedding the Procurement Improvement Programme, strengthening contract management capability, and improving organisational ownership and accountability will be critical to ensuring that procurement activity is effectively governed, delivers value for money and supports the Council's financial sustainability.

4. Cross-Council Ownership, Collaboration and Control Integration

Across a number of audit reviews undertaken during 2025–26, Internal Audit has identified a recurring theme relating to fragmented ownership and silo working where key controls, risks or processes span multiple services or directorates. While individual elements of control are often operating effectively within service areas, weaknesses frequently arise at the interfaces between teams, systems and governance arrangements.

This theme has been evidenced across a range of reviews, including Assets and Valuations, Housing Compliance, Contract Management, Pay Policy and Allowances, Procurement, and AI Governance. Common features include parallel processes operating without effective reconciliation, inconsistent data held across systems, unclear end-to-end ownership, and reliance on manual workarounds to bridge gaps between services. This pattern extends to the follow-up stage, where actions dependent on joint working and cross-service collaboration have, in several instances, stalled or seen limited progress.

In several cases, oversight arrangements exist in practice but are not consistently supported by consolidated information or clearly documented end-to-end processes. This limits the effectiveness of second-line assurance functions, which are dependent on timely, accurate and complete information from the first line to perform effective monitoring and challenge. As a result, control weaknesses are more likely to persist or re-emerge despite prior audit activity.

External sources of assurance have reinforced this observation. Both External Audit and the LGA Corporate Peer Challenge highlighted the need to strengthen organisational grip, clarify accountability and improve integration across complex, cross-cutting areas such as financial governance, procurement and transformation activity.

Strengthening cross-council collaboration, clarifying single-point accountability for shared risks, and embedding second-line oversight more fully into service-level processes will be critical to improving the consistency, sustainability and resilience of the Council's control environment as operational complexity and delivery pressures continue to increase.

Conclusion

In summary, the Head of Internal Audit is satisfied that the work undertaken by Internal Audit during 2025-26, as well as wider governance arrangements, has enabled an opinion to be formed on the Council's control framework, risk management and governance arrangements. Internal Audit will continue to monitor the issues identified above and, where relevant, will provide support and guidance to help aid improvements.

11. Quality Assurance and Improvement Programme

The Head of Internal Audit is responsible for the internal audit function's conformance with the Global Internal Audit Standards (GIAS) and continuous performance improvement. This includes implementing and maintaining a quality assurance and improvement program (QAIP) that covers all aspects of the internal audit function.

The QAIP covers all external and internal assessments of the internal audit function's conformance with the GIAS, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The programme also assesses compliance with laws and/or regulations relevant to internal auditing. Where applicable, the QAIP also includes plans to address the internal audit function's deficiencies and opportunities for improvement.

External Assessments

The GIAS require an external quality assessment (EQA) be undertaken at least every five years. As reported to the Audit and Standards Advisory Committee in February 2023, a review of Internal Audit's performance at the London Borough of Brent was undertaken in January 2023. The next EQA will be due in 2028.

The assessment found that the Internal Audit Service *Generally Conforms* with the PSIAS, which is the highest available level of assessment for local authorities.

Overall, the assessors commented that Internal Audit is a well led, professional and respected service that adds value and provides evidence based, reliable assurance over the Council's governance, risk management and internal controls. The full report can be seen [here](#).

Internal Assessments

In accordance with the PSIAS, internal quality and performance assessments are undertaken through both on-going and periodic reviews. On-going assessments are conducted as a matter of course, in-line with the service's protocols and audit methodology. These assessments include management supervision of audit activity, the application of a consistent audit methodology across

audits, regular 1:2:1s between audit management and auditors to review and monitor performance, and the review and approval of all outputs by the Audit Manager and HIA.

Regular periodic assessments are also undertaken during the year to monitor and measure the impact of, and value added by the delivery of the annual audit plan. A key aspect of these assessments comprises of the quarterly progress reports presented to the Audit and Standards Advisory Committee, which summarise progress against the annual plan and key outcomes of audit activity. Furthermore, an annual assessment is undertaken in drafting the annual audit plan, which is aligned to the Council's Strategic Risk Register to ensure that the work of internal audit centres around the key risks that threaten the achievement of corporate objectives.

Other periodic assessments include (but are not limited to):

- annual self-assessments to ensure conformance with the GIAS;
- regular feedback from senior management and CMT;
- benchmarking with other London Borough internal audit services, via the Cross Council Assurance Service and London Audit Group.


In summary, the Head of Internal Audit is confident that the Internal Audit function has continued to comply and conform with the GIAS during 2025-26.

Key Performance Indicators

To complement and inform the ongoing and periodic assessments detailed above, Key Performance Indicators (KPIs) have been defined to measure the performance of the internal audit service. Achievement scores against each of these KPIs for 2025-26 are set out in the table below:

KPI	Target	Achievement	Comments
KPI1 - Activity	100 % of Core Assurance Plan completed across the 3-year cycle	● Met	100% of core assurance plan met for 2025-26
KPI2 - Activity	100 % of strategic risks/ key inherent risks covered across 3-year cycle	● On-track	11 audits undertaken in 2025-26 that provide either direct or indirect assurance against the Council's strategic/inherent risks. <ul style="list-style-type: none"> - Assets and Valuations - Capital Expenditure - Debt Management - Council Tax and Business Rates - Budgetary Control - STS Assurance Mapping - STS Asset Management - IT Application – Oracle - Housing Compliance – Fire Risk Assessments - Contract Management - Children's Safeguarding
KPI3 - Delivery	Timeliness in raising issues with Management - end of fieldwork to closing meeting <10 working days.	● Met	Target met for all audits completed in 2025-26.
KPI4 - Delivery	100 % of acceptance to audit recommendations	● Met	100% of actions accepted
KPI5 – Follow-up	100 % of Critical and High-risk actions followed-up within 1 month of due date	● Met	Target met. The follow-up of all high risk actions initiated within 1 month of due date.
KPI6 – Follow-up	75% of audit actions implemented within original timescales.	● Met	79% of actions implemented within original timescales. However, 66% of High Risk Actions were implemented within their original timeframe.
KPI7 – Quality	100% of audit satisfaction surveys rated as 'good or better'	● Met	2 forms returned. 100% rated as good or above.
KPI8 - Quality	Conformance to the Public Sector Internal Audit Standards	● Met	No conformance issues experienced in 2025-26. The new Global Internal Audit Standards were adopted and implemented prior to the go live date of January 2025.

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	<p align="center">Audit and Standards Advisory Committee 16 June 2026</p>
	<p align="center">Report from the Corporate Director of Finance and Resources</p>
	<p align="center">Lead Member - Deputy Leader and Cabinet Member for Finance and Resources (Councillor Gwen Grahl)</p>
<p>Annual Counter Fraud Report 2025-26</p>	

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: Annual Counter Report 2025-26
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 This report summarises the counter fraud activity undertaken during 2025–26, including both proactive and reactive work across a range of fraud risks.
- 1.2 The report supports the Audit and Standards Advisory Committee in obtaining assurance that the Council has effective arrangements in place to prevent, detect and respond to fraud. It provides an overview of activity across key fraud areas, including internal fraud, housing tenancy fraud, external fraud, and proactive prevention work.
- 1.3 It also fulfils the requirements of the Local Government Transparency Code 2015, which requires local authorities to publish details of their counter-fraud activity.

1.4 Overall, the activity undertaken during the year demonstrates that the Council maintains a proactive and risk-based approach to counter fraud, with a continued focus on protecting public funds and strengthening the control environment.

2.0 Recommendations

2.1 The Committee is asked to note the outcomes of counter fraud activity undertaken during 2025–26.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 Fraud presents a significant inherent risk to the Council and has a direct impact on its ability to deliver services. Resources lost to fraud reduce the funding available to support residents and deliver the Borough Plan priorities.

3.1.2 The Council takes a structured and risk-based approach to tackling fraud and corruption, combining prevention, detection and investigation activities in line with recognised good practice. This includes delivery of an annual Counter Fraud Plan, underpinned by the Council's Anti-Fraud and Bribery and Whistleblowing policies.

3.1.3 Through this work, the Counter Fraud and Investigations service provides assurance to Members and senior management that arrangements are in place to identify, investigate and mitigate fraud risk across the organisation.

3.1.4 The outcomes of counter fraud activity, and the Council's response to identified issues, contribute to strengthening governance arrangements, improving the control environment and supporting the effective use of public resources.

3.2 Background

3.2.1 The Counter Fraud and Investigations service delivers a mix of reactive and proactive activity. Reactive work is driven by referrals and allegations, while proactive activity is undertaken to identify and mitigate fraud risks using intelligence, data analysis and targeted reviews.

3.2.2 Activity is broadly delivered across four key areas:

- internal fraud;
- tenancy and social housing fraud;
- external fraud; and
- proactive and preventative work.

3.2.3 The Counter Fraud and Investigations service delivered a broad programme of activity during 2025–26, encompassing reactive investigations and proactive preventative work across all major fraud risk areas.

3.2.4 Activity levels remained strong across all fraud types, including:

- 34 internal fraud referrals, with 31 cases concluded;
- 152 housing fraud cases, with 133 cases closed;
- 40 external fraud referrals, with 61 cases concluded.

3.2.5 Across these areas, fraud and/or irregularity was identified in a number of cases, with outcomes ranging from recovery of assets and prevention of financial loss through to strengthening of controls and referral for further action.

3.2.6 The service has also maintained a strong focus on proactive activity, including data matching exercises, targeted reviews and fraud prevention initiatives, which continue to enhance the Council's overall control environment.

3.2.7 A summary of activity across these areas is provided at *Appendix 1*.

3.3 Internal Fraud

3.3.1 Internal fraud includes whistleblowing referrals and allegations involving staff conduct, financial or procedural irregularities. While the volume of cases is typically lower than other fraud types, they are often more complex and can present higher reputational and governance risks.

3.3.2 Investigations are reported to management with recommendations to strengthen controls and prevent recurrence. Where appropriate, findings are shared with Internal Audit to inform wider governance and audit planning. All agreed actions are subject to follow-up to ensure implementation.

3.4 Tenancy and Social Housing Fraud

3.4.1 Tenancy and housing fraud remains one of the Council's highest priority fraud risks due to its direct financial impact and the importance of ensuring that social housing is allocated fairly and to those in genuine need.

3.4.2 During 2025–26, the Counter Fraud and Investigations service delivered strong outcomes in this area, including the conclusion of 22 fraudulent housing cases, resulting in the recovery or protection of properties and a notional financial benefit of approximately £1.45 million.

3.4.3 This work included:

- recovery of properties where tenants were no longer in occupation;
- prevention of fraudulent succession claims; and

- identification of unauthorised occupants.

3.4.4 In response to emerging risks, the service has also strengthened preventative controls, including:

- introduction of enhanced verification for Right to Buy applications, following a surge in applications linked to national policy changes;
- implementation of a structured verification process for tenancy succession applications; and
- increased use of data and intelligence tools, including AppCheck, to identify anomalies and improve assurance.

3.4.5 This proactive and preventative approach not only supports the recovery of properties but also strengthens the integrity of housing allocation processes, reducing the risk of future fraud and improving outcomes for residents.

3.5 External Fraud

3.5.1 External fraud includes a broad range of risks affecting the Council, including Blue Badge misuse, council tax and business rates fraud, grant fraud, direct payments, insurance, and other financial irregularities.

3.5.2 Work in this area focuses on both investigation of suspected fraud and strengthening preventative controls across services.

3.6 Proactive and Preventative Activity

3.6.1 Proactive and preventative activity is a key component of the Council's counter fraud approach, supporting early identification of risk and reducing the likelihood of fraud occurring.

3.6.2 During 2025–26, this included a range of targeted initiatives, such as:

- delivery of the National Fraud Initiative (NFI) data matching exercise, identifying financial savings and strengthening data integrity;
- participation in the London FraudHub, enabling real-time cross-authority data matching and fraud detection;
- targeted reviews, including housing allocation analysis and fleet asset verification; and
- enhanced fraud awareness and support provided to high-risk service areas.

3.6.3 The NFI exercise delivered measurable outcomes, including significant notional savings through the cancellation of fraudulent or invalid Blue Badges;

identification of council tax reduction overpayments and undeclared income; and improvements in data accuracy across key systems.

3.6.4 This proactive activity demonstrates a shift towards a more intelligence-led and preventative model, enabling the Council to identify risks earlier, improve control environments and reduce exposure to fraud.

3.7 Summary

3.7.1 The counter fraud activity undertaken during 2025–26 highlights a number of key themes:

- Housing fraud remains the area of greatest financial impact, with strong outcomes achieved through both investigation and prevention.
- Proactive activity is becoming increasingly important, with data-led approaches improving early detection and reducing reliance on reactive investigations.
- Internal fraud, while lower in volume, continues to present higher complexity and governance risk, requiring robust investigation and follow-up.
- Cross-service collaboration has improved, particularly in housing, resident support and verification processes, strengthening overall assurance arrangements.

3.7.2 These themes demonstrate a counter fraud function that continues to develop and enhance its approach, with increasing emphasis on prevention, intelligence and integration with wider governance and assurance frameworks.

4.0 Stakeholder and ward member consultation and engagement

4.1 None.

5.0 Financial Considerations

5.1 There are no specific financial implications associated with noting this report.

6.0 Legal Considerations

6.1 There are no specific legal implications associated with noting this report.

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



Annual Counter Fraud Report

2025-26

1. Internal Fraud

Internal fraud encompasses a range of case types, including staff conduct issues, financial irregularities and procedural breaches. While the number of referrals tends to be lower than in other areas, these cases are typically more complex in nature. The main allegations continue to relate to suspected officer corruption, working whilst on sick leave, and working while claiming benefits.

The volume and nature of referrals remain consistent with previous periods, indicating that the current service profile and engagement across the Council remain effective.

The volume and type of referrals is consistent with recent years, and the trend suggests the service profile and engagement across the Council continues to be effective.

Table A - Internal Fraud	1 st April 2025 – 20 th Mar 2026	2024/25	2023/24
• New Referrals	34	25	27
• Closed Cases	31	23	20
• Fraud/Irregularity identified*	4	5	10
<i>* Where closed cases do not identify fraud / irregularity, these are recorded as NFA (No Further Action)</i>			

During the period, **31 cases** were concluded. In **4 cases**, fraud and/or irregularity was substantiated, broadly relating to:

- False homeless application by member of staff
- Failure by a staff member to declare employment for Council Tax Support
- Overtime claimed while on sick leave or annual leave (x2)

4 internal cases are currently live and in progress. These relate to:

- 1x Officer Blue Badge Misuse
- 1x External Offence
- 1x Officer Misuse of IT
- 1x Officer Working and Claiming (From NFI Report)

1. Internal Fraud (cont'd)

◆ Whistleblowing

CF&I has received three referrals classified as protected disclosures under the Public Interest Disclosure Act 1988 (PIDA). Of these, two were assessed as outside the remit of CF&I and have been referred to the appropriate service areas. CF&I continues to maintain oversight and provides support to those services in progressing the investigations.

Due to the sensitive and confidential nature of these referrals, it is not appropriate to provide detailed information on the allegations or ongoing investigations within this report.

One referral, submitted anonymously under whistleblowing arrangements, remains under investigation.

◆ Whistleblowing Policy

CF&I is currently updating the Council's Whistleblowing Policy to make it more accessible and user-friendly for all staff. The team is working in partnership with Protect, the UK's leading whistleblowing charity, to ensure the revised policy reflects current best practice and a more modern approach.

The updated policy will be launched in due course, supported by a programme of communications and awareness activity.

2. Tenancy and Housing Fraud

The recovery of social housing properties continues to have a positive impact on the temporary accommodation budget and remains a key fraud risk priority for the Council.

During the period, **22 fraudulent housing cases were concluded**, with an estimated, notional saving of £1.45m (based on £66k per property recovered or housing application stopped).

The outcomes were as follows:

- **13 cases** – tenants were no longer residing at the property and had failed to inform the Council; properties were successfully recovered.
- **6 cases** – applicants seeking succession did not meet residency requirements; properties were successfully recovered.
- **3 cases** – unauthorised occupants were identified; properties were successfully recovered.

In addition, the team completed **27 tenancy verification visits** to confirm household occupation and mitigate risks relating to fraudulent succession and Right to Buy applications.

There are currently **47 live housing investigations**. Of these:

- **2 cases** have progressed to legal action with notices issued
- **6 cases** have been concluded, with recommendations made to Housing to commence recovery action

The team continues to work closely with Housing services to progress these cases and secure recovery of properties where appropriate.

Table B – Tenancy and Housing Fraud	1 st April 2025 – 20 th March 2026	2024/25	2023/24
New cases	152	45	129
Closed cases	133	73	161
Fraud/Irregularity identified*	22	16	16
* Notional value of recovered properties (including Housing and Right to Buy applications stopped, property size reduction and prevention of split tenancy) used for reporting purposes is £66,000.			

2. Tenancy and Housing Fraud (cont'd)

◆ Enhanced verifications of Right to Buy (RTB) applications

In November 2024, the government reduced the maximum Right to Buy discount to £16,000. This resulted in a significant increase in applications submitted ahead of the deadline. While many of these applications are unlikely to progress beyond the valuation stage, the surge in demand increased the risk of fraudulent applications.

In response, CF&I introduced an enhanced verification process for all RTB applications, providing more robust checks by Counter Fraud Officers. This approach is now fully embedded.

Enhanced verification has been completed for all **166 RTB applications** received between December 2024 and June 2025.

CF&I is now working closely with the RTB team to verify the **source of funds** for applications that have progressed further. At present, **three cases remain under investigation**.

◆ Succession applications

Following a review of priorities, resources were redirected to higher-risk areas where stronger fraud prevention and greater consistency could be achieved. One such area was tenancy succession.

Working with Housing Services, CF&I introduced a new process to verify all succession applications received from 1 October 2025. This approach is now embedded. To date, **22 applications have been fully verified**, with a further **16 currently in progress**.

Two cases have been identified as requiring further investigation.

In the first case, documents submitted as proof of residency were found to be falsified. Enquiries with the applicant's employer confirmed that payslips had been altered to reflect the tenancy address, and the issuing bank confirmed that the address shown on submitted statements had been amended and did not match their records. Legal advice is currently being sought in relation to potential criminal proceedings.

In the second case, information indicates that the applicant may not reside at the tenancy address and may hold a separate tenancy with another local authority. Enquiries with that authority are ongoing to determine eligibility to succeed the tenancy.

As part of continuous improvement, CF&I has also introduced the use of **AppCheck**, an NFI web-based tool, to support succession verification. This enables real-time checks against national datasets, improving efficiency, identifying links to other local authorities, and supporting more targeted data-sharing requests.

2. Tenancy and Housing Fraud (cont'd)

◆ Crisis and Resilience Fund (CRF) formerly Discretionary Housing Payment (DHP), Resident Support Fund (RSF) and Domestic Abuse Homeless Applications

CF&I has worked with Resident Services and Homelessness Services to provide targeted fraud awareness and support the verification of applications relating to the Crisis and Resilience Fund (CRF), Resident Support Fund (RSF), and Domestic Abuse homelessness cases.

This proactive approach strengthens fraud prevention in higher-risk service areas and promotes a more consistent and robust approach to application checks.

As processes continue to develop, it is expected that both services will work more closely with CF&I. This will support earlier identification of potential irregularities and improve overall assurance across financial and safeguarding-related assessments.

3. External Fraud

External fraud covers all fraud and irregularity impacting the Council, including (but not limited to) Blue Badge, Direct Payments, Council Tax, Business Rates, Insurance, Finance, Concessionary Travel and grant applications.

During the period, **61 cases were closed**. Referrals primarily related to benefits, support payments, discounts, grants, theft of client funds, and other external allegations.

In one case, the Estate Regeneration Service sought CF&I's advice regarding the authenticity of a receipt submitted by a tenant for reimbursement of flooring costs. The investigation confirmed the receipt was not genuine, and CF&I recommended that the claim should not be paid. As a result, a payment of **£3,800 was prevented**, avoiding an unwarranted financial loss.

Table C - External Fraud	1 st April 2025 – 20 th March 2026	2024/25	2023/24
New Referrals	40	204	300
Closed Cases	61	234	322
Fraud/Irregularity identified	30	91	213

** Where closed cases do not identify fraud / irregularity, these are recorded as NFA (No Further Action)*

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◆ PCN Appeals – Blue Badge Misuse

CF&I received **two referrals** from the Notice Processing Service relating to PCN appeals where Blue Badges were submitted as evidence to support free parking eligibility.

Investigations found that the badges submitted as part of the appeals did not match those displayed at the time of the offence. The badges in use at the time had been cancelled following reports that they were lost, stolen or otherwise invalid.

- **Case 1:** Concluded. The registered keeper attended an interview under caution and provided an explanation. A warning letter was issued.
- **Case 2:** Ongoing. The registered keeper has been invited to attend an interview under caution.

4. Proactive and Preventative Activity

◆ National Fraud Initiative (NFI)

The Council participates in the Cabinet Office–mandated National Fraud Initiative (NFI), a biennial exercise that involves submitting key datasets (including payroll, pensions, creditors, housing benefit and council tax). These are matched against national sources such as HMRC, DWP, the General Register Office and Operation Amberhill to identify anomalies and potential fraud.

For the 2024/25 exercise, the Council received **40 reports containing 540 matches**. While many matches require only administrative checks and do not result in detected fraud or savings, all matches must be reviewed to ensure data accuracy and mitigate the risk of undetected fraud.

The review of all reports has now been completed, either directly or in partnership with relevant services. Key outcomes include:

- **£344,596 notional saving** from the cancellation of **435 Blue Badges** linked to deceased individuals
- **£3,871.92 notional saving** from the cancellation of Council Tax Reduction (CTR) claims for deceased claimants
- **£8,074.51 savings** from two CTR cases involving undeclared income
- **£31,069.05 in CTR overpayments identified** through a review of 68 matches against HMRC earnings and capital data

◆ Proactive Workstreams

The team continues to undertake targeted proactive work to strengthen fraud prevention and improve assurance in higher-risk areas. Key activity includes:

a) Housing Tenancy vs Waiting List Review

A comparative review of waiting list durations against allocated tenancies to assess the integrity, fairness and transparency of housing allocations. This work aims to identify anomalies that may indicate process weaknesses or potential fraud.

b) Brent Fleet Vehicles Review

A review to establish visibility and assurance over Council fleet assets, focusing on vehicles reported as Council-owned but not captured within existing records or controls. This work aims to confirm ownership, usage and governance arrangements, and address risks associated with unrecorded or misused assets.

4. Proactive and Preventative Activity (cont'd)

c) Continued use of the NFI London FraudHub

The Council continues to participate in the NFI London FraudHub (joined in 2022/23), which enables near real-time and cross-boundary data matching across London authorities. Multiple datasets, including pensions, council tax and Blue Badge, are matched against deceased records and other local authority data to identify anomalies.

A pilot exercise matching payroll and agency data has now been embedded as a routine activity, further strengthening the Council's ability to identify potential irregularities.

◆ Pre-employment Vetting


The Council continues to strengthen pre-employment controls through the use of the **Insider Threat Database (ITD)**, provided by CIFAS. The ITD is a national fraud risk database that supports recruitment decision-making by identifying individuals linked to fraud or other serious irregularity. It provides additional assurance across both agency and permanent recruitment processes and supports internal investigations where required.

CF&I manages vetting protocols for agency staff, while permanent recruitment checks are embedded within standard onboarding processes managed by HR.

A summary of activity to **31 March 2026** is set out below:

	Total searches	Positive matches	Employment status
Agency Staff	470	12	10 offers withdrawn
HR Recruitment	622	8	4 offers withdrawn

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 <p style="font-size: 24pt; font-weight: bold; margin: 0;">Brent</p>	<p style="font-weight: bold; margin: 0;">Audit and Standards Advisory Committee</p> <p style="margin: 0;">16 June 2026</p>
	<p style="font-weight: bold; margin: 0;">Report from the Chair of the Audit & Standards Advisory Committee</p>
<p style="font-weight: bold; margin: 0;">Annual Report of the Chair of the Audit and Standards Advisory Committee</p>	

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:	None
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Minesh Patel, Corporate Director of Finance and Resources Tel: 020 8937 4043 Email: minesh.patel@brent.gov.uk

1. Purpose of Report

- 1.1 This is the fourth annual report of the Audit and Standards (A&S), and the Audit and Standards Advisory (A&SA) Committees, on this occasion solely written by the Chair of the ASAC.
- 1.2 This report seeks to meet the requirements and principles as set out within CIPFA’s Position Statement regarding Audit Committees (‘Practical Guidance for Local Authorities and Police’).
- 1.3 This report covers the work of the two Committees for the Municipal Year 2025-26 with the aim in drawing attention to some key areas and helping to focus consideration for the 2026-27 Municipal year.

2. Recommendation

- 2.1. The Committee is asked to note the contents of the report, ahead of this being presented to Full Council on 6 July 2026.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The Council's Audit and Standards Advisory Committee (ASAC) and the Audit and Standards Committee (ASC) play an important role in ensuring the good governance of the Council. The committees are a key component of the Council's governance framework. They contribute to the overall success of the Council by providing an independent and high-level focus on the adequacy of governance, risk and control arrangements to provide assurance and confidence to those charged with governance.

3.1.2 The ASAC is responsible for considering and advising the relevant council bodies on various governance matters relating to audit activity, the council's regulatory framework, and members' standards of conduct. The ASC is responsible for various governance matters including reviewing and approving the Annual Statement of Accounts, adopting the council's Annual Governance Statement and promoting high standards of conduct by members and co-opted members.

3.2 Introduction

3.2.1 I should like to begin but putting on record my thanks to the members of both Committees during the 2025-26 Municipal Year, particularly those who are no longer members of the Council. I should particularly like to place record my thanks to the Vice Chair of the ASAC and Chair of the ASC, Councillor Chan for all his help and support.

3.2.2 The Audit and Standards Advisory Committee met six times during the Municipal Year with the Audit and Standards Committee meeting on two occasions. During the year the Committees covered an increasing amount of work, unfortunately often at short notice which in view of some members has been in excess of the time available. Much of the work undertaken by the Committees has again highlighted the high and ever increasing (if generally well-managed), level of risk being faced by the Council.

3.2.3 As stated last year the importance of the work of both Committees continues to grow. With pressures on local authority finances, as highlighted in the failures of governance and financial control at other authorities, focussing our attention on the fundamental problems with the current local government funding and audit systems.

3.3 Overview

3.3.1 2025-26 continued to be a very active year, and one which it is again difficult to summarise; however, the key points that have come through from the matters consider by the Committees are as follows:

- a. Brent is still in a relatively good, if deteriorating, position, with regard to financial sustainability, with still adequate (if reducing) levels of reserves, but again did not bring in expenditure within the budget for 2024-25. Brent was, however, one of the authorities to have the external audit of its accounts signed off before the backstop date.

- b. Further, a number of issues were also identified which may lead to future problems for the Council:
 - i. Due to the pressures on Council services the level of expenditure has and is likely to continue to rise above the base line, as pointed out Grant Thornton's Annual (Value for Money) Report for 2024/25 with its two key recommendations for action in the medium term; and
 - ii. The level of external debt and hence the interest payments due to the level of capital expenditure rising, which may be becoming an issue with higher interest rates looking like they will remain for some time.

- c. In terms of Governance, Brent also has generally sound arrangements in place, as confirmed by both the External Auditor's Value for Money report for 2024-25, (with the exception of the findings concerning improvement in the Housing service, which has led to a third Key Recommendation and a reduction in the rating for improving economy efficiency and effectiveness to having a significant weakness) and Head of Internal Auditor's (HIA) report and opinion issued in June 2025. However, there are a number of areas requiring attention, particularly:
 - i. Implementation of internal audit recommendations/actions. In 2022-23 the HIA opinion first identified an area for improvement in relation to the implementation of audit actions, to ensure that the risks identified from internal audit work were appropriately mitigated. The rate of implementation of audit actions had improved in 2024-25 from 46% in 2023/24 to 67%, however this is still an area which clearly needs to be addressed.
 - ii. Despite some improvement, there is a continuing need to address the 'second line' of defence (i.e. the monitoring and reporting of information and data, by management, in respect of the effectiveness of the 'first line' of defence), which although some improvement has been noted still requires additional improvement.
 - iii. The need to address the management of Housing Compliance, following the Council's self-referral to the Housing Regulator. This is covered in more detail later in this report.
 - iv. As stated above the Council's External Auditors, identified a significant weakness in their Annual Report for 2023-24, relating to the Council's financial sustainability. This concern stemmed from the use of £13.5 million in reserves to balance the 2023-24 budget, alongside a projected overspend of approximately £14 million for 2024-25.

3.3.2 In addition, the Corporate Peer Challenge made several recommendations to strengthen the Council's financial management:

- Medium Term Financial Strategy (MTFS): The Council should develop a five-year MTFS aligned with its corporate priorities and transformation programme.
- Reserves: The Council must prioritise restoring General Fund and Housing Revenue Account (HRA) reserves to sustainable levels.
- Financial Processes and Organisational Grip: The Council should enhance its financial processes to improve income generation, productivity, and efficiency. This includes strengthening debt recovery, council tax collection, procurement, and business case development, as well as undertaking cost benchmarking.

3.4 Standards Matters

3.4.1 Although, as has been stated in previous years, Standards matters are not covered by the CIPFA Statement this is one of the Committees' key roles, and one which is taken very seriously.

3.4.2 During the year the ASAC considered a number Standards issues including:

- Complaints against Members.
- Oversight of Gifts and Hospitality; and
- Member Training and attendance.

The ASC also oversees the Member's Code of Contact, subject to final consideration by Full Council, and would consider complains against members that need a Full hearing. (There were none in 2025/26).

3.5 Audit Matters

3.5.1 The ASAC continues to be well served by the Internal Audit and Investigation staff and has received regular updates on the progress of risk-based audits being undertaken during 2025-26.

3.5.2 The audits planned for delivery during 2025-26 included the following, all of which were risk based and linked to the Council's risks and priorities:

- Five key financial systems audits (with proposals for all key systems to be audited in three years).
- Three IT/cyber security related audits.
- Four audits based on a risk assessment.
- Four Grant/ Certification audits/assessments.

- Seven Schools audits.

3.5.3 The plan also made provision for advisory work and follow up activities on previous recommendations as well as certification work.

(The above is as reported in the Internal Audit Interim Report for 2025-26 considered by the A&SA Committee in December 2025.)

3.5.4 The Annual Counter Fraud Plan for 2025-26 was considered at the June 2025 meeting with the Committee updated by an interim progress report in December 2025.

The Committees also considered a large number of other items with the most significant being as follows:

- a. In June, the Head of Internal Audit's Annual Report for 2024-25.

(It should be noted that the ASAC will be considering the Head of Internal Audit's Annual Report for 2025-26 at its June 2026 meeting which renders the following somewhat historic in nature but it is included for the record, particular as we believe a number of the same issues are likely to be raised again.)

The 2024-25 report concluded that:

The Head of Internal Audit (HIA) is required to provide an annual opinion and report that can be used by the Council to inform its governance statement. The relevant standards require that the annual opinion must conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. In addition, CIPFA's guidance on the 'Role of the Head of Internal Audit in Public Service Organisations' requires that the Head of Internal Audit's overall opinion is objective and supported by sufficient, reliable, relevant, and useful information and evidence.

The HIA opinion in relation to the financial year 2024-25 was Reasonable Assurance:

"The adequacy and effectiveness of the overall arrangements for the Council's systems of internal control, risk management and governance are adequate, with some improvement required."

This is the second highest rating on a scale of one to four with one being no assurance and four substantial assurance.

In addition, the following observations were noted:

"In determining the opinion, the HIA has considered any key themes or issues emanating from audit work undertaken in 2024-25, and/or any

areas where enhancements can be made to the Council’s governance, risk management and internal control frameworks.”

The key points raised in the report are covered in the Section 3.3 above.

- b. A report covering the Draft Internal Audit Strategy for 2024-27 and Plan for 2025-26, although this report was considered in March 2025, it relates to 2025-26, the key details of which are set out below.

The report identified the available resource for the Internal Audit function for 2025-25 comprises an estimate of **700 days**, which is anticipated to be spread across the following areas:

Area	Days (approx.)	%
Core assurance	200	28%
Agile, risk-based Work	320	46%
Consultancy and advice	50	7%
Follow-up	130	19%

The Internal Audit function continues to operate a co-sourced model, with a portion of the plan (approx. 200 days) delivered by our co-sourced partner, PwC (in 2025/26). The co-sourced model continues to operate effectively and provides a number of benefits, including:

- an in-depth understanding of the Council, its strategies and objectives, and it’s governance, risk management and control processes via the in-house team.
- increased flexibility and resilience in the resourcing of the function.
- access to specialist resource, such as IT/Cyber specialisms.
- increased benchmarking opportunities with other Councils who call off the same framework; and
- Training events and conferences hosted by PwC.

An update on the use of resources is covered above.

- c. The ASAC continued to receive updates on the work of the Council’s external auditors Grant Thornton, (the audit of the 2024-25 accounts is considered in the Accounts section below). The key item considered was the Annual Value for Money report, which gave an independent review of the state of the Council’s governance. The report was also considered at the Full Council meeting in February 2026.

The report was markedly less positive than in 2023-24, with the overall finding being that only one area (Governance) was reviewed as: “*No significant weaknesses in arrangements identified, but improvement recommendation made.*” with the direction of travel found to be stable, but not improving.

In terms of the other two areas - Financial Sustainability & Improving Economy, Efficiency and Effectiveness the findings were of “*significant weakness in arrangements*” with key recommendations made. The weakness identified were as follows:

(a) Financial Sustainability:

The report stated that in the prior year, a significant weakness had been identified in the Council’s financial sustainability arrangements with the need highlighted to set a realistic budget for 2026-27 and into the medium-term without relying on reserves. The report concluded that insufficient progress has been made with the matter being re-raised as a key recommendation. Their evidence was:

- That in 2023-24 the £13.5 million overspend was covered by the Future Funding Risk reserve. In 2024-25, service overspends of £15.5 million were covered using earmarked reserves, released after an exercise to re-purpose reserves to support the revenue budget and enhance financial resilience. At 31 March 2025 useable reserves (non-ring fenced) were £27.1 million. Whilst the Council planned to increase its useable reserves by £5.4 million (21%) to £30.6 million by March 2026 no increase in planned reserves had been built into future years in the current MTFS.
- Overall, the Council’s budget growth was forecast to increase by 52% from the 2022-23 position, an increase of £161.6 million, forecasting net expenditure of £473.6 million by 2028-29. This is a considerable rate of growth, driven by both increasing costs and demand for services.
- Rising demand pressures, particularly in temporary accommodation and social care, has made delivering balanced budgets increasingly challenging. In 2025-26, the average number of homeless households living in emergency type accommodation is expected to increase to 1,643.
- Grant Thornton’s view was that the Council must urgently take additional difficult decisions to ensure that a realistic budget could be set for next year and in the medium-term, so this could be delivered without the need to further draw on reserves nor Exceptional Financial Support (EFS) from central government.

A second issue raised was that the Council had fully developed the pipeline of savings to close the projected budget gap of £28 million in the

MTFS until 2028-29. Progress was being made with savings plans for 2026-27 identified as part of the budget setting process but a budget gap remained and on this basis, they have identified a further significant weakness in arrangements.

The report concluded while the Council successfully delivered targeted £8 million in savings for 2024-25 and was on track for 2025-26 targets, the arrangements in 2024-25 were insufficient to ensure long-term financial sustainability.

Grant Thornton recommended the Embrace Change Transformation programme must therefore reflect large-scale transformational savings, with greater collaboration and business transformation, underpinned by business plans and incorporated into a revised MTFS.

They concluded overall that the lack of adequate saving plans and failure to deliver recurrent planned savings places delivery of the Council's MTFS and overall financial sustainability at significant risk.

These weakness led to the two Key Recommendations being identified:

(b) Improving Economy, Efficiency and Effectiveness:

A significant risk was raised in the report concerning the Council's performance in managing Housing Compliance, following the Regulator of Social Housing (RSH) awarding the Council a 'C3 grading' for serious failings in meeting quality and safety consumer standards in May 2025, identifying serious failings by the Council as a landlord in meeting the outcomes of the Quality and Safety consumer standards. The Council had made a self-referral in April 2025 concerning the quality and accuracy of its fire safety data.

RSH's engagement with the Council also identified that data for fire safety, smoke and carbon monoxide safety, asbestos management and water safety could not be reconciled; concerns about the data validation process that took place prior to the Council implementing its new asset management system; and although the Council reported that it has 95% of its stock condition data, almost half of homes had not had a recorded survey.

The Council has estimated it will take 12 to 18 months, from May 2025, to resolve compliance issues across the 'Big 8' areas of compliance: fire safety, gas safety, electrical safety, water safety, asbestos management, mechanical and engineering (lifts), damp and mould, and smoke and carbon monoxide detectors.

This has led to a **third Key Recommendations**, and is an area the ASAC has been receiving regular monitoring update reports on

3.6 Regulatory Framework

- 3.6.1 The Committees continues to oversee a number of areas concerning the regulatory framework. These have included the following areas:
- 3.6.2 Reviewing the use of RIPA powers by the Council.
- 3.6.3 The Council's Risk Management Structure and the Strategic Risk Management process. There have been major improvements in the strategic process over the last couple of years, which is now clearly linked to the Council's priorities, and considers a wider range of risks. However, concerns still remain over the risk management at departmental level with the Audit Chairs having continued to liaise with the Chairs of the Scrutiny Committees over how to improve oversight of this area where there is overlap in roles. An area of particular concern during the year was cyber security.
- 3.6.4 The Council's Emergency Planning & Resilience arrangements, following an external review of this function undertaken in October 2023. The committee reviewed the action plan for improvements following this review and will be monitoring progress in this key area of the Council's duties.
- 3.6.5 The Annual Governance Statement, which is an important document as it set out the views of the Council's leadership and senior management on the state of the Council's governances. The final part of the statement covers significant governance issues relating to 2024/25. It concluded that there were no such issues identified that arose this reporting year although attention was drawn to the Corporate Peer Challenge, the Procurement Peer Review, and the referral to the housing regulator. It also made a number of recommendations for improvements. As the 2025/26 report will be considered at the June meeting this is mainly historic information.
- 3.6.6 An area which now takes up significantly less of the Committee's time is the oversight of i4B and First Wave Housing with the overlap of responsibilities between the Audit and Standards Advisory Committee and the Scrutiny Committees having been resolved and ASAC now concentrating on the council's overview, supervision and overall governance of Companies, which has both reduced workload and clarified roles.
- 3.6.7 The Audit and Standards Advisory Committee also considered a number of reports most of which were also considered by Full Council on the Council's Treasury Management. The very detailed reports show the clear and careful planning and execution of the Council's Capital and Treasury Management function. However, the Committee did again raise concerns about the level of borrowing being planned by the Council, particularly in view of the continuing high level of interest rates. Although there is nothing to suggest this will be a problem in the short term, it is something the Council should keep under review.
- 3.6.8 The Committees considered a number of reports on Cyber Security and Artificial intelligence in view of the rising level of risk identified to the Council and the experience of some other authorities.

- 3.6.9 The Committee also considered the progress of and the outcome of the Procurement Review, particularly in the light of the potential savings, and a significant interest from a number of members.
- 3.6.10 The ASAC also received a number of reports on the Council's performance in managing Housing Compliance function detailed above.

3.7 Statement of Accounts

- 3.7.1 The oversight of the Council's accounts is one of the key functions of both Committees. Brent has a proud record of having its accounts fully audited and signed off by the statutory publication date.
- 3.7.2 The statutory publication for the 2024-25 un-audited account was the 30th June 2025 and although substantially ready by that date, the draft accounts were not published until 18th August. This was as a result of a number of issues being identified primarily concerning the valuation of Council's assets. Despite considerable work by Brent staff and the external auditors, this resulted in the audit not being signed off until the 25th February 2026, two days before the 27th February 2025 Backstop date. This meant, however, that the Council's accounts were not disclaimed by the auditors as happened with some other authorities. (It should be noted that the Pension Fund accounts could properly have been signed by 30th September).
- 3.7.3 The Committee has noted the work being undertaken to try and improve the performance in this area as the Backstop date for the 2025-26 accounts is being brought forward to 31st January 2027. It is understood the target date is 30th November 2026.
- 3.7.4 Members may be aware that earlier this year, the Ministry for Housing, Communities and Local Government confirmed a significant overhaul of the local audit system, introducing 16 measures designed to tackle the ongoing backlog and restore accountability across the sector. These changes are ongoing and the Committees will be carefully monitoring these changes.

3.8 Review of the effectiveness of the Committees

- 3.8.1 ASAC remains well placed in being independently chaired, and having the support of two independent, Standards-focused co-opted members, both of whom bring considerable experience along with the support of a highly experienced audit focuses independent co-opted member.
- 3.8.2 ASAC has again been required to consider a large number of issues over the last year. This has resulted with some agendas being packed, and some members feeling strongly that they are overloaded. Furthermore, the need for additional training for members has been identified and is being planned.
- 3.8.3 To help overcome this and generally improve the performance of the work of the Committees, members were asked to submit their views and whilst only receiving a low level of response, some key comments are set out below:

Core Strengths & Successes

Deep-Dive Scrutiny.
Financial Resilience Oversight.
Mainly non-political debate
Strong audit input
Independent Leadership.

Critical Gaps & Challenges

The Implementation Gap: A recurring theme is the delay in management implementing internal audit recommendations.
Internal Audit Capacity: Internal Audit resources are stretched.
Late and often long paperwork and reports.

Strengthening Accountability

The committee should move beyond just hearing from the Finance Director.

Closing the Follow-up Loop

Instead of just noting that recommendations are in progress, the committee should implement a RAG rated Escalation Framework.

- 3.8.4 The Committee will be considering further ways of improving their performance during 2026/27.

3.9 Conclusion

- 3.9.1 I should like to thank the members of both Committees, and the Independent Co-opted Members and Independent Persons for all their support and assistance during the year.

- 3.9.2 I should also like to express our gratitude to all the Council officers who have so diligently supported the Committees. These include particularly the Governance Officers who have supported us with the very heavy workload, the Deputy Director Organisational Assurance and Resilience (Head of Internal Audit) and Audit and Investigation staff as well as the Corporate Director and Deputy Directors of Finance, as well as all the finance staff who have supported the Committees. I should also like to thank the Director of Law and the Senior Governance Lawyer for their support.

- 3.9.3 I would also like to thank the Grant Thornton Partners and auditors for their input.

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 The report is for noting and there are no direct legal implications.

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.

 Brent	Audit and Standards Advisory Committee 16 June 2026
	Audit and Standards Committee 16 June 2026
	Report from the Corporate Director of Finance and Resources
	Lead Member - Deputy Leader and Cabinet Member for Finance and Resources (Councillor Gwen Grahl)
Annual Governance Statement 2025-26	

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: Annual Governance Statement
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 Bianca Robinson, Senior Constitutional and Governance Lawyer 020 8937 1544 biancia.robinson@brent.gov.uk

1.0 Executive Summary

- 1.1 This report sets out the draft Annual Governance Statement (AGS) for 2025-26.
- 1.2 In accordance with the Accounts and Audit Regulations 2015 (as amended), the Council is required to undertake an annual review of the effectiveness of its governance framework, including its system of internal control. The outcome of

this review must be formally reported within an Annual Governance Statement, which forms part of the Council's Statement of Accounts.

- 1.3 The draft AGS for 2025–26 is set out at Appendix 1. The format and structure of the Statement has been refreshed for this year and is aligned with the [CIPFA/SOLACE Delivering Good Governance in Local Government Framework Addendum \(2025\)](#).

2.0 Recommendation

2.1 That:

- a) the Audit & Standards Advisory Committee consider and recommend for approval by the Audit & Standards Committee the Annual Governance Statement as set out in *Appendix A*.
- b) the Audit & Standards Committee consider and approve the Annual Governance Statement as set out in *Appendix A*, taking into account the observations of the Audit & Standards Advisory Committee.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The Annual Governance Statement (AGS) is a statutory requirement under the Accounts and Audit Regulations 2015 (as amended). It provides assurance on the effectiveness of the Council's governance framework, including systems of internal control, risk management, and organisational culture.

3.1.2 In line with the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework*, the AGS demonstrates how the Council applies the core principles of good governance, including behaving with integrity, ensuring openness and accountability, defining outcomes, and managing risks and performance effectively.

3.1.3 The AGS not only evidences compliance but also provides a structured evaluation of how governance arrangements support the delivery of the Council's priorities. It highlights how decision-making, resource allocation, and oversight arrangements are aligned to strategic objectives, ensuring that public resources are used efficiently, effectively, and in a value-for-money manner. Furthermore, the AGS identifies governance strengths and areas for improvement, supported by a clear action plan to address control weaknesses and enhance organisational resilience. This continuous improvement approach strengthens assurance to members, officers, and stakeholders that the Council is operating within a robust governance framework capable of responding to current and emerging risks.

3.1.4 Through this process, the AGS contributes to maintaining public trust and confidence, underpinning the Council's ability to deliver sustainable outcomes

for residents and communities while meeting statutory obligations and adapting to an increasingly complex external environment.

3.2 Background

- 3.2.1 The Council is required to prepare an Annual Governance Statement (AGS) in accordance with the Accounts and Audit Regulations 2015 (as amended). The AGS must be reviewed and approved by the appropriate Committee prior to the approval of the Statement of Accounts and signed by the Chief Executive and the Leader of the Council. This formal process ensures that those charged with governance provide explicit assurance on the adequacy and effectiveness of the Council's governance framework.
- 3.2.2 The preparation of the AGS is guided by the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework*. This framework sets out seven core principles of good governance and requires local authorities to review, evaluate, and report on how these principles are embedded in practice.
- 3.2.3 Consistent with this guidance, the AGS is intended to provide a balanced, evidence-based assessment of governance arrangements, including systems of internal control, risk management, and decision-making processes. It should present a clear and strategic narrative that explains how governance supports the achievement of corporate objectives, while also identifying significant governance issues and setting out actions to address them. The AGS is therefore a key component of the Council's overall assurance framework, supporting transparency, accountability, and continuous improvement, and providing stakeholders with confidence in the Council's stewardship of public resources.
- 3.2.4 The CIPFA/SOLACE *Delivering Good Governance in Local Government Framework* identifies seven core principles of good governance, which underpin the Council's approach:
- A.** Behaving with integrity, demonstrating a strong commitment to ethical values, and respecting the rule of law;
 - B.** Ensuring openness and comprehensive stakeholder engagement;
 - C.** Defining outcomes in terms of sustainable economic, social, and environmental benefits;
 - D.** Determining the interventions necessary to optimise the achievement of intended outcomes;
 - E.** Developing the entity's capacity, including the capability of its leadership and workforce;
 - F.** Managing risks and performance through robust internal control and strong public financial management; and

- G.** Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

3.3 Annual Governance Statement 2025-26

3.3.1 In developing the 2025–26 AGS, particular emphasis has been placed on moving away from a standardised, compliance-based approach towards a more organisation-specific and reflective narrative. The aim is for the Statement to present a clear and transparent account of how governance arrangements have operated in practice over the course of the year. Accordingly, the AGS is positioned not only as a statement of compliance, but as a narrative of assurance, improvement, and accountability.

3.3.2 The Statement has been structured to provide a clear, comprehensive and transparent account of how the Council’s governance arrangements operated during 2025–26, how their effectiveness has been reviewed, and how the Council intends to strengthen them further in the year ahead. The revised structure:

- sets out the Council’s governance framework and core principles;
- highlights key developments, achievements, and areas of improvement during 2025–26;
- provides an assessment of the effectiveness of governance arrangements;
- identifies any significant governance issues; and
- includes a forward-looking section focused on continuous improvement.

3.3.3 An executive summary is also included to provide an overview, alongside an action plan which will continue to evolve as governance issues are monitored and addressed.

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 The Accounts and Audit Regulations 2015 (as amended) require the council to prepare an annual governance statement and have this reviewed by a committee.

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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Annual Governance Statement

2025-26



1. Executive Summary

Brent Council continues to operate within a challenging financial, economic and regulatory environment, characterised by sustained demand-led pressures, particularly within temporary accommodation and social care, alongside increased regulatory expectations relating to housing safety, compliance and financial reporting, which is only right and proper. Despite these pressures, the Council has maintained a robust and mature governance framework supported by strong leadership from statutory officers, effective Member oversight and a well-established assurance environment spanning internal audit, risk management, financial monitoring and performance reporting.

This Statement sets out how the Council has complied with its Code of Corporate Governance and fulfils the requirements of Regulation 6(1)(b) of the Accounts and Audit (England) Regulations 2015, which require all relevant authorities to prepare and publish an Annual Governance Statement. It provides a transparent assessment of governance arrangements during the year and demonstrates how the Council continues to operate in line with the seven core principles of the CIPFA/SOLACE Framework.

The governance framework outlined in this Statement operated throughout the year ending 31 March 2026 and up to the date of approval of the Statement of Accounts. Its effectiveness has been evaluated through the review processes described in Section 5 of the Statement, drawing on multiple sources of assurance including internal and external audit findings, inspectorate reports, corporate performance intelligence, strategic and operational risk monitoring, and directorate-level self-assessments.

During 2025–26, the Council strengthened a number of key governance areas. Major programmes, including the Embrace Change Portfolio, the Digital Transformation Roadmap, improvements to AI governance, and the Housing & Tenant Satisfaction Improvement Programme, have enhanced organisational oversight, clarified accountability and prioritisation and improved the Council's ability to respond to strategic and operational challenges. Governance of equity, diversity and inclusion (EDI) continued to develop, supported by delivery of the second year of the EDI Strategy and implementation of the new People Strategy 2025–28. The Council also made progress in strengthening procurement practice, maturing its performance management arrangements and continuing to take steps to support financial resilience and sustainability in the face of significant ongoing pressures.

Importantly, the Council has addressed the actions identified in the 2024–25 Annual Governance Statement, which included:

- Strengthening housing compliance in collaboration with the Regulator of Social Housing, particularly in relation to fire safety, water safety and asbestos management.
- Continuing to develop and embed the corporate performance framework, incorporating recommendations from the Corporate Peer Challenge.
- Delivering the Procurement Improvement Programme in response to the 2025 Procurement Peer Review.

- Advancing leadership development, coaching and EDI-focused programmes, and launching the new People Strategy with a supporting detailed action plan.

The progress documented in this Statement demonstrates the Council’s commitment to continuous improvement, effective governance and transparent stewardship of public resources. As the Council moves into 2026–27, the focus will remain on consolidating these improvements, strengthening financial sustainability, embedding major transformation programmes and ensuring that governance arrangements continue to support the delivery of high-quality, value-driven services for Brent’s residents. The Council will also maintain a strong emphasis on preparing for, and effectively supporting, the post-May 2026 local elections outcome to ensure a smooth transition, clear member induction, and sustained stability in governance arrangements.

As Leader and Chief Executive, we have been advised of the outcomes arising from the review of the effectiveness of the Council’s governance framework. Having considered the evidence presented through the Annual Governance Statement, our overall assessment is that it provides a balanced and accurate reflection of Brent’s governance environment.

We are satisfied that an adequate and robust framework of governance and internal control operated across the Council throughout 2025–26 and up to the date of the approval of the Statement of Accounts. Furthermore, we are assured that appropriate plans are in place to address the areas requiring further improvement, and that the Council remains committed to strengthening its governance arrangements and continuously enhancing the effectiveness of its internal control systems.

Signed By:

Muhammed Butt

Leader of the Council

Date

Signed By:

Kim Wright

Chief Executive

Date

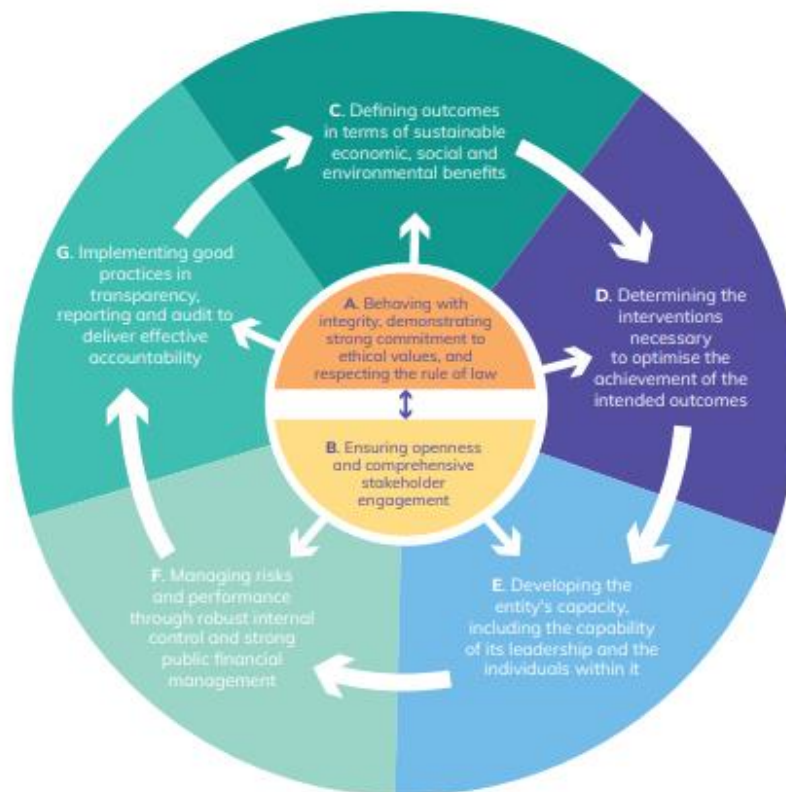
2. Introduction

The 'Delivering Good Governance in Local Government Framework', published by the Chartered Institute of Public Finance and Accountancy (CIPFA), in association with the Society of Local Authority Chief Executives and Senior Managers (SOLACE), sets the standard for local authority governance in the United Kingdom.

The framework is designed to help local authorities develop and implement high standards of governance, to ensure that: resources are directed in accordance with agreed policy and priorities; there is sound and inclusive decision-making; and there is accountability for the use of resources to achieve desired outcomes for residents and communities.

The Framework sets out seven core principles, as illustrated in Figure 1 below, that underpin good governance in the public sector. This statement demonstrates how the Council's governance arrangements deliver to these seven principles in practice:

Figure 1 – Delivering Good Governance Core Principles



The Statement has been structured to provide a clear, comprehensive and transparent account of how the Council's governance arrangements operated during 2025–26, how their effectiveness has been reviewed, and how the Council intends to strengthen them further in the year ahead. It is organised into the following sections:

- **Section 3 – The Council’s Governance Framework**

This section outlines the core elements of the Council’s governance framework and the systems, processes and structures that enable effective leadership, transparent and lawful decision-making, strong internal control and robust oversight. While not exhaustive, it highlights the stable and established arrangements that operated throughout 2025–26, including the roles of statutory officers, Member oversight, risk management, financial governance, performance management and group governance.

- **Section 4 – Key Governance Highlights for 2025–26**

This section summarises major developments and improvements in governance during the year. It demonstrates how the Council’s governance framework has adapted and evolved in response to changing demands, regulatory expectations and operational pressures, ensuring that the Council continues to achieve positive outcomes for residents and communities. It highlights significant progress across transformation, housing compliance, digital and AI governance, procurement, performance, financial management, EDI and workforce development.

- **Section 5 – Review of Effectiveness**

Section 5 describes the process undertaken to assess the effectiveness of the Council’s governance framework, including the annual assurance opinion of the Head of Internal Audit. It sets out the key sources of assurance - internal audit, external audit, inspectorate findings, risk management, performance reporting, and directorate assurance statements - and explains how these have been used to form a balanced, evidence-based view of governance effectiveness.

- **Section 6 – Significant Governance Issues**

This section identifies the significant governance issues and wider improvement areas arising from the 2025–26 review. For each issue, it outlines why it meets the significance threshold and describes the actions being taken to strengthen governance, internal control and risk management arrangements. It also includes the associated Action Plan for 2026–27, setting out how the Council will monitor and address these issues over the coming year.

- **Section 7 – Forward Look for 2026–27**

The final section provides a forward-looking assessment of the governance priorities for 2026–27. It sets out the key themes and organisational commitments that will guide the Council’s governance activity in the year ahead, ensuring that improvements are embedded, risks are well managed and the governance framework remains resilient, proportionate and aligned to the Council’s long-term strategic objectives.

3. The Council's Governance Framework

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. It also has a statutory duty under the Local Government Act 1999 to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In line with the Best Value Standards set out in the 2024 statutory guidance, the Council has put in place governance, leadership and assurance arrangements that demonstrate compliance with the principles of strong leadership, effective governance, prudent use of resources, openness to challenge and a culture of continuous improvement. To meet these responsibilities, the Council maintains a robust system of governance, incorporating effective internal control, sound risk management and clear accountability across all service areas.

These responsibilities extend to the Council's group entities, including its wholly owned subsidiaries i4B Holdings Ltd (i4B) and First Wave Housing (FWH), and the Annual Governance Statement therefore reflects the governance arrangements in place across the group.

The Council expects all Members and officers to uphold the highest standards of conduct and behaviour. Its governance framework is built on a comprehensive set of systems, processes, policies and procedures that reflect the Council's values, ethos and strategic objectives. The framework sets out how the authority is directed and controlled, how decisions are made, and how accountability to the community is maintained. It ensures that decision-making is transparent, compliant with statutory requirements, and supported by strong internal controls designed to manage risk to a reasonable - though not absolute - level. Through ongoing processes to identify, assess and mitigate risks and optimising opportunities in achieving its aims and objectives, the framework enables the Council to monitor progress against its priorities and evaluate whether services are being delivered effectively, efficiently and in a way that provides value for money.

The following section outlines some of the key elements of the Council's governance framework. While not intended to be exhaustive, it highlights the stable and consistent arrangements that remained in place throughout 2025–26 to ensure that the Council continued to operate effectively and deliver the intended outcomes for Brent's residents and communities.

The Constitution

A central component of the Council's governance framework is the Constitution, which sets out how the Council operates, how decisions are made, and the procedures that must be followed to ensure they are efficient, transparent and accountable to local people. It comprises six parts covering the fundamental rules of governance, detailed procedures and codes of practice, and is updated regularly - most recently in February 2026. Changes to the Constitution, other than minor amendments approved by the Director of Law, must be agreed by Full Council and are published on the Council's website.

The Constitution supports the active involvement of citizens in local decision-making; helps councillors represent their constituents effectively; enables decisions to be taken efficiently; and provides a robust framework for holding decision-makers to account. It ensures no one scrutinises a decision in which they were directly involved, makes clear where decision-making responsibilities

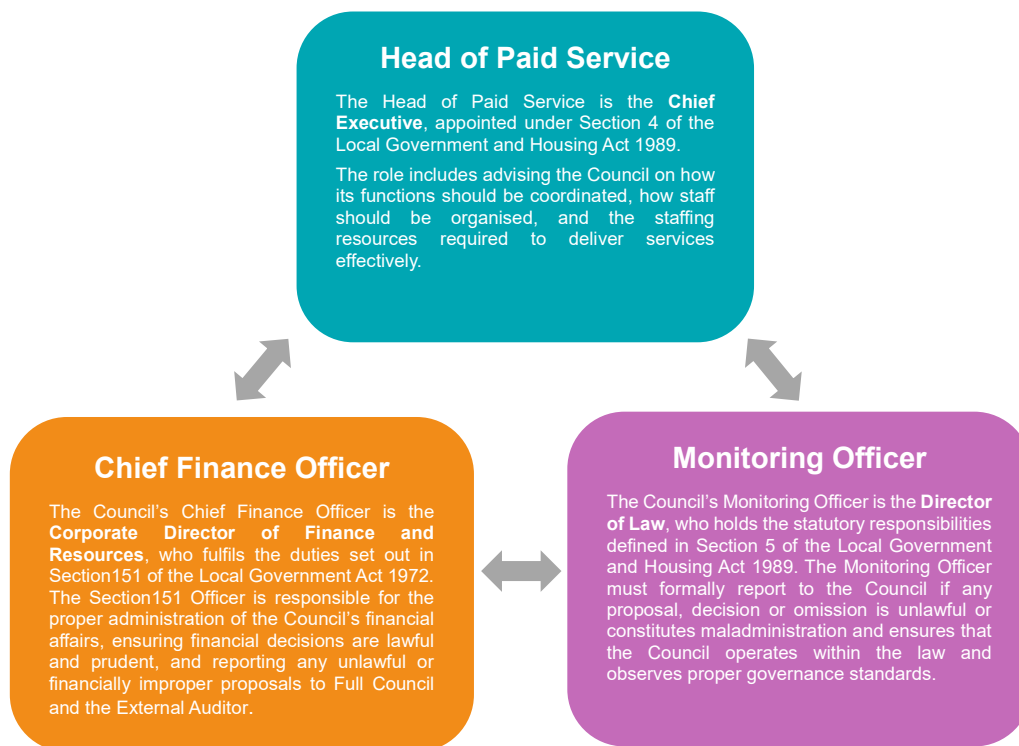
lie and why decisions are taken, and underpins the continuous improvement of services provided to the community.

The Council has also adopted a Local Code of Corporate Governance, set out in Part 5 of the Constitution, which is based on the seven core principles of the *Delivering Good Governance in Local Government* Framework (CIPFA/SOLACE, 2016). These principles underpin and shape the Council's overall approach to governance, informing how systems, processes and behaviours are designed and applied across the organisation.

Statutory Officers

The constitution defines the responsibilities of both Members and Officers, and formally designates the three statutory roles of Head of Paid Service, Chief Finance Officer (section 151 officer), and Monitoring Officer. These three roles all have distinct legal roles and responsibilities, which together maintain the Council's corporate health and effectiveness. These officers also hold personal responsibilities under legislation and professional codes of conduct, requiring them to act with impartiality, integrity and professionalism. Working collectively, they provide authoritative advice and assurance, ensuring that the Council's functions are administered lawfully, efficiently and in accordance with the highest standards of ethical and corporate governance.

Figure 2 – Key Statutory Chief Officer Roles



In addition to the three key statutory Chief Officer posts outlined above, the Council has also identified the roles which fulfil the following additional statutory and key roles:

- **Director of Children's Services** (s18 Children Act 2004) – Corporate Director Children, Young People and Community Development
- **Director of Adult Social Services** (s6 Local Authority Social Services Act 1972) – Director Adult Social Care
- **Director of Public Health** (Health and Social Care Act 2012) - Director, Public Health and Leisure

- **Statutory Scrutiny Officer** (Local Government Act 2000) – Deputy Director Democratic and Corporate Governance
- **Data Protection Officer** (UK GDPR Article 37 & Data Protection Act 2018) – Principal Lawyer, Constitution, Governance and Finance
- **Senior Information Risk Officer** (SIRO) – Corporate Director Finance and Resources
- **Head of Internal Audit** (Public Sector Internal Audit Standards & Accounts and Audit Regulations) – Deputy Director Organisational Assurance and Resilience
- **Caldicott Guardian** (NHS Caldicott Principles) – Director Adult Social Care

The role of Senior Leadership

The Chief Executive and Corporate Management Team (CMT) are responsible for ensuring that services are delivered in accordance with strategies and policies agreed by Council and in the best interests of the community. They also play a fundamental role in determining the strategic direction of the council and to ensure we reach our goals.

CMT meets formally every fortnight to oversee the operations of the organisation and receives reports for both challenge and comment prior to formal decision-making processes. Reports will also be presented to provide the required assurances regarding the strategic risks the organisation faces. These include periodic reports from the groups and boards established in certain critical areas such as the Change and Transformation; Health and Safety; IT Governance; Business Continuity; Corporate Risk, Information Governance and Housing Improvement.

The Council's wider Senior Leadership Team (SLT) made up of Corporate Directors and Directors is also responsible for ensuring that current laws and regulations are complied with and that the Council's policies are implemented in practice and monitored accordingly. The Council's Senior Leadership Team meets on a monthly basis.

The role of Cabinet

The Council currently operates a Leader and Cabinet executive model. The Leader and Councillors appointed to the Cabinet are collectively referred to as the Cabinet. The Cabinet makes key decisions in accordance with the Budget and Policy Framework. It has regular joint meetings, known as Policy Coordination Group (PCG) with the Corporate Management Team to consider the Council's policy priorities, the medium-term financial strategy and to receive operational and performance information

The role of Scrutiny

The Council has two Overview and Scrutiny Committee: the Community and Wellbeing Scrutiny Committee, and the Resources and Public Realm Scrutiny Committee.

Each Committee has distinct responsibilities for scrutinising the Council's Executive (the Leader and Cabinet) and covers different areas of the local authority's services. Policy is reviewed through reports considered at Committee meetings, as well as through task groups established to examine specific issues. A Budget Task Group, chaired each year by the Chair of the Resources and Public Realm Scrutiny Committee, provides additional oversight of financial planning. Committee meetings also scrutinise Cabinet Members and individual executive decisions. In addition, both Committees have a statutory duty to scrutinise the policies and decisions of external organisations and partner agencies.

The role of Members

Members play a central role in the Council's governance arrangements and are expected to uphold the highest standards of conduct, integrity and accountability. The Member Code of Conduct, together with specialist codes such as the Planning Code of Practice and the Licensing Code of Practice, is set out within the Constitution and forms part of the annual constitutional review. To support transparency, a register of Member interests and gifts and hospitality is maintained and reported quarterly to the Audit & Standards Advisory Committee.

All Members, whether newly elected or re-elected, are required to complete mandatory training every four years. This includes core areas such as Standards and the Code of Practice, Corporate Parenting and Safeguarding Children, Safeguarding Adults, Equalities, and Data Protection and Information Security. In addition, Members undertake compulsory committee-specific training for roles in Planning, Alcohol and Entertainment Licensing, Scrutiny, the Audit & Standards Committee, the Audit & Standards Advisory Committee and the Brent Pensions Fund. Training updates and Monitoring Officer Advice Notes are shared via the Members' Bulletin and the Hub, which provides easy access to learning materials and guidance.

Further induction and Code of Conduct training is provided to Members elected mid-term through by-elections. To support full engagement, the Council uses multiple channels, including email, calendar invitations, text message reminders and direct contact, to encourage attendance at face-to-face sessions and any required re-runs. Since 2020, the Audit & Standards Advisory Committee has received regular updates on Members who have yet to complete mandatory training, reinforcing the importance of compliance and continuous development.

Together, these arrangements ensure that Members are equipped with the knowledge, skills and ethical framework needed to carry out their roles effectively, make informed decisions, and provide strong and accountable leadership for the Borough.

Corporate values and behaviours

The Council's corporate values and behaviours - Collaborate Proactively, Lead Inclusively, Embrace Change, Be Bold and Curious, and Celebrate and Share Our Success - form an essential part of the governance framework. They promote a culture of openness, integrity and accountability, shaping how Members and officers work together and engage with residents. These values guide the way decisions are made, how risks are managed, and how services are delivered, ensuring that conduct is consistent with the Council's strategic objectives and ethical standards. While supported by wider workforce initiatives, including ongoing work to build an inclusive and adaptable organisation, the values themselves act as a shared foundation for effective governance and continuous improvement across the Council.

These values are reinforced through our Behavioural Framework, which clearly defines the behaviours expected of everyone against each of the values, regardless of role, and supports consistency in how the organisation operates.

Figure 3 – Our Values



Financial Management Framework

The Council's Financial Regulations form an integral part of its Constitution and, alongside Standing Orders, provide the regulatory framework governing the organisation's financial management. These Regulations are mandatory and apply to all officers, whether directly employed, contracted or engaged through an agency, in the conduct of financial and related matters. They set out the key requirements for financial management and control across a wide range of areas, including: principles of financial management, revenue budgeting, the capital programme, financial systems and accounting, procurement and contracting, ordering and payments, expenditure controls, income and debt management, external financial arrangements, risk management, control of resources, and the retention of financial records.

All officers and Members are expected to adhere to a set of core financial management principles. These include demonstrating strong organisational leadership and embedding sound financial management within the Council's culture; ensuring accountability for the effective management of budgets and risks; and maintaining accurate, meaningful and intelligible financial data to support transparency and informed decision-making.

The Council's financial management framework is further supported by the Medium-Term Financial Strategy and regular budget monitoring. Detailed financial reports are provided to departmental management teams, CMT, PCG and Cabinet, ensuring timely oversight of financial performance and enabling effective responses to variances, pressures, opportunities and risks.

The Council has also established a Budget Assurance Panel to provide focused oversight and challenge of in-year budget performance. The Panel supports early identification of financial risks, reviews the effectiveness of management actions and savings delivery, and ensures that budget monitoring is aligned with service performance and longer-term financial planning.

Performance Management Framework

The Council operates a comprehensive Performance Management Framework, supported by a balanced scorecard approach, to ensure that performance, financial delivery and strategic priorities are monitored effectively. Scorecards are reviewed regularly by CMT and PCG, and have been rolled out across all directorates to support consistent oversight of the latest performance and financial indicators. Cabinet Portfolio Holders routinely engage with directorate teams on these indicators, and Members play an important role in providing challenge and scrutiny. Performance is formally reported to Cabinet on a quarterly basis through the Quarterly Performance Report.

The framework strengthens the strategic alignment of performance monitoring and reporting. It places a strong emphasis on the use of data, benchmarking and clear outcome measures to drive improvement in service delivery and to support informed decision-making at all levels of the organisation.

A full suite of Key Performance Indicators (KPIs) have been developed to track progress against the outcomes set out in the Borough Plan 2023–2027: *Moving Brent Forward Together*. These KPIs measure “what success looks like” across the Borough Plan's five priority areas: Prosperity and Stability in Brent; A Cleaner, Greener Future; Thriving Communities; The Best Start in Life; and a Healthier Brent.

Together, these arrangements provide a robust framework for monitoring performance, ensuring accountability, and driving continuous improvement in outcomes for Brent's residents and communities.

The role of the Brent Assurance Board

The Brent Assurance Board meets quarterly to receive written reports on a wide range of governance and assurance matters to ensure that the Council's statutory duties are effectively discharged, efficiently implemented, and that any issues, risks, lessons learned, or examples of good practice are shared across the organisation.

The Board's membership comprises the Council's three key Statutory Officers - the Head of Paid Service, the Chief Finance Officer, and the Monitoring Officer - alongside the Deputy Director of Organisational Assurance and Resilience. Together, they oversee, scrutinise, and hold to account the Council's discharge of its statutory responsibilities in areas such as risk management and audit assurance, information governance, cyber security, whistleblowing, and corporate complaints, as well as safeguarding, health and safety (including Corporate Landlord duties), and wider governance matters.

The role of Internal Audit

The Council maintains an Internal Audit service that operates in accordance with the professional internal audit standards applicable to UK local authorities. The Head of Internal Audit (Deputy Director, Organisational Assurance and Resilience) has direct access to the Chief Executive, the Section 151 Officer, the Chair of the Audit and Standards Committee, and the Chair of the Audit and Standards Advisory Committee, ensuring the independence and authority required to perform this role effectively.

Internal Audit supports the Council by providing independent, objective and risk-based assurance and advisory services. Its work brings a systematic and disciplined approach to evaluating and improving the effectiveness of the Council's governance, risk management and internal control arrangements. Assurance activity focuses on how well systems and processes are designed and operating to mitigate risk, while advisory work helps strengthen those arrangements where improvements are needed.

Internal Audit also contributes to the Council's ability to serve residents and the wider public interest by providing assurance on operational efficiency, the reliability of reporting, compliance with laws and regulations, the safeguarding of assets, and the promotion of an ethical culture. The Council's response to Internal Audit's findings and recommendations is an integral part of maintaining strong governance.

The role of the Audit and Standards Advisory Committee

The Audit and Standards Advisory Committee plays an important role in the Council's governance framework by providing an independent and high-level focus on the adequacy and effectiveness of governance, risk and control arrangements for both internal challenge and public accountability. The Committee considers a number of matters relating to the Council's audit activity, regulatory framework, statement of accounts and members standard and code of conduct.

Governance and oversight of subsidiaries

The Council's governance responsibilities extend to its group activities, including its wholly owned subsidiaries, i4B Holdings Ltd (i4B) and First Wave Housing (FWH). The Annual Governance

Statement therefore reflects the arrangements in place to ensure that both companies operate in accordance with the Council's policies, objectives and regulatory obligations.

i4B was established to provide affordable, high-quality housing, reduce homelessness and deliver regeneration and financial benefits for the Council as its sole shareholder. It is a company limited by shares and plays a key role in providing accommodation for households who might otherwise require temporary housing. FWH, a company limited by guarantee without share capital, primarily provides secure, affordable and well-managed homes to Brent residents, contributing directly to the Council's Housing Strategy through the management, maintenance and improvement of over 200 rental properties.

The Council discharges its shareholder and guarantor responsibilities through formal governance structures. Twice-yearly Shareholder and Guarantor meetings—attended by the Chief Executive, Corporate Director of Finance and Resources, and the Deputy Leader—provide strategic oversight and examine governance, risk, operational delivery and financial performance. In addition, the operational and strategic performance of the companies is subject to scrutiny through relevant Council committees.

Both subsidiaries produce annual statutory accounts and business plans, which are reviewed and approved by the Council. A 30-year business plan is in place to support long-term financial sustainability and is monitored through regular reporting, including monthly performance updates. Governance within the companies is further supported by a Board structure comprising an independent Chair, two independent non-executive directors with finance and property expertise, and three internal directors, ensuring a blend of independence, professional insight and shareholder representation.

Together, these arrangements ensure that i4B and FWH operate with strong oversight, clear accountability and alignment to the Council's strategic priorities, delivering value to residents while managing risks appropriately within the group structure.

4. Key Governance Highlights for 2025-26

This section of the statement provides a summary of highlights of the Council's governance for 2025-26. While not intended to be exhaustive, it demonstrates how the Council's governance framework adapted and evolved to reflect changing circumstances and to ensure the Council continued to achieve the desired outcomes for residents and communities.

Place Leadership and Neighbourhood Engagement

During 2025–26, the Council strengthened its approach to place-based and neighbourhood-level governance through enhanced engagement with residents, voluntary and community organisations, faith groups and local partners. Long-established community forums, including the Disability Forum, Brent Pensioners' Forum and the Multifaith Forum, continued to play a vital role in representing marginalised groups and fostering inclusion, dialogue and cohesion across the borough. These forums bring together residents, carers, community leaders and partners to share insight, identify local priorities and help shape service responses.

To deepen this engagement, the Council expanded its Place Leadership approach, ensuring that local voices and community-level intelligence inform the design and delivery of services. Public Health teams strengthened locality working by engaging directly with communities as part of ongoing needs assessment and health-improvement activity. This approach was complemented by the work of the Communities team, which coordinated a broad range of collaborative initiatives across public, private, voluntary and faith sectors.

The Council's 'Have Your Say' consultation portal continued to provide a central platform for accessible and transparent engagement, supporting consultations on key issues such as the proposed 2026/27 budget, the Borough Masterplan, sexual health needs assessments and local air quality surveys. Neighbourhood-based engagement remained a core feature of governance through Brent Connects, which offers a structured forum for residents to discuss local priorities within their area. Recent Brent Connects discussions included topics such as the South Kilburn Trust, Stepping to Success and the Air Network initiative. Additional community-led events—such as Community Cohesion Days—further strengthened local relationships and collaborative problem-solving.

To support consistency and best practice, the Council launched a borough-wide Engagement Network in February 2025 and introduced a Consultation Best Practice Guide. Partnership-working objectives are also embedded at service level through Service Plans and contract documentation, ensuring alignment between strategic governance and operational delivery.

Together, these developments demonstrate the Council's continued commitment to place-based leadership, integrated neighbourhood working, and inclusive community engagement, contributing to stronger local partnerships, more responsive services and improved governance across Brent.

Embrace Change Portfolio

During 2025–26, the Council continued to strengthen the governance, oversight and delivery of the Embrace Change Portfolio, the Council's primary mechanism for driving transformation, supporting long-term financial sustainability and improving outcomes for residents. The Portfolio is structured around a series of cross-cutting change programmes, projects and enabling activities, each

underpinned by a set of principles focused on prevention, community power, collaboration and values-based delivery.

Each programme within the Portfolio has clear objectives, defined deliverables and measurable benefits. Many of the programmes address some of the Council's most significant strategic challenges, including Adult Social Care, Children's Services and homelessness prevention—areas where transformation can deliver the greatest positive impact for residents and create long-term organisational resilience. Delivering these programmes requires substantial changes to how the Council works with partners and communities, building on existing good practice while reshaping services to be more integrated, efficient and user-focused.

Significant progress has been made in strengthening the governance and assurance arrangements that support the Portfolio. Reporting and oversight at portfolio level have been enhanced, providing greater visibility of delivery progress, risks, dependencies and expected benefits. This improved governance ensures that transformation activities are aligned with corporate priorities, supported by robust financial and performance oversight, and able to respond effectively to emerging challenges. Overall, the Portfolio has continued to provide a coherent, disciplined and strategic framework for delivering organisational change at scale.

Equity, Diversity and Inclusion

During 2025–26, the Council made significant progress in strengthening the governance of equity, diversity and inclusion (EDI) across its decision-making and service delivery. EDI considerations continued to be embedded within core processes, including budget setting and business planning, where officers and Members are required to assess the potential impact of proposals on protected groups. Savings proposals undergo initial equalities screening, and where appropriate, full Equality Impact Assessments are undertaken, supported by cumulative assessments to identify any combined effects on residents with protected characteristics. This approach ensures that equity and inclusion remain central to day-to-day management, financial planning and strategic decision-making.

The Council is now in the second year of its Equity, Diversity and Inclusion Strategy 2024–27, which has strengthened organisational oversight and accountability. An internal EDI Board, chaired by the Chief Executive, oversees delivery of the strategy, ensures compliance with the Public Sector Equality Duty and champions EDI priorities across the organisation. Governance arrangements have also been enhanced through the Council's adoption of socioeconomic status and care experience as locally recognised protected characteristics, reflecting Brent's commitment to fairness, representation and addressing entrenched inequalities.

Building on its commitment to racial equity, the Council adopted a revised Black Community Action Plan (BCAP) in June 2025, co-produced with community partners. The refreshed plan focuses on five priority areas over the next four years:

1. Early Intervention: Children, Young People and Families
2. Tackling Health Inequalities
3. Developing Community-led Spaces
4. Homelessness and Homes
5. Employment and Enterprise Support

To strengthen transparency and accountability, an Independent Advisory Steering Group was established to provide external challenge and guidance. The Group meets publicly twice a year,

ensuring community feedback informs ongoing delivery. Internally, progress on BCAP objectives is monitored quarterly by the EDI Board, with service directors developing KPIs tracked through the EDI dashboard. Directors also engage directly with the Independent Advisory Steering Group to report on delivery and performance.

These strengthened governance arrangements - co-production, independent oversight, clear accountability structures and systematic EDI integration in decision-making - represent a notable shift from previous approaches. Together, they provide a more transparent, inclusive and robust framework for ensuring that equity, diversity and inclusion underpin the Council's policies, services and organisational culture.

Financial Management

The Council continued to demonstrate strong organisational resilience despite an increasingly pressured environment. Over the past year, the Council has successfully delivered a coordinated, cross-council approach to financial sustainability, underpinned by regular monitoring, timely mitigations, and strong collaboration across departments. The £10m of savings agreed by Full Council as part of the 2026/27 budget setting process is a central component of this approach. Directorates worked collectively to identify, refine, and implement savings proposals that contributed to reducing the budget gap while supporting the Council's long-term financial strategy.

Financial reporting processes were also strengthened. The Council also demonstrated its ability to deliver a clean and timely sign-off of the annual accounts, despite sector-wide delays in external audit timetables. In addition, Internal audit reviews and independent assessments confirmed that financial controls, risk management, and monitoring arrangements remain well-designed and generally effective, with issues identified early and responded to promptly.

Overall, the Council's ability to manage immediate pressures while maintaining sound financial governance provides assurance that core financial practices remain strong and continue to improve.

Housing & Tenant Satisfaction Improvement Programme

The Housing and Tenant Satisfaction Improvement Programme (HTSIP) was established by the Council in 2025 in response to significant concerns regarding housing quality, regulatory compliance, resident safety and satisfaction across the Council's c. 8,800 homes. The Programme aims to deliver safer, better maintained homes and a consistently higher-quality tenant experience.

The Programme comprises three major projects:

1. **Building Safety Compliance Project** - addresses Regulator of Social Housing (RSH) regulatory breaches (which we self-reported on), rebuilds compliance systems and processes, commissions required assessments, and oversees the remediation of safety issues, with a target of achieving C1 grade readiness by 2029.
2. **Housing Improvement Project** - focuses on improving the customer journey, employee lifecycle, business intelligence, and the Council's capability to act as a good landlord.
3. **Estate Community Safety & Public Realm Improvements** - delivers urgent fire safety actions, establishes new Gypsy and Traveller sites to alleviate overcrowding, and resolves legal and safeguarding issues associated with resident occupancy.

In response to these combined challenges, the Housing and Tenant Satisfaction Improvement Programme Board was set up to provide strategic oversight, ensure cohesive delivery, and manage interdependencies across projects. The Programme aligns directly with Brent's corporate priority of Prosperity and Stability in Brent, and is designed to accelerate improvements in

regulatory compliance, governance, data quality, workforce capability, operational performance, and resident outcomes.

Youth Strategy

In Spring 2025, the Council adopted a refreshed Youth Strategy 2025–2028, designed to support young people from a wide range of backgrounds and guide how the Council and its partners help them to thrive. The Strategy was co-produced with young people, who played a central role in shaping its themes, priorities and overall vision. It is intended to act as a “passport to the future”, speaking directly to young people in accessible, clear language and reflecting the issues they identified as most important.

The Strategy sets out four priorities developed by young people themselves:

1. Being Heard and Taking Part
2. Reaching Goals and Enjoying Yourself
3. Feeling Good
4. Staying Safe

Each priority is framed in young-person-friendly terms and is supported by vibrant, engaging visuals designed to ensure the Strategy is meaningful and accessible to those it serves.

To support effective implementation and oversight, a Youth Strategy Delivery Group has been established, bringing together Council officers, partners and young people. This group drives forward the action plan, monitors progress and ensures that young people remain active participants in shaping the services and opportunities that affect them. This strengthened governance structure represents an important shift towards deeper co-production, clearer accountability and sustained involvement of young people in strategic decision-making.

People Strategy

In 2025 the Council introduced a new People Strategy for 2025-28, setting out a clear organisational commitment to building an inclusive, future-focused, and resilient workforce. The strategy establishes the governance foundations for embedding our values, strengthening leadership capability, improving the use of workforce data, and ensuring directorate-level accountability for Equity, Diversity and Inclusion outcomes. It also outlines priority themes, including inclusive culture, future workforce planning, inspirational leadership, recruitment and resourcing, employer brand, wellbeing, and pay and reward, which will guide decision-making and monitoring throughout the strategy period.

Digital Roadmap

During 2025–26, the Council strengthened the governance, oversight and delivery arrangements underpinning its Digital Transformation Roadmap. In January 2026, Cabinet approved £8.74m to deliver the Digital Roadmap 2026–28, replacing the previous digital strategy and providing targeted investment to support transformation over the next two years.

The Roadmap supports the Borough Plan by improving digital confidence, enhancing efficiency and securing financial savings. Key areas of delivery include improvements to the Council’s website and customer portal, testing the use of artificial intelligence to enhance service effectiveness, and tackling digital exclusion through business support initiatives and device provision for vulnerable households. The programme is structured around three core ambitions: improving resident experience; empowering our organisation, teams and partners; and harnessing data and enabling collaboration

Robust governance arrangements ensure that the Digital Roadmap is strategically aligned, financially controlled and effectively delivered. Overall programme delivery is overseen by the Change Portfolio Board, with the Digital and Data Board providing strategic direction, monitoring progress and ensuring alignment with corporate priorities. Workstreams within the Embrace Change Portfolio report to the SRO Delivery Board, strengthening cross-programme coordination.

Financial oversight is provided through established corporate processes, including capital finance monitoring and savings governance arrangements. Capital-funded delivery and benefits realisation are reported quarterly to the Capital Programme Board, via the Corporate Landlord Board. A dedicated Programme Delivery Board is being established to coordinate operational delivery and report directly to the Digital and Data Board. A new benefits framework has been introduced to further strengthen the identification, tracking and realisation of benefits across the programme.

Political oversight is also embedded within the governance model. The Lead Member for Digital Transformation receives quarterly updates and provides strategic challenge, while Cabinet Members remain engaged in ongoing delivery and the development of future digital ambitions. Together, these governance arrangements ensure that the Digital Roadmap is delivered in a controlled, transparent and outcome-focused manner, supporting the Council's transformation objectives and helping to modernise services for residents, staff and partners.

AI Governance

The Council has continued to strengthen its governance arrangements for Artificial Intelligence (AI), ensuring that the use of emerging technologies remains lawful, ethical, transparent, and well controlled. Oversight is delivered through established structures, including the AI & Data Board, Technical Design Authority, Data Ethics Board and Cyber Security functions, supported by mandatory assurance processes such as Data Protection Impact Assessments (DPIA), AI Impact Assessments (AIIA), human-in-the-loop (HITL) safeguards, and controls to prevent unauthorised AI use. Strategic responsibility is clearly defined across Digital Transformation, ICT Solutions, Information Governance and Cyber Security, underpinned by the Council's in house AI Automation Centre of Excellence.

During 2025/26, the Council advanced its governance maturity in line with internal audit recommendations, progressing development of a Council wide AI Strategy, refreshing the AI Policy, strengthening procurement and vendor assurance, implementing a risk based foundational AI training framework and enhancing oversight through a consolidated AI register.

The Council is also preparing for more advanced AI capabilities through improved cyber and infrastructure readiness, resilient enterprise architecture, mitigation of multi-tenant cloud risks and a continued focus on explainability, transparency and resident trust. These arrangements provide assurance that AI-related risks are effectively managed and that the Council's approach remains proportionate, future focused and aligned with national and sector expectations.

Member Induction and Ongoing Development

The Council has strengthened its approach to Member induction and development to ensure elected Members are fully equipped to support the organisation in delivering against its strategic goals. A refreshed Member Induction Programme has been designed in readiness for after the May 2026 local elections in order to provide newly elected Members with a comprehensive understanding of the Council's functions, structures and priorities from the outset. This will include an initial programme of engagement sessions with CMT and SLT, enabling Members to gain early insight into how the organisation operates, how services interconnect, and how collective leadership supports the delivery of the Council's corporate objectives. This focus on cross-departmental understanding

is intended to reduce siloed working and strengthen Members' ability to contribute effectively to strategic decision-making.

The induction programme also includes a series of core workshops covering key areas of governance and statutory responsibility. Sessions on the Code of Conduct, governance frameworks, decision-making processes and constitutional structures ensure Members are familiar with the formal requirements of their role. A strong emphasis is also placed on financial awareness, including workshops on the Council's financial position, budgeting processes and the wider economic context, enabling Members to scrutinise financial information effectively and make informed decisions on resource allocation.

Recognising the current strategic priorities of the Council, the programme is currently intended to include focused workshops on critical service areas such as housing and homelessness, alongside operational briefings on the Council's case management and customer relationship management systems. Members are also supported to understand how to use the Members Enquiries system to log and monitor cases on behalf of constituents, enhancing both accountability and community responsiveness. Additional sessions outline the Council's communications functions to strengthen Members' ability to engage with residents and support transparent public messaging.

The induction is complemented by a mandatory training package covering safeguarding, standards and ethics, equality, diversity and inclusion, and organisational resilience. Together, these components ensure Members meet essential statutory and regulatory requirements linked to their role.

Beyond induction, the Council has established a year-round programme of continuous Member development. This programme is responsive to emerging legislation, changes in national policy, local developments, and evolving strategic goals. Training opportunities are regularly updated in collaboration with Members and officers, with both groups able to propose new topics or request additional support to meet identified development needs. This flexible, demand-led model ensures the Council maintains a well-informed and capable Member cohort, supporting strong governance, effective scrutiny and the delivery of high-quality outcomes for the community.

Senior Leadership Development

A leadership development programme is underway that involves all SLT members, aimed at looking at leadership styles and how teams can work better together. Key priorities have been identified to strengthen the leadership capacity and capability. Anti-racism training has also been delivered to this group and is now being cascaded to the whole organisation.

The programme will strengthen organisational effectiveness by building greater alignment, self-awareness and consistency in leadership approaches, improving collaboration and decision-making across teams. The identification of key priorities enhances leadership capacity and resilience, supporting stronger performance, change management and staff engagement. In addition, the delivery and cascading of anti-racism training reinforces a culture of inclusion and equity, setting clear expectations at leadership level and fostering a more inclusive, culturally competent organisation that is better equipped to deliver high-quality outcomes.

5. Review of Effectiveness

The Council's governance framework is subject to continuous review as part of the day-to-day management and oversight of the organisation. In a context of sustained pressure on public sector resources, it is increasingly important that governance arrangements remain efficient, proportionate and effective. In addition to this ongoing scrutiny, the Council is required to undertake a formal annual review of the effectiveness of its governance framework, including its system of internal control. This review also encompasses governance arrangements for significant group activities.

The annual review of effectiveness draws on a wide range of assurance sources. These include the work of Corporate Directors and senior managers, who are responsible for developing and maintaining sound governance within their service areas; the annual report and opinion of the Deputy Director of Organisational Assurance and Resilience (as Head of Internal Audit); and the findings of the external auditor and other independent review bodies and inspectorates, such as Ofsted. Together, these sources provide a comprehensive and balanced assessment of the robustness of the Council's governance arrangements.

The review of the effectiveness of the system of internal control is informed by:

- Directorate Assurance Statements
- the Annual Assurance Opinion of the Deputy Director of Organisational Assurance and Resilience
- performance against targets
- External Audit outcomes
- Internal Audit outcomes
- scrutiny arrangements
- reports from inspectorates
- previous performance information
- risk management arrangements
- information governance arrangements
- a review of progress against the previous year's Annual Governance Statement

The process applied in maintaining and reviewing the effectiveness of the governance framework is set out in the following sections.

Progress Against Prior-Year Actions

As part of the annual review of effectiveness, the Council began by evaluating progress against the actions set out in the 2024–25 Annual Governance Statement. This provided a structured starting point for assessing whether previously identified governance issues had been addressed and whether the actions taken had strengthened the Council's overall governance, risk management and internal control arrangements.

During 2025–26, the Council made substantive progress in delivering these actions, as summarised in the table below:

Improvement Area (2024–25 AGS)	Owner	Progress During 2025–26
<p>Work with the Regulator of Social Housing to ensure that actions relating to Fire Risk Assessments, water safety and asbestos are undertaken where required.</p>	<p>Corporate Director, Residents & Housing Services</p>	<p>Following identification of weaknesses through internal assurance activity, the Council made a self-referral to the Regulator of Social Housing and received a C3 judgement in May 2025 in relation to the Safety and Quality Standard. Specialist external advisers were engaged to undertake audits and root-cause analysis across all compliance workstreams. A comprehensive improvement plan has been developed and is overseen through the Housing and Tenant Satisfaction Improvement Programme.</p>
<p>Continue to develop and embed the corporate performance framework, incorporating recommendations from the Corporate Peer Challenge.</p>	<p>Director of Communications, Insight and Innovation</p>	<p>The corporate performance framework has continued to mature, with improved alignment to Borough Plan priorities, enhanced scorecards and strengthened reporting to senior management and Members. Recommendations arising from the Corporate Peer Challenge have been incorporated to strengthen assurance and performance challenge.</p>
<p>Deliver the Procurement Improvement Programme in response to the Procurement Peer Review.</p>	<p>Director of Commissioning, Capacity Building and Engagement</p>	<p>A Procurement Improvement Programme was established in May 2025. Progress has been made across leadership capacity, directorate engagement, contract segmentation, enhanced contract management arrangements, and development of revised procurement strategy and policy documentation. Further work is ongoing to embed improvements.</p>
<p>Develop leadership, coaching and mentoring programmes with a focus on equity, diversity and inclusion, and launch a new People Strategy.</p>	<p>Director of Human Resources & Organisational Development</p>	<p>A refreshed three-year People Strategy has been launched, supported by a detailed action plan. Leadership development, coaching and EDI-focused programmes have progressed, supported by strengthened governance oversight and monitoring of delivery and outcomes.</p>

Corporate Peer Challenge

The Council's most recent LGA Corporate Peer Challenge (CPC) took place in January 2025. As part of the process, the peer reviewers returned in November 2025 for a Progress Review which provided an opportunity for peers to understand and give feedback on progress made against the original recommendations which were, in broad terms, relating to:

- Financial planning and management
- Change and transformation
- Housing and temporary accommodation
- Partnerships and engagement
- People services
- Equity, diversity and inclusion

Overall, the Peer Review Team praised the council's progress across the recommendations, highlighting:

- The positive, cohesive working relationship across the managerial and political leadership.
- The progress in developing an organisational culture through our new values, People Strategy and refreshed staff networks.
- The Radical Place Leadership programme and launch of the Integrated Neighbourhood Team in Harlesden.
- The positive outcome of Brent's Local Area SEND Inspection.
- Steps taken to improve Housing Services, including to address challenges around temporary accommodation demand and spend.

In addition to recognising our progress, the Team also identified further opportunities, particularly around change and transformation (i.e. the Embrace Change Portfolio managed by the Portfolio Management Office) and financial planning and management

The Progress Review marks the end of the CPC's formal process. In response to the findings and feedback from the Progress Review the Council updated the CPC action plan, which was presented to Cabinet in January 2026.

Ofsted – Children's Services Focused Visit

A focused visit by Ofsted in November 2025 found that children in care in Brent continue to receive effective and well-led services, supported by an experienced and stable senior leadership team and strong political and corporate backing. Inspectors reported that leaders have a clear understanding of strengths and areas requiring improvement, and that recent progress in recruitment and workforce stability has had a positive impact on practice. Children benefit from stable and trusting relationships with social workers, regular visits and placements that reflect their cultural and individual needs. Disabled children were also found to receive good support.

Ofsted identified two areas for improvement: strengthening the consistency and rigour of responses to children who go missing from care, and improving the quality and timeliness of life-story work for children in long-term care. These areas have been incorporated into the Council's ongoing improvement activity. Overall, the findings provide external assurance that Brent's children's social care services remain strong, with clear plans in place to address areas requiring further development

Internal Audit

The Council receives assurance about the effectiveness of the corporate governance, internal control and risk management arrangements from the work of Internal Audit which provides independent and objective assurance across the whole range of the Council's activities. It is the duty of the Deputy Director of Organisational Assurance and Resilience to give an opinion (as the Council's Head of Internal Audit), at least annually, on the adequacy and effectiveness of internal control within the Council. This opinion has been used to inform the Annual Governance Statement.

The Deputy Director of Organisational Assurance and Resilience produces an annual report which will be presented to the Audit and Standards Advisory Committee. This report will outline the key findings of the audit work undertaken during 2025-26.

It is the opinion of the Deputy Director of Organisational Assurance and Resilience that, considering all available evidence from audit work undertaken in 2025-26, there is reasonable assurance over the adequacy and effectiveness of the Council's overall framework of governance, risk management and control during the financial year.

In determining the annual opinion, the Deputy Director of Organisational Assurance and Resilience also considered any key themes of issues emanating from audit work undertaken in 2025/26 and identified the following areas for improvement:

1. Assets and Valuations

The Council holds a large and diverse property portfolio that underpins service delivery, regeneration and income generation. Maintaining a complete and accurate asset register is therefore essential for robust financial reporting, effective asset management and compliance with CIPFA requirements. During 2025–26, Internal Audit identified significant weaknesses in the governance and control environment supporting the Council's two key registers: the Finance-led Fixed Asset Register (FAR) and the Property-led Property Asset Register (PAR). Governance and ownership were fragmented, the PAR was manual, incomplete and not CIPFA compliant, and there were no formal policies, clear responsibilities or systematic reconciliations between the registers. Sample testing highlighted data gaps, limited evidence, inconsistent Unique Property Reference Numbers and difficulties reconciling data across systems.

These issues present a material risk to the accuracy of property information, the reliability of capital accounting and the Council's ability to make informed asset decisions. They reflect both design weaknesses (lack of formal procedures, data standards and reconciliations) and operational issues (untimely updates and poor documentation). Their significance was reinforced during the 2023/24 external audit, where asset and valuation issues contributed to delays in finalising the accounts.

In response, and ahead of the 2024/25 accounts, the Council established cross-council working groups across Housing, Regeneration, Property, Legal and Finance to strengthen governance, address identified issues and improve data accuracy. Given the scale of the portfolio—over 15,000 assets, including acquisitions, disposals and assets under construction—this has been resource-intensive, requiring dedicated capacity for data collection, valuation liaison and coordination. While progress has been made, the volume of verification and revaluation work led to a three-week delay in producing the draft 2024/25 financial statements.

External Audit also noted that prior issues with property, plant and equipment balances affected audit timing. Variances between the FAR and valuation reports, and the need to correct supporting valuation data, delayed audit work and required some procedures to be repeated, underlining the need for stronger controls, clearer ownership and more reliable data.

Although governance and data quality have improved, further work will continue beyond year end to ensure consistent processes and high-quality asset information. A continued focus on formalising policies, clarifying roles, embedding reconciliations and strengthening data standards will be critical to securing long-term assurance and avoiding recurrence of previous issues.

2. Housing Compliance

The Council made a self-referral to the Regulator of Social Housing and, in May 2025, received a C3 judgement against the Safety and Quality Standard. This was not an overall assessment of the housing service but identified the need for significant improvement in key landlord health and safety areas. In response, the Council commissioned specialist external advisers to undertake audits and root cause analysis across compliance workstreams, providing independent assurance and informing a comprehensive improvement plan. This is now overseen through strengthened governance within the Housing and Tenant Satisfaction Improvement Programme, with integrated assurance via the Programme Board, including representation from Internal Audit.

During 2025–26, the Council continued to strengthen governance and assurance of housing compliance. A March 2025 self-assessment of data within the True Compliance system identified concerns in key building safety areas. Fire Risk Assessment actions had been recorded as complete without sufficient evidence, with similar issues in water safety and asbestos compliance. In addition, while stock condition data existed for most homes, survey records were missing for more than half of the stock.

3. Procurement Improvement Plan

A Procurement Peer Review in early 2025, driven by the Procurement Act 2025, External Audit findings and the Council's transformation programme, highlighted the need for more consistent practices, clearer accountability, stronger governance and improved oversight.

In response, a Procurement Improvement Programme (PIP) was established to address these weaknesses and strengthen governance, capability and compliance across procurement and contract management.

Internal Audit work in 2025–26 reinforced these findings, identifying ongoing issues including inconsistent controls, limited oversight, and gaps in performance monitoring and value for money. This underlines the need to ensure improvements are effectively embedded across the organisation.

Given the scale of change required, sustained focus is needed to implement the PIP, strengthen contract management and improve accountability, ensuring procurement delivers value for money and supports financial sustainability.

4. Cross-Council Ownership, Collaboration and Control Integration

Across multiple 2025–26 audits, Internal Audit identified a recurring issue of fragmented ownership and silo working where controls and risks span services. While controls often operate well within teams, weaknesses arise at service interfaces.

This was seen in reviews including Assets, Housing Compliance, Contract Management and Procurement, with common issues such as inconsistent data, unclear ownership, parallel processes and reliance on manual workarounds. Progress has also been limited where actions require cross-service collaboration.

Oversight exists but is not consistently supported by clear processes or consolidated information, reducing the effectiveness of second-line assurance and allowing issues to persist.

Improving cross-council collaboration, clarifying ownership and embedding stronger oversight will be key to enhancing control and resilience.

Overall, these areas reflect ongoing improvement activity rather than systemic failure, with clear management action underway. Continued focus will be required to ensure that improvements are embedded and deliver sustained enhancement to the Council's governance framework.

External Audit

Under the Local Audit and Accountability Act 2014, the Council's external auditors are required to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources (Value for Money). In carrying out this work, the auditors apply the framework set out in the National Audit Office's Code of Audit Practice, which requires assessment across three themes: financial sustainability, governance, and improving economy, efficiency and effectiveness.

For 2024-25, the auditors' commentary provided the Council with a clear assessment of both strengths and areas requiring further development.

a) Financial Sustainability

The auditors recognised the significant financial pressures facing the Council, particularly in demand-led services such as those related to housing and social care. Despite these challenges, the Council continues to maintain a structured and forward-looking approach to financial management. The Medium-Term Financial Strategy identifies an anticipated budget gap up to 2028 and sets out the work underway to address this through enhanced financial planning, strengthened transformation activity and delivery of savings through the Embrace Change Portfolio. The auditors also acknowledged the Council's established track record of responding to financial challenges, supported by findings from the recent Corporate Peer Challenge.

b) Governance

The auditors highlighted strong Member-officer working relationships and effective oversight arrangements as key features of the Council's governance. They noted the positive impact of the Audit and Standards Committee's increasing scrutiny and recognised the reasonable level of assurance provided by Internal Audit over core internal control and risk management arrangements. The auditors also identified opportunities to strengthen aspects of risk management, including ensuring more consistent and timely monitoring of risk actions at service level and embedding recent improvements in corporate risk practice.

c) Improving Economy, Efficiency and Effectiveness

The auditors' commentary reflected the Council's ongoing efforts to reshape services in line with its ambitions for prevention, early intervention and community-led delivery. Programmes such as the Harlesden "test, learn and grow" model were identified as promising examples of integrated working with partners and communities. The auditors also acknowledged the Council's work in response to the self-referral to the housing regulator following issues uncovered in the housing service, including subsequent actions required by the Regulator of Social Housing and the development of a Compliance Recovery Programme. These activities demonstrate the Council's commitment to improving service quality, strengthening assurance and learning from external challenge.

Risk Management

Risk management forms a core component of the Council's governance and assurance framework. As part of the annual review of effectiveness, the Council assesses how well risks are identified, evaluated and managed across the organisation to support the achievement of objectives. The Strategic Risk Report sets out the Council's most significant, cross-cutting risks and those with the potential to impact multiple services or the overall success of the authority. These risks are owned collectively by the Corporate Management Team and are formally reported twice a year.

During 2025–26, the Council continued to operate in a heightened and dynamic risk environment driven by a range of external pressures. Fourteen strategic risks were monitored throughout the year. While ten of these remained above their target risk scores, each had a clear and active mitigation plan in place, and the Council demonstrated continued maturity in its approach by refining controls and adapting risk responses where necessary. Notably, a new strategic risk relating to AI governance was introduced in-year, reflecting the Council's consideration of emerging and evolving risks.

Over the past two years, the Council has made substantial improvements to its risk management framework, enhancing assurance and strengthening corporate oversight. Key developments include the implementation of a revised Risk Management Strategy, the definition of a clear risk appetite, improvements to impact and likelihood metrics, the introduction of target risk scores, an expanded and more robust set of strategic risks, and a more comprehensive and transparent approach to presenting the Strategic Risk Report.

Overall, the evidence demonstrates that the Council has continued to strengthen its risk management arrangements and is taking proactive steps to ensure that risks are clearly understood, effectively managed, and appropriately overseen as part of the wider governance framework.

Performance Management

The Council's performance management arrangements continued to mature during 2025–26, with strengthened structures in place to support regular oversight, challenge and accountability. The enhanced Performance Management Framework and balanced scorecard approach enable senior officers and Members to track delivery against the Borough Plan priorities through clear outcome measures, robust data, and consistent monitoring processes. Performance information is routinely reviewed by CMT, Cabinet Portfolio Holders and Cabinet, ensuring that emerging issues and risks are identified early and responded to appropriately.

The performance framework has improved the alignment between strategic objectives, service delivery and resource planning. Indicators that monitor progress against the Borough Plan provide a rounded picture of organisational performance, highlighting both areas of strong delivery and those experiencing pressure. Where performance has been affected by increased demand or external factors, targeted improvement activity has been put in place, supported by cross-council governance through mechanisms such as the Embrace Change Portfolio and service-level action plans.

Overall, the Council's performance management arrangements contribute positively to the annual effectiveness review. They provide a transparent and evidence-based means of assessing progress, informing decision-making and supporting continuous improvement across the organisation. These arrangements also help ensure that risks, resource implications and service outcomes are considered in a joined-up way, reinforcing the Council's wider governance and assurance framework.

Directorate Assurance Statements

In April 2025, the Council introduced a new requirement for all Directorates to complete an Annual Governance self-assessment. This initiative reflected the Council's ongoing commitment to delivering high-quality services and maintaining robust governance practices. A report summarising the outcomes of the self-assessments was reported to the Council Management Team in January 2026, alongside a revised and enhanced self-assessment for 2025-26.

The revised approach introduces several key improvements, including a stronger emphasis on assurance. To reflect this shift, the process has been renamed Directorate Assurance Statements. It is structured into eight sections, each containing a series of requirements. The detail provided under each requirement serves as illustrative guidance rather than a prescriptive checklist. It outlines the types of evidence and practices typically expected to demonstrate assurance, while allowing Directorates flexibility to adopt alternative approaches that achieve the same level of confidence in effectiveness. The new assessment also focuses on evidencing assurance rather than simply confirming that processes exist.

The Directorate Assurance Statements therefore provide strong foundational evidence to underpin the wider body of assurance contained within this Annual Governance Statement.

6. Significant Governance Issues

The Annual Governance Statement is required to identify any significant governance issues that have arisen during the year and that require action to strengthen the Council's governance, internal control or risk management arrangements. Significant issues are those that could materially affect the Council's ability to achieve its objectives, deliver services, safeguard public funds, or maintain compliance with statutory and regulatory requirements. They may arise from the findings of internal and external audit, inspectorate reports, risk assessments, service performance, or the annual review of effectiveness.

This section summarises the significant governance issues identified during 2025–26, the reasons they meet the significance criteria, and the actions being taken to address them. Each issue is subject to ongoing monitoring through established assurance mechanisms, including the Corporate Management Team, the Brent Assurance Board, Audit & Standards Advisory Committee and relevant service governance structures, to ensure that progress is maintained and risks are effectively mitigated.

An action plan has also been developed and is shown in Appendix 1. This also includes and incorporates other areas of improvement noted within this statement.

Housing Compliance

During 2025-26, the Council undertook significant work to strengthen the governance and assurance of its housing compliance responsibilities. In March 2025, a self-assessment of data held within the True Compliance system highlighted concerns about the management of key building safety areas. In particular, actions arising from Fire Risk Assessments had been recorded as complete without sufficient evidence, and similar issues were identified in water safety and asbestos compliance processes. In addition, although the Council held stock condition information for the majority of homes, recorded survey data was missing for more than half of the stock.

In line with co-regulation requirements, the Council made a self-referral to the Regulator of Social Housing and, in May 2025, received a C3 judgement in relation to compliance with the Safety and Quality Standard. This judgement did not represent an overall regulatory assessment of the Council's housing service, but confirmed significant improvement is required in specific areas of landlord health and safety assurance. In response, the Council engaged specialist external advisers to undertake audits and root-cause analysis across all compliance workstreams, providing independent assurance and helping to shape a comprehensive improvement plan. This work is now overseen through strengthened governance arrangements within the Housing and Tenant Satisfaction Improvement Programme.

Alongside reflective audit activity, the Council has prioritised rapid operational improvements to strengthen oversight and provide reassurance to residents. This has included onboarding additional contractors, establishing a Housing Improvement Advisor role to provide independent and experienced support and critical friend challenge reconfiguring IT systems and recruiting specialist staff to enhance compliance capacity. The Council has also accelerated its Stock Condition Survey programme, with a commitment to survey 35% of homes in the current year and achieve full coverage by March 2028.

Together, these actions demonstrate the Council's commitment to addressing the weaknesses identified, improving the management of building safety and stock condition, and ensuring that compliance arrangements are robust, fully evidenced and subject to strengthened governance and monitoring.

Procurement Improvement Plan

A Procurement Peer Review was undertaken in January-March 2025 in response to significant external and internal drivers, including the implementation of the Procurement Act 2025, the requirements of the Council's wider Change Programme, and findings raised through External Audit. The purpose of the review was to assess whether procurement arrangements were robust, compliant and fit for purpose, and to identify areas where governance, capability and processes required strengthening.

The review highlighted the need for a more consistent and mature approach to procurement practice, clearer organisational accountability, and improvements to both strategic and operational oversight. In response, the Council established a Procurement Improvement Programme (PIP) in May 2025 to address the recommendations and to ensure that procurement governance aligns with statutory expectations, delivers value for money and supports the Council's financial sustainability.

The PIP is structured around five targeted workstreams designed to strengthen capability, control and assurance across the procurement lifecycle:

1. Staff Development, Culture and Capability

A new interim Head of Procurement was appointed in July 2025, accompanied by the recruitment of six permanent staff into previously hard-to-fill roles. Cultural development work, including staff workshops, is underway to improve professional standards and embed consistent practice.

2. Strategy and Policy

Work is progressing on a refreshed Procurement Strategy, an updated Social Value Policy, and new initiatives such as *Match My Project*, which aligns supplier-provided social value with local community needs.

3. Improved Directorate Engagement

Two Directorate Procurement Groups have been established to enhance collaboration between Procurement and service areas. These groups provide a structured forum for consultation, clarification of roles, and two-way communication on improvement activity.

4. Contract Management

More than 70 contracts have been segmented into tiers based on risk, with Platinum-level contracts escalated for executive oversight. Nineteen contract managers will receive practitioner training funded by the Cabinet Office. A more robust and centralised contract register is being implemented to improve monitoring and visibility of expiring contracts.

5. Operational Excellence

This workstream is focused on modernising procurement processes, improving performance monitoring through KPIs, and analysing the use of waivers and contract extensions to address underlying issues in commissioning and forward planning.

The Procurement Peer Review and resulting improvement programme demonstrate the Council's commitment to strengthening procurement governance during a period of significant legislative and organisational change. The PIP provides a clear structure for addressing identified weaknesses,

improving compliance with the new procurement regime, enhancing the capability of the workforce, and strengthening the management of contracts and suppliers.

While significant progress has been made, the scale and cross-cutting nature of the improvements required means that procurement remains an area of ongoing governance focus, with benefits realisation, cultural development, process reform and contract management oversight continuing into 2026–27. Progress will be monitored through established governance channels, including senior leadership oversight, financial governance processes and portfolio-level reporting through the Embrace Change Portfolio.

Assets and Valuations

The Council holds a substantial and diverse property portfolio which underpins service delivery, regeneration activity and income generation. Maintaining a complete and accurate asset register is therefore essential to ensuring robust financial reporting, effective asset management and compliance with CIPFA requirements. During 2025-26, Internal Audit identified significant weaknesses in the governance and control environment supporting the Council's two key registers: the Finance-led Fixed Asset Register (FAR) and the Property-led Property Asset Register (PAR). The review found that governance and ownership were fragmented, the PAR was maintained manually and was not complete or CIPFA-compliant, and there were no formal policies, defined responsibilities or systematic reconciliations between the two registers. Testing of a sample of properties revealed data gaps, limited supporting evidence, inconsistencies in Unique Property Reference Numbers and difficulties reconciling information across systems.

These weaknesses present a material risk to the accuracy of property information, the reliability of capital accounting entries and the Council's ability to make informed strategic asset decisions. They reflect both design issues, such as the absence of formalised procedures, data standards and reconciliation processes, and operational weaknesses, including untimely updates and insufficient documentation. The governance significance of these issues was reinforced during the 2023/24 external audit, where asset and valuation concerns contributed to delays in the completion of the financial statements.

Prior to this, and in preparation for the 2024/25 accounts, the Council established a number of cross-council working groups, bringing together Housing, Regeneration, Property, Legal and Finance, to strengthen asset governance, address the issues raised, and ensure services hold accurate and validated information on the assets for which they are responsible. Given the scale and complexity of the portfolio, comprising more than 15,000 assets including additions, disposals and assets under construction, this work has been resource-intensive. Dedicated capacity has been allocated to support data collection, liaison with valuers and coordination across service areas. While significant progress has been made, the scale of work required led to a three-week delay against the original timetable for producing the draft 2024-25 financial statements, reflecting the volume of data-verification and re-valuation activity required.

External Audit also noted that prior-year issues with property, plant and equipment (PPE) balances significantly affected the timing of the audit. Variances were identified in the reconciliation between the FAR and the valuation report, and supporting valuation information required correction before audit work could proceed. The delay in receiving a correct, fully reconciled valuation report meant that auditors had to repeat certain procedures, further reinforcing the need for stronger controls, clearer ownership arrangements and more reliable asset information.

While meaningful progress has been made in strengthening governance and improving data quality, further development will continue beyond year-end to ensure that asset-related processes are consistently applied across the organisation and that high-quality information is maintained. A

continued focus on formalising policies, clarifying roles, embedding reconciliation routines and improving data standards will be essential to securing long-term assurance and preventing recurrence of the issues experienced in previous audit cycles.

7. Forward Look

As we look ahead to 2026–27, our focus will be on strengthening the governance foundations set out in this year’s assessment and ensuring that improvements identified through the review process are fully embedded across the organisation. The coming year will see continued emphasis on enhancing transparency, refining our assurance mechanisms, and developing the capacity and capability needed to meet emerging strategic, financial and regulatory challenges. We will also build on the progress made this year by further modernising our governance framework, strengthening our approach to risk management, and ensuring that our decision-making arrangements remain resilient, responsive and aligned with our long-term organisational priorities.

1. Embedding the Embrace Change Portfolio as the Core Vehicle for Organisational Transformation

In 2026-27, the Council will prioritise further embedding the Embrace Change Portfolio, ensuring it continues to act as the primary driver of organisational transformation and improved outcomes for residents. This work will focus on maturing portfolio-level oversight, strengthening benefits realisation, and deepening alignment across programmes addressing major strategic challenges, including Adult Social Care, Children’s Services and homelessness. The next phase will continue to build on strengthened reporting, increased Programme Management Office capacity, clearer accountability and enhanced cross-council governance introduced during 2025–26.

2. Strengthening Financial Resilience and Medium-Term Sustainability

In a financial context marked by demand-led pressures, increased customer expectations, reduced reserves, and ongoing external scrutiny, the Council will continue to enhance financial resilience through more robust planning, improved financial monitoring and strengthened links between the Medium-Term Financial Strategy and transformation delivery. This will include accelerating the delivery of agreed savings, embedding lessons learned from recent external audit and peer review findings, and maintaining strong budgetary controls to ensure the organisation can respond effectively to future financial risks. These actions build on the strengthened financial management and reporting practices demonstrated during 2025–26

3. Completing and Embedding Major Compliance and Assurance Improvements (Housing, Assets and Procurement)

The year ahead will continue to focus on embedding the substantial improvements initiated in response to significant governance issues identified during 2025–26. This will include sustained delivery of the Housing and Tenant Satisfaction Improvement Programme, continued implementation of the Procurement Improvement Plan, and further strengthening of the Council’s asset and valuation governance arrangements. Given the scale and complexity of these areas—and their importance to statutory compliance, financial stewardship and resident confidence—each will remain a key area of corporate attention, with progress monitored through established assurance mechanisms such as the Brent Assurance Board, Corporate Management Team oversight and relevant programme boards.

Appendix 1 – Significant Governance Issues & Improvement Action Plan

Ref	Issue/Area	Key Actions for 2026-27	Responsible Lead(s)	Monitoring & Assurance Route
Significant Governance Issues				
SG1	Housing Compliance	<ul style="list-style-type: none"> a) Complete delivery of priority fire safety, water safety and asbestos compliance actions. b) Deliver agreed Stock Condition Survey programme, ensuring full coverage trajectory towards 2028. c) Embed revised compliance processes, data improvements, and strengthened evidence requirements within business-as-usual operations. d) Sustain oversight through HTSIP Programme Board and independent assurance activity. 	Corporate Residents Services; Housing Director, & Housing Director of	Housing & Tenant Satisfaction Improvement Programme Board; Brent Assurance Board; Audit & Standards Advisory Committee
SG2	Procurement Improvement Plan	<ul style="list-style-type: none"> a) Finalise and adopt refreshed Procurement Strategy, Social Value Policy and supporting guidance. b) Embed new capability and culture improvements, including professional standards, training and c) Directorate Procurement Groups. d) Implement strengthened contract management framework and complete training for contract managers. e) Reduce waiver usage and improve forward planning for contract renewals. 	Interim Head of Procurement; Director of Strategic Commissioning, Capacity Building and Engagement	Procurement Improvement Programme Board; CMT; Audit & Standards Advisory Committee

Ref	Issue/Area	Key Actions for 2026-27	Responsible Lead(s)	Monitoring & Assurance Route
SG3	Assets and Valuations	<ul style="list-style-type: none"> a) Finalise and embed formal policies, roles and responsibilities for asset governance. b) Implement systematic reconciliation processes between FAR and PAR, supported by improved data standards. c) Address data quality gaps identified in prior audits and maintain accurate records to support the 2025–26 accounts. d) Strengthen cross-council working arrangements for valuation cycles and asset management. 	Corporate Director of Finance & Resources; Director of Property & Assets	Asset Governance Working Group; CMT; Audit & Standards Advisory Committee; External Audit engagement
Improvement Actions				
IA1	Financial Sustainability Risks	<ul style="list-style-type: none"> a) Continue to deliver the Embrace Change Portfolio savings and transformation benefits. b) Strengthen alignment between MTFS, transformation activity and directorate-level financial management. c) Maintain enhanced budget monitoring and early intervention framework. d) Integrate financial risk considerations more consistently into strategic and service-level risk management. 	Corporate Director of Finance & Resources; Corporate Directors	CMT; Cabinet; Resources & Public Realm Scrutiny; Audit & Standards Advisory Committee
IA2	Risk Management Maturity	<ul style="list-style-type: none"> a) Embed revised Risk Management Strategy and risk appetite across all directorates. 	Deputy Director, Organisational Assurance & Resilience	Brent Assurance Board; CMT; Audit & Standards Advisory Committee

Ref	Issue/Area	Key Actions for 2026-27	Responsible Lead(s)	Monitoring & Assurance Route
		<ul style="list-style-type: none"> b) Strengthen consistency of service-level risk monitoring, including timely updates to risk actions. c) Enhance reporting quality for Strategic Risk Report and link risks more closely to performance management framework. 		

The Audit Plan for the London Borough of Brent

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Year ending 31 March 2026

Date of issue: April 2026

Agenda Item 11



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The backstop

The future of the backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations require audited financial statements to be published by a specific date. The upcoming backstop dates are as follows:

- for years ended 31 March 2026 by 31 January 2027
- for years ended 31 March 2027 by 30 November 2027; and
- for years ended 31 March 2028 by 30 November 2028.

The Regulations are supported by the National Audit Office's (NAO) Code of Audit Practice 2024. The backstop dates were introduced to clear the backlog of historic financial statements and support the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

Local audit recovery

The Authority is currently not impacted by the backstop arrangements, with recent years of accounts signed off with unqualified opinions, in advance of backstop dates. The Authority has continued to work towards the audit deadlines and facilitate audit delivery.

Our work

To meet future statutory deadlines, for the 2025-26 financial year we will be working towards an internal deadline of 30 November 2026 to complete all local authority audits, as a dry run for future years.

We wrote to Minesh Patel, Corporate Director Finance and Resources, in March 2026 setting out audit timeframes for 2025-26 and onwards to ensure we continue to deliver the audit of the London Borough of Brent within expected audit timeframes and the statutory deadline.

We set out our proposed timetable for the 2025-26 audit on page 33 of this Audit Plan.

Introduction and headlines (1)



Purpose

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

Respective responsibilities

The National Audit Office (‘the NAO’) has issued the Code of Audit Practice (‘the Code’). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of London Borough of Brent.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Authority’s and Group’s financial

statements that have been prepared by management with the oversight of those charged with governance (the Audit and Standards Authority); and we consider whether there are sufficient arrangements in place at the Authority and Group for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that arrangements are in place to use resources efficiently in order to maximise the outcomes that can be achieved as defined by the Code of Audit Practice.

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

Our audit approach is based on a thorough understanding of the Authority and Group and is risk-based.

Introduction and headlines (2)

Significant risks

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

- Management override of control
- Valuation of other land & buildings
- Valuation of council dwellings
- Valuation of the pension fund net liability
- Risk of fraud in revenue recognition – (ISA (UK) 240 Presumed – rebutted for all revenue streams)
- Risk of fraud in expenditure recognition (rebutted) and other risk of completeness of expenditure

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

Materiality

We determine planning materiality to be £24.4m (PY £22.6m) for the Group and £23.2m (PY £22.5m) for the Authority, which equates to 2% of your prior year gross operating costs for the year.

We are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. As part of our risk assessment, we considered the impact of unadjusted prior period errors. We did not identify any additional risks as a result of this exercise. Clearly trivial is set at £1.22m (PY £1.13m) for the Group and £1.16m (PY £1.12m) for the Authority.

We determined a specific lower materiality of £20,000 per individual, for senior officers’ remuneration and termination benefits.

Group audit

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

- First Wave Housing Ltd
- Barham Park Trust
- I4B Holdings Ltd
- LGA Digital Services Ltd

Value for money arrangements

Our risk assessment regarding your arrangements to secure value for money identified the following significant weaknesses which were raised in 2024-25:

- Medium-term financial planning challenges.
- Identification of a pipeline of recurrent savings and income generation schemes.
- Non-compliance of the Authority’s housing stock with the Regulator of Social Housing’s Quality and Safety Standard.

We will continue to monitor and update our risk assessment and responses until we issue our 2025-26 Auditor’s Annual Report.

Introduction and headlines (3)

Audit logistics

We agreed with management that our advance audit work will take place in April, and our final audit visit will take place mid-June to mid-September. Our key deliverables are this Audit Plan, our Audit Findings Report, the audit opinion, and Auditor's Annual Report.

Our proposed fee for the audit is £560,502 (PY: £626,235) for the Authority, subject to the Authority delivering a good set of financial statements and working papers, no significant changes in scope to the Audit, management being responsive to audit requests, and the provision of sufficient appropriate audit evidence when requested.

We have complied with the Financial Reporting Authority's Ethical Standard (revised 2024) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified (1)

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

Significant risk	Audit team's assessment	Planned audit procedures
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.</p> <p>Risk relates to – Authority and Group</p>	<p>The Authority faces external scrutiny of its spending, and this could potentially place management under undue pressure in its reporting of financial performance.</p> <p>We therefore identify management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.</p>	<p>Our audit procedures include, but are not limited to:</p> <ul style="list-style-type: none"> • Evaluate the design and implementation effectiveness of management controls over journals. • Analyse the journals listing using data analytics and determine risk-based criteria for selecting high risk unusual journals. • Test identified high risk journal entries made during the year and after the draft accounts stage, for appropriateness and corroborate to supporting evidence. • Gain an understanding of the accounting estimates and critical judgements made by management and consider their reasonableness. • Evaluate the rationale for changes in accounting policies, estimates or significant unusual transactions.



“In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK).” (ISA (UK) 315).

In making the review of unusual significant transactions “the auditor shall treat identified significant related party transactions outside the entity’s normal course of business as giving rise to significant risks.” (ISA (UK) 550).

Significant risks identified (2)

Significant risk	Audit team's assessment	Planned audit procedures
<p>Valuation of land & buildings</p> <p>Under ISA 540 (UK) and ISA 315 (UK), auditors are required to determine the assessed risk of material misstatements in relation to accounting estimates. This involves considering the extent to which an accounting estimate is subject to estimation uncertainty, including the degree of complexity, subjectivity, or other inherent risk factors that could affect the susceptibility of the estimate to material misstatement due to fraud or error.</p> <p>Risk relates to – Authority and Group</p>	<p><u>Land & buildings (2024-25 £976.3m)</u>: Measured at current value using the depreciated replacement cost or existing use value methods. The assets are subject to a rolling five-yearly valuation cycle in accordance with the CIPFA Code. In intervening years, current value is updated using appropriate indexation, unless a desktop valuation is required due to absence of a suitable index. The Authority will adopt this approach for the first time in 2025-26, it is a substantial change to the accounting for non-current assets.</p> <p>Management engages external valuation experts (Wilks Head and Eve) to carry out these valuations as at 31 March. The valuation of land & buildings represents a significant estimate in the Authority's financial statements due to the size of the numbers involved, the sensitivity of this estimate to changes in key assumptions and market conditions, and overall level of judgements involved.</p> <p>We therefore identify the valuation of land & buildings is a significant risk of material misstatement due to the inherent risk of material misstatement arising from error.</p> <p>Our work will focus in the areas where we consider the risk to be most pertinent:</p> <ul style="list-style-type: none"> • Assets where the valuation movement differs significantly to what we would expect based on market indices and our knowledge of the assets. • Assets where we are aware of a significant change in any of the key assumptions from the prior period. • Any other factors which we consider will increase the risk of material misstatement in a particular asset. 	<p>Our audit procedures include, but are not limited to:</p> <ul style="list-style-type: none"> • Evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation expert and the scope of their work. • Evaluate the competence, capabilities and objectivity of the valuation expert engaged by management. • Evaluate the consistency of the disclosure with the valuation report. • Evaluate the basis on which the valuations were carried out. Evaluate and challenge the information and assumptions used by the valuer. • Evaluate the reasonableness of the assumptions used to form the estimate. • Review indices used and application to asset classes. • Evaluate the accounting entries for the valuation. • Test, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authority's asset register and financial statements.

Significant risks identified (3)

Significant risk	Audit team's assessment	Planned audit procedures
<p>Valuation of council dwellings</p> <p>Under ISA 540 (UK) and ISA 315 (UK), auditors are required to determine the assessed risk of material misstatements in relation to accounting estimates. This involves considering the extent to which an accounting estimate is subject to estimation uncertainty, including the degree of complexity, subjectivity, or other inherent risk factors that could affect the susceptibility of the estimate to material misstatement due to fraud or error.</p> <p>Risk relates to – Authority</p>	<p><u>Council dwellings (2024-25 £883.1m)</u>: Measured at current value using the existing use value for social housing and re-valued cyclically using the Beacon methodology, on a rolling 5-yearly basis.</p> <p>Management engages external valuation experts (Wilks, Head and Eve) to carry out these valuations as at 31 March.</p> <p>The valuation of council dwellings represents a significant estimate in the Authority's financial statements due to the size of the numbers involved, the sensitivity of this estimate to changes in key assumptions and market conditions, and overall level of judgements involved.</p> <p>We therefore identify the valuation of council dwellings is a significant risk of material misstatement due to the inherent risk of material misstatement arising from error.</p>	<p>Our audit procedures include, but are not limited to:</p> <ul style="list-style-type: none"> • Evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation expert and the scope of their work. • Evaluate the competence, capabilities and objectivity of the valuation expert engaged by management. • Evaluate the consistency of the disclosure with the valuation report. • Evaluate the basis on which the valuations were carried out. Evaluate and challenge the information and assumptions used by the valuer. • Test a sample of Beacon properties in respect of council dwellings, to consider whether their valuation assumptions are appropriate and representative of other Beacon properties within the Beacon group. • Evaluate the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.

Significant risks identified (4)

Significant risk	Audit team's assessment	Planned audit procedures
<p>Valuation of the pension fund net liability</p> <p>Under ISA 540 (UK) and ISA 315 (UK), auditors are required to determine the assessed risk of material misstatements in relation to accounting estimates. This involves considering the extent to which an accounting estimate is subject to estimation uncertainty, including the degree of complexity, subjectivity, or other inherent risk factors that could affect the susceptibility of the estimate to material misstatement due to fraud or error.</p> <p>Risk relates to – Authority and Group</p>	<p>The valuation of the pension fund net liability (2024-25: £216.9m) represents a significant estimate in the financial statements.</p> <p>Management engages Hymans Robertson as the Authority's actuarial expert to conduct the pension valuation in accordance with IAS 19, as at 31 March 2026.</p> <p>The pension fund net liability is a complex series of judgements and calculations involving significant assumptions including the discount rate, projected salary increases, retirement ages and mortality rates. The valuation is sensitive to changes in assumptions, methods or judgements. It is therefore considered a significant estimate, and we identify it as a significant risk for the audit due to the inherent risk of material misstatement arising from error.</p> <p>We pinpointed the significant risk to:</p> <ul style="list-style-type: none"> • Key assumptions applied by the actuary. • Significant changes in assumptions applied from the prior year. • Material experience gain or losses recorded in the accounting period. • Other factors considered to increase the risk of material misstatement based on auditor judgement. 	<p>Our audit procedures include, but are not limited to:</p> <ul style="list-style-type: none"> • Update our understanding of the processes and evaluate the controls put in place by management to ensure the Authority's pension fund net liability is not materially misstated. • Evaluate the instructions issued to the actuarial expert regarding the scope of work. • Assess the competence, capabilities and objectivity of management's expert actuary. • Assess the accuracy and completeness of the information provided by management to the actuary to complete the pension fund valuation. • Test the consistency of the pension fund asset and liability disclosures in the financial statements with the actuarial report. • Undertake procedures to confirm the reasonableness of the actuarial assumptions used to form the estimate. • Obtain assurances from the auditor of Brent Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data; and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. • If a pension asset is recorded, ensure that the asset recorded in the financial statements meets the requirements of IFRIC 14.

Significant risks identified (5)

Significant risk	Audit team's assessment	Planned audit procedures
<p data-bbox="112 462 631 534">Risk of fraud in revenue recognition (rebutted for all streams)</p> <p data-bbox="112 548 631 696">Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p data-bbox="112 711 631 896">This presumption may be rebutted if the auditor concludes there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p data-bbox="112 925 545 996">Risk relates to – Authority and Group</p>	<p data-bbox="652 462 1610 682">In our risk assessment of all revenue streams for the Authority and Group, we considered the risk factors set out in ISA 240 and nature of the revenue streams at the Authority and Group. Based on the assessment, we rebut the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams.</p> <p data-bbox="652 711 1610 896">This is due to the low fraud risk in the nature of the underlying transactions and the fact that it would require a significant number of transactions to be misstated to cause a material misstatement. We determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul data-bbox="652 911 1610 1168" style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities means that all forms of fraud are seen as unacceptable, indicating a satisfactory control environment exists in the Authority to mitigate the risks of fraud. 	<p data-bbox="1658 462 2440 496">Our audit procedures include, but are not limited to:</p> <ul data-bbox="1658 511 2440 1068" style="list-style-type: none"> • Confirm our understanding of the revenue business process and determine if there are any relevant controls. • Evaluate the Authority's accounting policy for recognition of income for appropriateness and compliance with the Code. • Agree, on a sample basis, relevant income and year-end debtors/income accruals to invoices and cash payment or other supporting evidence. • Carry out testing on sample basis of invoices issued in the period prior to and following 31 March 2026 to determine whether income is recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties.
<p data-bbox="652 1202 1610 1345">We do not consider this to be a significant risk for the Authority and Group and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure the judgement remains appropriate.</p>		

Significant risks identified (6)

Risk	Description	Planned audit procedures
<p>Fraud in expenditure recognition</p> <p>Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result, under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.</p> <p>Risk relates to – Authority and Group</p>	<p>We identified and completed a risk assessment of all material expenditure streams for the Authority and Group. We considered the risk that expenditure may be misstated due to the improper recognition of expenditure for all material expenditure streams and concluded that there is not a significant risk. This determination is based on the low fraud risk inherent in the nature of the underlying transactions, as well as the immaterial nature of both individual and collective expenditure streams.</p> <p>Our fraud risk assessment in respect of expenditure considered the following:</p> <ul style="list-style-type: none"> - There is little incentive to manipulate expenditure recognition; - Opportunities to manipulate expenditure recognition are limited; and - The culture and ethical frameworks of local authorities, including that of the Authority, mean that all forms of fraud are seen unacceptable. <p>However, despite rebutting the risk of fraud in expenditure recognition, we assessed an increased risk of error in estimation and cut-off processes at year-end in respect of the completeness of expenditure. Such as we considered the volume of transactions at year-end and the process of estimation involved in manual year-end accruals, in respect of accurately capturing and recognising expenditure within the correct financial period. We do not consider this to be a significant risk for the Authority and Group but will keep this consideration under review through the audit to ensure the judgement remains appropriate.</p>	<p>Our audit procedures include, but are not limited to:</p> <ul style="list-style-type: none"> • Inspect transactions incurred around the end of the financial year to assess whether they were included in the correct accounting period. • Inspect a sample of accruals made at year-end for expenditure but not yet invoiced to assess whether the valuation of the accrual was consistent with the value billed after the year-end. • Investigate manual journals posted as part of the year-end accounts preparation that reduce expenditure to assess whether there is appropriate supporting evidence for the reduction in expenditure.

Other matters

Other work

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

- We read your Narrative Report and Annual Governance Statement and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Authority.

We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.

We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.

- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements
 - issuing a report in the public interest or written recommendations to the Authority under section 24 of the Local Audit and Accountability Act 2014 (the Act)

- application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
- issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

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

Our approach to materiality (1)

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

Description

Determination

We determined planning materiality (financial statement materiality for the planning stage of the audit) based on professional judgement in the context of our knowledge of the Authority and Group, including consideration of factors such as stakeholder expectations, sector developments, financial stability and reporting requirements for the financial statements.

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Other factors

An item does not necessarily have to be large to be considered to have a material effect on the financial statements.

Reassessment of materiality

Our assessment of materiality is kept under review throughout the audit process.

Planned audit procedures

We determine planning materiality to:

- Establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
- Assist in establishing the scope of our audit engagement and audit tests.
- Determine sample sizes.
- Assist in evaluating the effect of known and likely misstatements in the financial statements.

An item may be considered to be material by nature when it relates to instances where greater precision is required.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Our approach to materiality (2)

Description	Group £	Authority £	Qualitative factors considered
Materiality for the financial statements	24,430,000	23,208,500	<p>We considered materiality from the perspective of the users of the financial statements. The Authority prepares an expenditure-based budget for the financial year with the primary objective being the provision of services to the local community, therefore gross expenditure is deemed the most appropriate benchmark. This benchmark was also used in the prior year.</p> <p>We consider it appropriate to apply 2.0% of the 2024-25 gross expenditure figure. This is in line with the Grant Thornton guidance for financial statements materiality. We deem this to be appropriate for the Group and the Authority as there were no significant matters coming to our attention suggesting a lower benchmark percentage was appropriate.</p>
Trivial matters	1,221,000	1,160,000	This is 5% of materiality.
Materiality for specific transactions, balances or disclosures – Senior officers' remuneration and exit packages	20,000	20,000	We identify senior officer remuneration and termination benefits as disclosures for which we apply a lower materiality. These disclosures are considered sensitive to the public and users of the financial statements. An amendment of £20,000 or more would have a quantitatively and qualitatively material impact on the relevant disclosures in the financial statements.

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Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

Progress against prior year audit recommendations (1)

We identified the following issues in our 2024-25 audit of the Authority's financial statements, which resulted in 20 recommendations (17 from the financial statements audit and 3 from the IT audit) being reported in our 2024-25 Audit Findings Report. At the time of performing this risk assessment, we have not followed up on management's responses to the prior year recommendations (the 2024-25 recommendation were issued at the end of February 2026). We will follow up on progress as part of our year-end audit work.

Assessment	Issue and risk previously communicated	Management response to 2024-25 audit recommendation
In progress	<p>1. Journal poster and approver</p> <p>9 out of 20 journals tested were found to be posted by an individual outside of their remit. Furthermore, managers who approved these journals in the system had prepared the journals and instructed the individual to post them, before subsequently approving them in the system. For the 9 journals identified, we confirmed that an additional level of approval was obtained outside the Oracle system.</p> <p>This creates a significant segregation of duties issue within the journal process and raises concerns about potential management override. We flag this as a significant control deficiency as we cannot confirm whether the additional approval was consistently applied across all cases.</p>	<p>Management will review controls for journals and issue a revised Required Financial Practice Note in 2025-26 and provide training to finance staff to ensure that the required controls are understood.</p>

Progress against prior year audit recommendations (2)

Assessment	Issue and risk previously communicated	Management response to 2024-25 audit recommendation
In progress	<p data-bbox="318 408 588 436">2. IFRS16 – Leases</p> <p data-bbox="318 458 1505 639">Our testing of lessee arrangements identified several minor errors that indicate management’s processes for preparing the lease note require improvement. Although individually immaterial, these issues resulted in significant additional audit work and highlight weaknesses in oversight, exacerbated by staff turnover, which increases risk of material errors in future years. The following issues were identified:</p> <ul data-bbox="318 646 1505 1053" style="list-style-type: none"> <li data-bbox="318 646 1505 718">• Leases incorrectly included in both lessor and lessee schedules; and incomplete listings provided. <li data-bbox="318 725 1505 753">• Lease note required significant revision to ensure accuracy and compliance. <li data-bbox="318 761 1505 789">• Multiple conflicting versions of the lessor note shared with audit. <li data-bbox="318 796 1505 868">• Leases were marked ‘unspecified’ where contracts could not be located and no payments were made. <li data-bbox="318 875 1505 946">• Overstatement of rent expense led to an incorrect minimum revenue provision charge. <li data-bbox="318 953 1505 1025">• Incorrect or incomplete application of PWLB rates; and use of implicit interest rates instead of PWLB rates. <li data-bbox="318 1032 1505 1053">• Incorrect assumption that all new leases commenced on 1 April. 	<p data-bbox="1538 408 2423 589">Management will undertake a comprehensive review of the lease accounting processes to ensure they are robust and clearly documented. This documentation will include detailed guidance for key stakeholders on their responsibilities for record-keeping and the correct application of interest rates.</p> <p data-bbox="1538 611 2423 825">To strengthen oversight and accuracy, all lease working papers will undergo a formal review and approval by the Head of Finance prior to submission. In addition, an enhanced business process will be implemented to prevent duplication of leases across lessor and lessee schedules, ensuring data integrity and consistency.</p> <p data-bbox="1538 846 2423 953">To build capability and reduce the risk of future errors, targeted training will be delivered to relevant staff to reinforce compliance with IFRS 16 requirements and internal procedures.</p>

Progress against prior year audit recommendations (3)

Assessment	Issue and risk previously communicated	Management response to 2024-25 audit recommendation
In progress	<p data-bbox="321 368 1131 396">3. Inconsistencies throughout the statement of accounts</p> <p data-bbox="321 418 1442 525">We identified variances between the prior year signed financial statements and the prior year comparatives included in the 2024-25 draft financial statements. There were also inconsistencies between related notes that should align.</p> <p data-bbox="321 546 1442 682">Management attributed these differences to rounding; however, variances ranged from £0.3m to £0.5m (typically, we only consider rounding differences of approximately £0.1m). Such inconsistencies may cause confusion for readers of the financial statements.</p>	<p data-bbox="1488 368 2372 475">Management is in process of reviewing working papers and ensuring figures are cross-referenced correctly for current and prior years.</p>
In progress	<p data-bbox="321 711 631 739">4. Journal user listing</p> <p data-bbox="321 761 1442 903">The journal user listing was inaccurate, with incorrect start and termination dates. Some users marked as terminated were still active. This issue also aligns with IT Audit's findings, which highlighted the risk that management does not currently monitor who is logging into the Oracle system.</p>	<p data-bbox="1488 711 2372 968">The report for Journal Users has now been updated to only include active workers and exclude pending workers (which was the case in the audit finding). Management can report at any time who has logged into Oracle and at present we monitor this on a quarterly basis to check those users who have not logged in over 90 days that their access is made inactive after contacting their managers to check if they may be on long-term absence.</p>
In progress	<p data-bbox="321 1011 861 1039">5. Capital grants received in advance</p> <p data-bbox="321 1061 1442 1239">Due to time pressures, management did not complete work on capital grants received in advance and it was not included within the draft financial statements. The capital grants received in advance figure is immaterial. We have performed additional work to gain assurance that the omission does not cause material misstatement of the accounts.</p>	<p data-bbox="1488 1011 2372 1082">Management will review the timetable to ensure this is included for 2025-26.</p>

Progress against prior year audit recommendations (4)

Assessment	Issue and risk previously communicated	Management response to 2024-25 audit recommendation
In progress	<p>6. Capital accruals</p> <p>In our creditors and expenditure completeness testing, 3 errors were identified arising from management not completing their year-end review of capital accruals.</p> <p>The absence of these reviews results in incorrect recording of expenditure and increases the risk of material misstatement in the financial statements.</p>	<p>Management acknowledges the audit finding and agrees with the recommendation. A formal review of capital accruals will be incorporated into the year-end timetable to ensure completeness and accuracy of financial reporting including:</p> <ul style="list-style-type: none"> • Adding a mandatory review and sign-off step for all capital accruals within the year-end process. • Aligning the review process with the finance team's year-end close schedule to ensure timely completion. • Communicating the revised procedure and training with Finance and service teams ahead of the 2025-26 year-end close.
In progress	<p>7. Reconciliation between OVR310 and HB subsidy workbook</p> <p>We noted one customer and client receipts key sample with the difference of £48,607 between the OVR310 report and the NEC final HB workbook. Management explained that this discrepancy is due to timing differences between the subsidy year closing and the financial year-end, which are not perfectly aligned. The OVR310 report is run based on the financial year.</p>	<p>The OVR310 report and HB subsidy workbook will be reconciled at the year-end.</p>
In progress	<p>8. Intangible assets not amortised</p> <p>Management identified that five assets with finite useful lives were not amortised during the year due to the incorrect useful life set up in the system. We re-performed management's workings to confirm this finding and did not identify other instances.</p> <p>These assets currently have a net book value of £1.1m which is a trivial overstatement of the balance sheet for 2024-25. While the impact is immaterial for the current year, if not addressed by management, there is a risk that this issue could become material in future periods.</p>	<p>Management will review assets with missing useful lives and ensure that these are updated in 2025-26 accounts.</p>

Progress against prior year audit recommendations (5)

Assessment	Issue and risk previously communicated	Management response to 2024-25 audit recommendation
In progress	<p data-bbox="321 344 1085 369">9. 'Last revalued' record omitted from Asset Manager</p> <p data-bbox="321 391 1493 458">In our PPE valuations work we are required to assess the level of uncertainty within the assets not revalued during the year.</p> <p data-bbox="321 479 1493 615">Asset Manager does not have a dedicated 'Last revalued' date functionality, which makes this exercise difficult. A 'Last effective' date column exists which can be used as a proxy for when an asset is last revalued, but it is not 100% accurate – the date may be updated or changed for reasons not as a result of a revaluation.</p> <p data-bbox="321 636 1493 743">We gained assurance that the assets not revalued in 2024-25 are materially correct, however in order to arrive at this assessment, additional audit work was required.</p>	<p data-bbox="1531 344 2257 369">"Last revalued" is a field available in Asset Manager.</p> <p data-bbox="1531 391 2410 522">Management will consider using this functionality for all assets revalued in 2025-26 going forwards, however given how many assets the Authority has, it is not practical to retroactively add last revalued dates to all assets.</p>
In progress	<p data-bbox="321 772 652 798">10. Depreciation policy</p> <p data-bbox="321 819 1493 1001">In testing asset disposals we identified a trivial error of £0.245m relating to an IT system disposed during the year but is still in use. This issue arose due to the Authority's depreciation policy, which fully depreciates assets even when they remain in use. This issue could extend to other assets that have been fully depreciated but remain operational.</p>	<p data-bbox="1531 772 2410 951">The asset project will work with the Shared Technology service to establish a process for maintaining an inventory of all the assets (both hardware and software) they own to provide their service to the Authority. This will also include a requirement for them to provide an updated useful life each year.</p>
In progress	<p data-bbox="321 1036 728 1062">11. Rent review memorandum</p> <p data-bbox="321 1083 1493 1265">In testing lessor leases, we noted that rent uplifts were applied but management was unable to provide rent review memorandums or other written confirmation evidencing review and authorisation. In our view this is a control deficiency in the documentation and retention of rent reviews, increasing the risk of unauthorised or incorrect rent changes.</p>	<p data-bbox="1531 1036 2410 1296">Property has a current process for 'market based' rent reviews that is supported by valuation reports and delegated authority approvals. Property plans to address this recommendation by expanding this process to also cover indexation rent reviews. Management will implement an internal delegated authority-style sign-off for CPI/RPI indexation cases as well. This would evidence verification of the CPI data and calculation.</p>

Progress against prior year audit recommendations (6)

Assessment	Issue and risk previously communicated	Management response to 2024-25 audit recommendation
In progress	<p>12. Delayed responses to legal inquiries</p> <p>When we requested responses from law firms regarding litigations and claims involving the Authority, we encountered significant delays. Several firms were unwilling to answer audit-related questions. Additionally, response times were very slow, which caused delays to the audit process and required extensive follow up from the audit team.</p>	Management accepts the recommendation.
In progress	<p>13. Schools' expenditure reconciliation</p> <p>In testing schools' expenditure, we identified a trivial difference of £0.551m between the accounts and the transaction listing. This variance was due to an omission from the listing relating to a school that converted to academy status in September 2024. There is no formal reconciliation between the between listings provided for audit and the accounts.</p>	Reconciliations between listings provided for audit and the accounts will be formally completed as part of the year-end close process to ensure completeness and to identify and resolve any variances on a timely basis. In addition, management will implement a review of all schools converting to academy status during the year to confirm they are appropriately accounted for at year-end.
In progress	<p>14. Misclassification of action reason for work hour changes</p> <p>The changes in circumstances reports include entries under the 'Action reason' column marked as 'Change in work hours'. However, entries do not always reflect an actual change in total weekly working hours or FTE.</p> <p>Management confirmed that managers often select the incorrect action reason when submitting changes, or errors occur when payroll staff record and process these changes. Management clarified that the report is used solely for audit purposes and does not impact the accounts.</p>	<p>Management is introducing Oracle Guided Learning (OGL) for the Oracle Change of Contract process. This will prompt managers to use the correct Action Types and Action Reasons when submitting a request. This will work across all change of contract types and hope to have this implemented by 31 January 2026.</p> <p>The new report (mentioned in action plan issue 8 above) will show all change of contract transactions for a given period with the status of each and will also show each level of approver on completed changes. Will look to have this implemented by 28 February 2026.</p>

Progress against prior year audit recommendations (7)

Assessment	Issue and risk previously communicated	Management response to 2024-25 audit recommendation
In progress	<p data-bbox="321 368 631 396">15. Journals checklist</p> <p data-bbox="321 418 1442 522">Management’s journal processes require a journals checklist to be included as part of supporting journal evidence. We identified instances where the checklist was not included.</p> <p data-bbox="321 544 1472 682">In discussion with management, we understood that the quality control process is intended to include a review of journal entries and their supporting documentation, including the checklist. Where evidence is insufficient, the journal poster will be held accountable.</p> <p data-bbox="321 704 1442 886">Management confirmed that this control is not currently being performed. We reviewed the contents of the journal checklist and consider it an important element of the Authority’s internal processes. However, we do not believe its absence significantly increases the risk of fraud or material misstatement in the financial Statements.</p>	<p data-bbox="1513 368 2423 511">Management will review the controls for journals and issue a revised Required Financial Practice Note in 2025-26 and provide training to finance staff to ensure that the required controls are understood.</p>

Progress against prior year audit recommendations (8)

Assessment	Issue and risk previously communicated	Management response to 2024-25 audit recommendation
In progress	<p data-bbox="321 368 1309 439">16. Completeness of change in circumstances reports / retrospective payroll change reporting</p> <p data-bbox="321 454 1386 676">In sampling from the payroll changes in circumstances (CICs) listings, we noted that the 2024-25 reports have CICs with effective start dates dating back to 2021, hence showing changes occurring in previous financial years. Management informs that managers often submit payroll requests for changes retrospectively, contributing to incomplete listings for each financial year.</p> <p data-bbox="321 691 1386 762">We challenged management, who confirmed that the report is only used for audit purposes and therefore does not impact the accounts.</p>	<p data-bbox="1421 368 2430 662">A change request has been raised with Version 1 to see if a report can be developed which captures all the details on the current 'Transactions Manager: Transactions' screen, as well being able to put in parameters of the date range of when requests may have been submitted, and also include on the report fields to show who the current approval is sitting with or waiting for and from what date it has been with that particular approver. Management awaits a proposal for what may be possible before starting development and implementation.</p> <p data-bbox="1421 676 2430 859">Management can currently report on basic details of transactions that are that have been submitted together with their current status who all the approvers in the workflow are, who it has been submitted by and date it was submitted, with details of who the current approval is with being able to be drilled down on the system for each transaction.</p>

Progress against prior year audit recommendations (9)

Assessment	Issue and risk previously communicated	Management response to 2024-25 audit recommendation
In progress	<p data-bbox="318 375 958 411">17. Appropriate recognition of exit packages</p> <p data-bbox="318 425 1161 461">IAS 19 requires recognition of exit packages at the earlier of:</p> <ul data-bbox="318 461 886 532" style="list-style-type: none"> <li data-bbox="318 461 886 496">• The employee accepting the offer; and <li data-bbox="318 496 754 532">• The date the offer was made. <p data-bbox="318 546 1480 696">In testing of the current year exit package listings, we detected individuals that were incorrectly included in Note 31 as their offers of redundancy were made (date of redundancy letter) after the 2024-25 financial year. This issue caused significant delays on the completion of the remuneration disclosure testing due to:</p> <ol data-bbox="318 696 1110 809" style="list-style-type: none"> <li data-bbox="318 696 1110 732">a) The listings not containing the relevant information to determine appropriate classification; and <li data-bbox="318 732 626 809">b) Redundancy letter. 	<p data-bbox="1510 375 2397 518">Management confirmed they will incorporate this and communicate with HR to ensure they have the relevant redundancy letters readily available to improve the efficiency in the 2025-26 audit.</p>

Progress against prior year audit recommendations – IT audit (1)

Assessment IT audit issue and risk previously communicated

Management response to 2024-25 audit recommendation

In progress

1. Excessive system administrative permissions assigned to business users

During IT Audit's review of Oracle Fusion, it was noted that certain business users, primarily from the HR and Payroll teams, were assigned system roles that included permissions for 'Manage menu customisations' and 'Functional setup manager'.

Management was unable to confirm whether the users required all of the assigned permissions for their job responsibilities, as these permissions appear to include system administrative access and may provide elevated privileges beyond what is necessary for their business functions.

The risk here is where system administrative permissions are assigned to business users without clear justification, there is a risk of unauthorised or unintended changes being made to system configurations. This may compromise system integrity, weaken segregation of duties, and increase the likelihood of errors or misuse of privileged access.

Version 1 was supplied with a scoping document for supporting management with work related to identifying any risks with excessive administration access as well ensuring appropriate privileges are aligned with business needs.

Management awaits a proposal from Version 1 on what may be possible together with a timeline.

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In progress

2. Unnecessary system permissions not revoked promptly following user position change

During IT Audit's review, it was identified that a user who had transitioned from a financial to a non-financial role retained certain financial system permissions beyond the effective date of the role change. Management clarified that although some financial system roles were not removed, the permissions could not be used to make changes to system data without other roles that had already been revoked.

Where system access is not promptly updated following a change in user role, there is a risk that individuals may retain inappropriate access, potentially enabling unauthorised or erroneous transactions. Additionally, such accounts could be exploited by other users to bypass internal controls.

There is a currently a process for checking position changes on a daily basis, where unnecessary roles will be removed. The example identified was a manual check that was missed. Additional training has been completed and process notes have been reviewed to ensure that the process is followed consistently going forward.

Progress against prior year audit recommendations – IT audit (2)

Assessment	IT audit issue and risk previously communicated	Management response to 2024-25 audit recommendation
In progress	<p data-bbox="321 439 978 468">3. Limited user access logging and monitoring</p> <p data-bbox="321 489 1243 786">During IT Audit's review, it was noted that system logging for user access and activity was limited. Specifically, the logs to capture user login history and record significant actions performed within the system were not enabled. Furthermore, there was no formal process in place for the routine monitoring of user activities, particularly for high-risk users. This hinders the timely identification of suspicious behaviour or unauthorised access and delayed appropriate remedial action.</p> <p data-bbox="321 808 1243 1022">Without formal and regular reviews of system access and activity logs, inappropriate or anomalous user behaviour may go undetected. This increases the risk of unauthorised changes to configurations or data, particularly by privileged users, and may delay investigation and corrective action in the event of a security incident.</p>	<p data-bbox="1284 439 2435 546">Reports are available showing user login history and these are reviewed regularly to ensure users with administrative roles are only accessing the system in line with their job roles.</p> <p data-bbox="1284 568 2435 711">A change request has been raised with Version 1 to review current audit logging in Oracle Cloud as well as the feasibility of reporting on key modifications in the system, we are awaiting confirmation before taking this further, as audit logging work for specific financially critical areas has been previously completed.</p>

IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audits and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audits will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach. We will perform the indicated level of assessment:

IT application	Audit area	Planned level IT audit assessment
Oracle	Financial reporting ledger	<ul style="list-style-type: none"> • Detailed ITGC assessment (design and implementation effectiveness only) • Understanding of IT general controls • Understanding of IT environment • ITGC segregation of duties analysis • Cyber security work plan

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Group audit scope and risk assessment

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

Component	Risk of material misstatement to the Group	Planned audit approach and level of response required under ISA (UK) 600 Revised	Response performed by	Risks identified	Auditor
London Borough of Brent	Yes	Audit of the entire financial information of the component	Group auditor	Refer to pages 7 to 12 of this Audit Plan	Grant Thornton UK
First Wave Housing Ltd	No	Specific audit procedures	Group auditor	None	Grant Thornton UK
Q+B Holdings Ltd	No	Specific audit procedures	Group auditor	None	Grant Thornton UK
LGA Digital Services	No	Analytical procedures	Group auditor	None	N/A
Barham Park Trust	No	Analytical procedures	Group auditor	None	N/A

No key changes within the Group were identified as part of our risk assessment procedures.

Fraud and litigation

We have not been made aware of any actual or attempted frauds in the year during our planning procedures performed to date. Should any factors arise in relation to fraud risk or actual or attempted fraud we ask that you inform us of this at the earliest possible opportunity.

Involvement in the work of component auditors

We will not involve or rely on the work of component auditors, given the limited area in subsidiaries requiring testing. Instead, we will conduct testing for significant accounts and transactions at the Group-level.

Interim audit

Detail of planned work

The backstop date is moving earlier in the year, as a result and to ensure that all work can be completed by the end of September, we are conducting an interim visit (March-April) as a key part of the audit approach. Interim visits should be treated with the same importance as final accounts and include regular catch-ups between management and the audit team to facilitate this work. A plan of the areas to be covered is set out below and is agreed with management.

Description	Work commentary
Review of prior year recommendations	Review of progress against audit recommendations we raised in the prior year.
Payroll	<ul style="list-style-type: none"> • Select and test a sample of starters, leavers and changes in circumstance • Review monthly payroll reports to month 11
Advance testing areas	Select and test samples of: <ul style="list-style-type: none"> – fees and charges income – operating expenditure
Significant changes in policy	We will inquire/perform a review of the Authority's approach to PPE valuations and implementation of indexation within the revaluation cycle.

Value for money arrangements

Approach to value for money work for the period ended 31 March 2026

The National Audit Office updated its Code of Audit Practice in November 2024. The Code expects auditors to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report a commentary each year under the specific reporting criteria and where significant weaknesses in arrangements are identified. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement was introduced from November 2025. The three specified reporting criteria are set out below:

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Financial sustainability

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



Governance

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



Improving economy, efficiency and effectiveness

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



We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our AAR. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. Any significant weaknesses identified will be reflected in our AAR and included within our audit opinion.

Risks of significant weakness in VFM arrangements (1)

Risk assessment of the Authority's VFM arrangements

The Code of Audit Practice 2024 (the Code) sets out that the auditor's work is likely to fall into three broad areas: planning; additional risk-based procedures and evaluation; and reporting. We undertake initial planning work to inform this Audit Plan and the assumptions used to derive our fee. Consideration of prior year significant weaknesses and known areas of risk is a key part of the risk assessment for 2025-26. We will continue to evaluate risks of significant weakness and if further risks are identified, we will report these to those charged with governance. We set out our reported assessment below:

Criteria	2024-25 Assessment of arrangements	2025-26 Risk assessment	2025-26 Risk-based procedures planned
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 165</p> <p>Financial sustainability</p>	<p style="text-align: center; font-size: 2em; color: red; font-weight: bold;">R</p> <p>Identified two significant weaknesses in relation to: medium-term financial planning (MTFP); and the identification of a pipeline of recurrent savings and income generation schemes. Two improvement recommendations raised on effective implementation of the property strategy, and for the DSG deficit recovery strategy and strengthened HRA financial planning to be reflected in the MTFS.</p>	<p>Risks of significant weakness in arrangements for MTFP and identification of a pipeline of recurrent savings and income generation schemes.</p> <p>At the time of planning, we assume the prior year findings continue as risk areas, pending further work. We note that:</p> <ul style="list-style-type: none"> The MTFP continued to assume £30m gap, although £10.4m of proposal was developed, awaiting approval to close the 2026-27 gap in full. We will update our risk assessment for changes since 2024-25 and the impact of the Fair Funding Review 2.0. At 2025-26 Q2 the Authority appeared to be on track to deliver 91% of its savings target for 2025-26. 	<p>Given the risks of significant weakness identified, we will undertake additional risk-based procedures focusing on arrangements for the MTFP and identification of a pipeline of recurrent savings and income generation schemes.</p> <p>We will consider how the Authority is progressing against all aspects of the prior year key and improvement recommendations.</p>

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendation(s) made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Risks of significant weakness in VFM arrangements (2)

Criteria	2024-25 Assessment of arrangements	2025-26 Risk assessment	2025-26 Risk-based procedures planned
Governance	<p>A</p> <p>No risks of significant weakness reported and one improvement recommendations made regarding arrangements for producing statutory financial statements.</p>	<p>No risks of significant weakness identified.</p>	<p>As no risk of significant weakness is identified, no additional risk-based procedures are specified at this stage.</p> <p>We will undertake sufficient work to document our understanding of your arrangements as required by the Code and follow up the improvement recommendation made in 2024-25.</p>
Improving economy, efficiency and effectiveness	<p>R</p> <p>One significant weakness identified as the Regulator of Social Housing (RSH) reported in May 2025, that the Authority did not comply with the Quality and Safety Standard.</p>	<p>Risk of significant weakness identified in relation to the non-compliance with the RSH Quality and Safety Standard reported following the Authority’s self-referral in 2025.</p> <p>At the time of planning, we assume the prior year finding continues as a risk, pending further work to confirm.</p>	<p>Given the risk of significant weakness identified, we will undertake additional risk-based procedures focusing on arrangements for the compliance with the Quality and Safety Standard.</p> <p>We will assess management’s response to the judgement, pending re-inspection, from enquiries of officers, obtain informal communication with the RSH, and detailed reporting on progress to the Authority’s committees.</p>

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- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendation(s) made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Risks of significant VFM weaknesses

As part of our initial planning work, we considered whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources where we needed to perform additional procedures. The risks we identified are detailed on the table overleaf along with the further work we will perform. We will continue to review the Authority's arrangements and report any further risks of significant weaknesses we identify to those charged with governance. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the table below.

Potential types of recommendations

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Statutory recommendation

Written recommendations to the under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the . We have defined these recommendations as 'key recommendations'.



Improvement recommendation

Auditors may also include areas for improvement or to keep in view even if they do not identify any underlying significant weaknesses in arrangements. These recommendations set out actions for consideration which are not a result of identifying significant weaknesses in arrangements, but which if not addressed could increase the risk of a significant weakness in future periods.

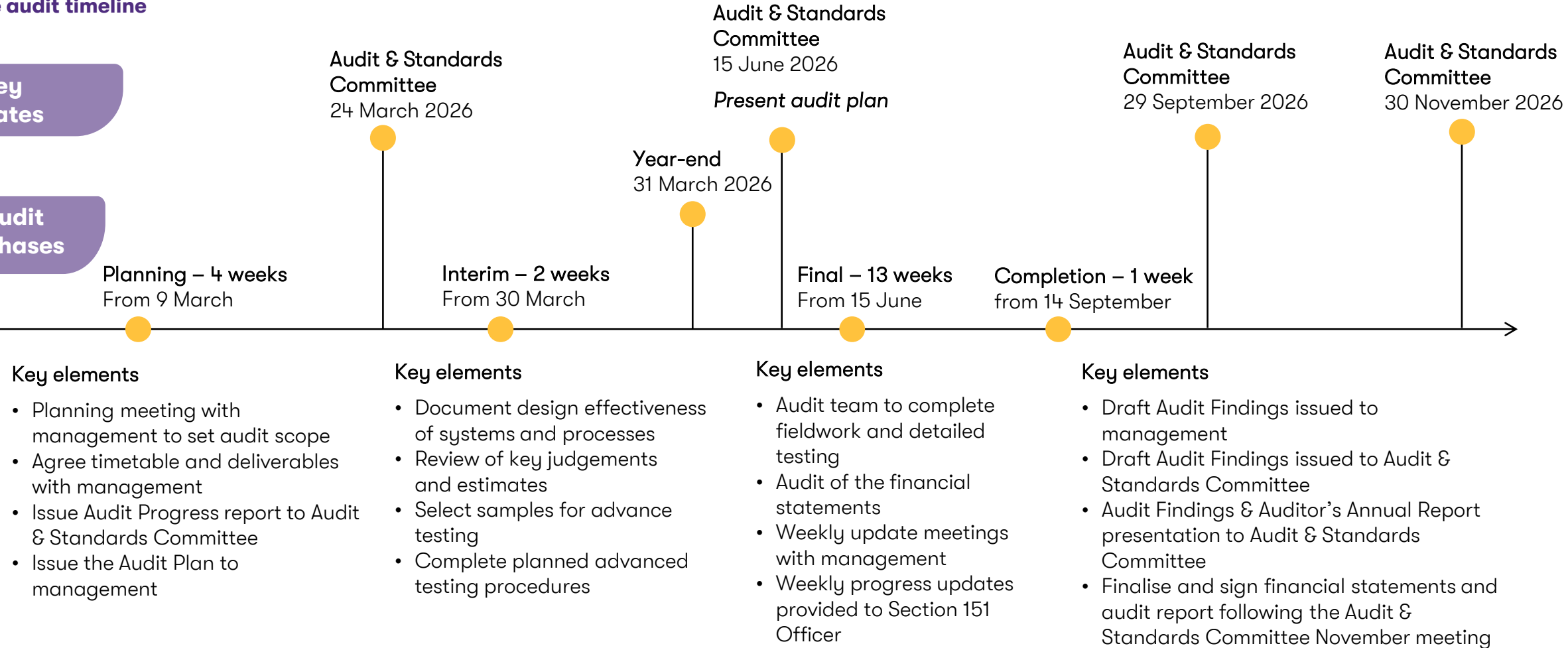
Logistics

The audit timeline

Key dates

Audit phases

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Our team and communications

Grant Thornton core team

Sophia Brown
Key Audit Partner

- Key contact for senior management and Audit and Standards Committee
- Responsible for overall quality assurance

Sheena Phillips
Senior Audit Manager

- Works with your senior finance team members
- Responsible for overall audit management, audit delivery and reporting
- Resource management

Louis Niven
Audit In-charge

- Day-to-day point of contact
- Leads the audit fieldwork

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	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	<ul style="list-style-type: none"> • Annual client service review 	<ul style="list-style-type: none"> • Audit Plan • Audit progress report and sector updates • Audit Findings • Auditor’s Annual Report 	<ul style="list-style-type: none"> • Audit planning meetings • Weekly audit progress update • Communication of issues log • Audit clearance meetings 	<ul style="list-style-type: none"> • Technical updates • Chief accountants’ workshop
Informal communications	<ul style="list-style-type: none"> • Open channel for discussion 	<ul style="list-style-type: none"> • Discussion of audit issues as they arise 	<ul style="list-style-type: none"> • General audit matters 	<ul style="list-style-type: none"> • Notification of up-coming issues

As part of our overall service delivery we may utilize colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK, and receive the same training and professional development as our UK-based team. They work as part of the engagement team, reporting directly to Sophia and Sheena, and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

Our fee estimate (1)

Our fee estimate

We set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the Authority will:

- prepare good quality sets of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant estimates made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.
- Our fee estimate also assumes that you will engage suitably competent experts to assist management in the following areas:
 - valuation of other land & buildings, council dwellings and valuation of pension fund net liability.

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Entity	Audit fee for 2024-25 £	Proposed fee for 2025-26 £
Brent Council audit	626,235	560,500
I4B Holdings Ltd audit	52,600	52,400
First Wave Housing Ltd audit	49,500	49,200
Brent Pension Fund audit	97,946	104,507
Total (Exc. VAT)	826,281	766,607

Previous year

In 2024-25 the Authority's scale fee set by PSAA was £545,235. The actual fee charged for the audit, excluding audit of subsidiary companies and the pension fund was £626,235.

Our fee estimate (2)

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2024\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

PSAA

Local Government Audit fees are set by PSAA as part of their national procurement exercise. In 2023 PSAA awarded a contract of audits for the Authority to begin with effect from 2023-24. The scale fee set out in the PSAA contract for the 2025-26 audit is £560,502.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous audit year or opinion issued (but not before 1 December 2025)
- Production of the draft audit planning report to audited body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here [Fee Variations Overview – PSAA](#)

Updated auditing standards

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

Independence considerations (1)

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers, and network firms). In this context, we disclose the following to you.

Matter	Threats	Safeguards	Conclusion
<p>For 2025-26 Sophia Brown, key audit partner for Brent Council, is in her sixth year of engagement with the Authority (this includes time prior to Sophia becoming the Brent Council engagement lead from 2023-24).</p> <p>We disclosed Sophia's period of engagement with PSAA and the firm's Ethics function. Sophia's appointment has been extended for a further two years (covering the 2025-26 and 2026-27 audit cycles).</p> <p>As well as obtaining PSAA and firm Ethics approval for the 2-year extension, the safeguards described here will be applied and are considered sufficient to mitigate any familiarity threat arising from Sophia's association with the Authority.</p>	Familiarity	<ul style="list-style-type: none"> • Involvement of an Engagement Quality Control Reviewer for 2025-26 and 2026-27. • Involvement of GT Quality Support Review (QST) in the planning and audit fieldwork processes to provide independent review. <p>Both safeguards are to be applied to give oversight and independent review to mitigate the threat of familiarity.</p>	We conclude that our independence is not compromised due to the safeguards applied.

Independence considerations (2)

As part of our assessment of our independence at planning, we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Authority or Group that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Authority, Group or investments held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Authority or Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Authority or Group.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Authority or Group's board, senior management or staff.

We confirm that there are no significant facts or matters that impact on our independence at planning as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services (1)

The following table sets out non-audit services charged from the beginning of the financial year to the date of issue of this audit plan, as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

The following non-audit services are consistent with the Group's policy on the allotment of non-audit work to your auditor and have been approved by the Audit and Standards Committee. None of the below services were provided on a contingent fee basis.

For the purposes of our audit, we made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to the London Borough of Brent. The table summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fees in that the level of the fee for non-audit services is not significant in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, there is no contingent element to this fee.

Assurance service fees

Service	Fees £	Threats Identified	Safeguards applied
T+B Holdings Limited 2025-26 financial statements audit	52,400	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work plus variable fees in comparison to the total fee for the audit of £560,502 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
First Wave Housing Limited 2025-26 financial statements audit	49,200	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work plus variable fees in comparison to the total fee for the audit of £560,502 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.

Table continues overleaf

Fees and non-audit services (2)

Assurance service fees

Service	Fees £	Threats Identified	Safeguards applied
Brent Pension Fund 2025-26 financial statements audit	104,507	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work plus variable fees in comparison to the total fee for the audit of £560,502 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification 2025-26 Pooling Capital Receipts	10,000	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £10,000 in comparison to the total fee for the audit of £560,500 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification 2025-26 Teachers' Pension Return	12,500	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £12,500 in comparison to the total fee for the audit of £560,500 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification 2024-25 Housing Benefit Subsidy	29,220	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £29,220 in comparison to the total fee for the audit of £560,500 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.

Fees and non-audit services (3)

Assurance service fees

Service	Fees £	Threats Identified	Safeguards applied
Certification 2024-25 Teachers' Pension Return	12,500	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £12,500 in comparison to the total fee for the audit of £560,500 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification 2023-24 Housing Benefit Subsidy	28,550	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £28,550 in comparison to the total fee for the audit of £560,500 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification 2023-24 Teachers' Pension Return	12,500	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £12,500 in comparison to the total fee for the audit of £560,500 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification 2022-23 Teachers' Pension Return	10,000	Self-interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £10,000 in comparison to the total fee for the audit of £560,500 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Total	321,377		

Communication of audit matters with those charged with governance (1)

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence.	●	●
Significant matters in relation to going concern	●	●
Matters in relation to the Group audit, including: Scope of work on components, involvement of Group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the Group audit, fraud or suspected fraud.	●	●

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

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

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

Communication of audit matters with those charged with governance (2)

Respective responsibilities

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

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

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Our communication plan	Audit Plan	Audit Findings
Views about the qualitative aspects of the Group’s accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

Escalation policy

The backstop

The Ministry of Housing, Communities and Local Government has introduced an audit backstop date on a rolling basis to encourage timelier completion of local government audits.

As your statutory auditor, we understand the importance of appropriately resourcing audits with qualified staff to ensure high quality standards that meet regulatory expectations and national deadlines. It is the Authority's responsibility to produce true and fair accounts in accordance with the CIPFA Code by the statutory deadline and respond to audit information requests and queries in a timely manner.

Escalation process

To help ensure that accounts audits can be completed on time in the future, we have introduced an escalation policy. This policy outlines the steps we will take to address any delays in draft accounts or responding to queries and information requests. If there are any delays, the following steps should be followed:

Step 1 - Initial Communication with the Corporate Director Finance and Resources (within one working day of statutory deadline for draft accounts or agreed deadline for working papers)

- We will have a conversation with the Corporate Director Finance and Resources to identify reasons for the delay and review the Authority's plans to address it. We will set clear expectations for improvement.

Step 2 - Further Reminder (within two weeks of deadline)

- If the initial conversation does not lead to improvement, we will send a reminder explaining outstanding queries and information requests, the

deadline for responding, and the consequences of not responding by the deadline.

Step 3 - Escalation to Chief Executive (within one month of deadline)

- If the delay persists, we will escalate the issue to the Chief Executive, including a detailed summary of the situation, steps taken to address the delay, and agreed deadline for responding..

Step 4 - Escalation to the Audit and Standards Committee (at next available Audit and Standards Committee meeting or in writing to Audit and Standards Committee Chair within 6 weeks of deadline)

- If senior management is unable to resolve the delay, we will escalate the issue to the Audit and Standards Committee, including a detailed summary of the situation, steps taken to address the delay, and recommendations for next steps.

Step 5 – Consider use of wider powers (within two months of deadline)

- If the delay persists despite all efforts, we will consider using wider powers, e.g. issuing a statutory recommendation. This decision will be made only after all other options have been exhausted. We will consult with an internal risk panel to ensure appropriateness.

Aim

By following these steps, we aim to ensure that delays in responding to queries and information requests are addressed in a timely and effective manner, and that we are able to provide timely assurance to key stakeholders including the public on the Authority's financial statements.

Financial reporting changes

Changes to the CIPFA Code of practice on local authority accounting for 2025-26

The main change is a revaluation expedient for property, plant and equipment. From 1 April 2025, revaluations are required once every five years or on a five-year rolling basis with indexation in intervening years. This is a substantial change to the accounting for non-current asset, that may require engagement with valuers, changes to underlying systems, asset records and accounting treatment.

New or revised accounting standards that are expected to be adopted by the CIPFA Code in future years.

Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

The International Accounting Standards Board (IASB) issued amendments to IFRS 9 and IFRS 7 to improve the reporting of nature-dependent electricity contracts, such as power purchase agreements (PPAs). These contracts, which secure electricity from sources like wind and solar power, can vary due to uncontrollable factors like weather. The amendments clarify the 'own-use' requirements, permit hedge accounting for these contracts, and introduce new disclosure requirements to help users of the accounts understand their impact on an entity's financial performance and cash flows. The amendments are expected to be adopted by the CIPFA Code for **2026-27**.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities (including settling financial liabilities using an electronic payment system), adds guidance on the solely payment of principal and interest (SPPI) criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the CIPFA Code for **2026-27**.

IFRS 18 Presentation and disclosure in the financial statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the comprehensive income and expenditure statement as well as introduce specific disclosure requirements. Some of the key changes are:

- introducing new defined categories for the presentation of income and expenses
- introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal
- disclosure of management defined performance measures
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 will be effective in the UK from 1 January 2027 and so could impact the CIPFA Code from **2027-28**.



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The Audit Plan for the London Borough of Brent Pension Fund

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Year ending 31 March 2026

16 June 2026



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Introduction and headlines



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Purpose

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

Respective responsibilities

The National Audit Office ('the NAO') has issued the Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end, and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the Fund. We draw your attention to these documents in the links below.

- [Terms of Appointment from 2023/24 - PSAA](#)
- [Statement of responsibilities of auditors and audited bodies from 2023/24 audits - PSAA](#)

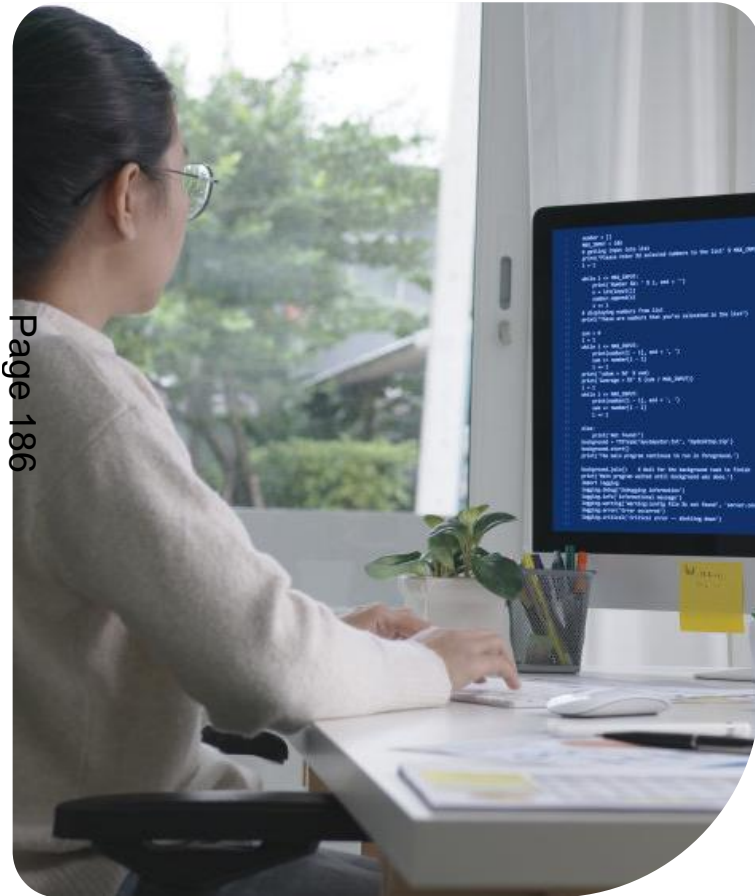
Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Fund's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Standards Committee), and we consider whether there are sufficient arrangements in place at the Fund.

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

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

Introduction and headlines (Continued)



Significant risks

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

- Management override of control;
- Valuation of level 3 investments;
- The revenue cycle includes fraudulent transactions – rebutted;

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

Materiality

We have determined planning materiality to be **£26 million** (PY £24.8 million) for the Fund, which equates to 2% of your gross investment assets as at 31 March 2025.

We have determined a lower specific planning materiality for Fund Accounts - Contributions receivable **£8 million**, which equates to 10% of prior year gross income from contributions and for Benefits payable **£5.9 million**, which equates to 10% of prior year gross expenditure from benefits.

We are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. Clearly trivial has been set at **£1.3 million** (PY £ 1.2 million).

Audit logistics

Our interim visit will take place in February to March 2026 and our final visit will take place in July to September 2026. Our key deliverables are this Audit Plan, Auditor’s Report, Auditor’s Consistency Statement and our Audit Findings Report.

Our proposed fee for the audit is **£104,507** (PY: £97,945) for the Fund, subject to the Fund delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.

We have complied with the Financial Reporting Council’s Ethical Standard (revised 2024) and we, as a Firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified

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

Significant risk	Audit team's assessment	Planned audit procedures
<p>Management override of controls</p> <p>Significant</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.</p>	<p>We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions; and • incorporate an element of unpredictability into our audit procedures by utilising Inflo Detect digital audit tool

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“In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgement, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK).” (ISA (UK) 315).

In making the review of unusual significant transactions “the auditor shall treat identified significant related party transactions outside the entity’s normal course of business as giving rise to significant risks.” (ISA (UK) 550).

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p>The revenue cycle includes fraudulent transactions</p> <p>Rebutted</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue</p>	<p>We have identified and completed a risk assessment of all revenue streams for the Fund. We have rebutted the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of public sector bodies, including the Fund, mean that all forms of fraud are seen as unacceptable. <p>Therefore, we do not consider this to be a significant risk for the Fund.</p>	<p>We do not consider this to be a significant risk for the Fund and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.</p>

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Management should expect engagement teams to challenge management in areas that are complex, significant or highly judgemental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide engagement teams with sufficient evidence to support their judgements and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

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

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p>The expenditure cycle includes fraudulent transactions</p> <p>Rebutted</p> <p>Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.</p>	<p>We have identified and completed a risk assessment of all expenditure streams for the Fund. We have rebutted the presumed risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate expenditure recognition • opportunities to manipulate expenditure recognition are very limited • the culture and ethical frameworks of public sector bodies, including the Fund, mean that all forms of fraud are seen as unacceptable. <p>Therefore, we do not consider this to be a significant risk for the Fund.</p>	<p>We do not consider this to be a significant risk for the Fund and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.</p>

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p>Valuation of level 3 investments</p> <p>Significant</p> <p>The valuations of level 3 investments are a significant accounting estimate based on unobservable inputs and hence there is a risk of material misstatement due to error and/or fraud.</p>	<p>By their nature Level 3 investment valuations lack observable inputs. These valuations therefore represent a significant accounting estimate by management in the financial statements due to the size of the balance (£113.8 million as at 31/03/25) and the sensitivity of the estimate to changes in key assumptions. We have therefore identified the valuation of Level 3 investments as a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none"> • document and evaluate management's processes for valuing Level 3 investments; • obtain and review the audited financial statements of the investment accounts, where these are at a different reporting date to the Fund's financial statements: <ul style="list-style-type: none"> ○ the valuations will be compared to the year end reporting date after accounting for cashflows, and ○ obtain and review the corresponding investment manager report (capital statement) as at the investment accounts audit date with the audited accounts and follow up significant differences • independently obtain and review the corresponding investment manager reports (capital statements) as at the reporting date and compare to the financial statements; • review purchase and sale transactions of investments near the reporting date where appropriate; • review the guidelines under which investments have been valued at the date of the investment accounts and the Fund accounts; • review management's classification of the assets; and • obtain and review investment manager service auditor report on design and operating effectiveness of relevant internal controls where appropriate.

Other risks identified

Other risks are, in the auditor’s judgement, those where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an ‘other risk’ is lower than that for a significant risk, and they are not considered to be areas that are highly judgemental, or unusual in relation to the day-to-day activities of the business.

Risk	Description	Planned audit procedures
<p data-bbox="107 654 137 811" style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 191</p> <div data-bbox="107 549 479 639" style="background-color: #4a4a9a; color: white; padding: 5px; text-align: center;">Significant class of transactions</div> <p data-bbox="107 659 479 1068">Actuarial present value of promised retirement benefits disclosure – IAS 26</p>	<p data-bbox="504 549 1192 1068">The disclosure of the Fund’s actuarial present value of promised retirement benefits is an accounting estimate (£1,220 million as at 31st March 2025) and is sensitive to changes in key assumptions. The Fund engage the services of a qualified actuary to develop an IAS 26 compliant estimate of the disclosure and 2026/27 will be the first year that the outcomes of the 2025 triennial valuation will be reflected. As a result, the disclosure of the Fund’s actuarial present value of promised retirement benefits has been identified as ‘other risk’ of material misstatement.</p>	<p data-bbox="1217 549 2443 578">We will:</p> <ul data-bbox="1217 585 2443 1068" style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the Fund’s actuarial present value of promised retirement benefits is not materially misstated • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary’s work • assess the competence, capabilities and objectivity of the actuary who carried out the Fund’s valuation • assess the accuracy and completeness of the information provided by the Fund to the actuary to estimate the liability • test the consistency of disclosures with the actuarial report from the actuary; and • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor’s expert) and performing any additional procedures suggested within the report.

Other risks identified (Continued)

Risk	Description	Planned audit procedures
<p data-bbox="147 329 435 401">Significant class of transactions</p> <p data-bbox="112 429 397 501">Valuation of Level 2 Investments</p>	<p data-bbox="504 318 1174 768">Level 2 investments do not carry the same level of inherent risks associated with level 3 investments, however there is still an element of judgement involved in their valuation as their very nature is such that they cannot be valued directly. These assets represent a class of transaction in the financial statements due to the size of the balance (£1,132.9 million as at 31 March 2025) As a result, the valuation of the Fund's Level 2 investments have been identified as 'other risk' of material misstatement.</p>	<p data-bbox="1200 318 1314 347">We will:</p> <ul data-bbox="1200 358 2415 808" style="list-style-type: none"> <li data-bbox="1200 358 2354 386">• Agree the valuation to the confirmation received from the investment manager; <li data-bbox="1200 394 2244 422">• Agree the valuation back to quoted prices at year-end where available; <li data-bbox="1200 429 2397 501">• Compare the valuation to purchase and sale transactions near the reporting date (where appropriate); <li data-bbox="1200 508 2277 579">• Review the guidelines under which the investment has been valued (where appropriate); <li data-bbox="1200 586 2405 658">• Obtain and review a service auditor's report on internal controls for the investment manager; <li data-bbox="1200 665 2262 736">• Review management's classification in the fair value hierarchy for level 2 investments; <li data-bbox="1200 743 2333 808">• Carry out more detailed testing where the planned procedures do not provide sufficient assurance.
<p data-bbox="147 876 435 948">Significant class of transactions</p> <p data-bbox="112 976 397 1086">Cash and cash equivalents / Level 1 Investments</p>	<p data-bbox="504 865 1174 1086">The receipt and payment of cash represents a significant class of transactions occurring throughout the year, culminating in the year-end balance for cash and cash equivalents reported on the Net Asset Statement (£63.6 million as at 31 March 2025).</p>	<p data-bbox="1200 865 1314 893">We will:</p> <ul data-bbox="1200 905 2415 1086" style="list-style-type: none"> <li data-bbox="1200 905 2308 933">• Obtain direct confirmations for all bank accounts and Money Market Funds <li data-bbox="1200 941 2372 1012">• Obtain monthly bank reconciliations as at the year-end and for one month post year-end, and <li data-bbox="1200 1019 2379 1086">• Where material, reconciling items will be tested to confirm clearance through the bank account after the year-end

Other matters

Other work

The Fund is administered by the London Borough of Brent (the 'Council'), and the Fund's accounts form part of the Council's financial statements.

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

- We read any other information published alongside the Council's financial statements to check that it is consistent with the Fund's financial statements on which we give an opinion and is consistent with our knowledge of the Authority.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your 2025/26 financial statements, consider and decide upon any objections received in relation to the 2025/26 financial statements
 - issue of a report in the public interest or written recommendations to the Fund under section 24 of the Act, copied to the Secretary of State
 - application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
 - issuing an advisory notice under Section 29 of the Act.
- We carry out work to satisfy ourselves on the consistency of the Fund's financial statements included in the Fund's annual report with the audited Fund's accounts.

Other material balances and transactions

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

Other matters (Continued)

2025 triennial valuation

Under Regulation 62 of the Local Government Pension Scheme Regulations 2013 the Fund must obtain an actuarial valuation of its assets and liabilities every three years. The latest valuation is as at 31 March 2025 (published in March 2026). The purpose of the valuation is to set employer contribution rates for the period from 1 April 2026 to 31 March 2029. It also provides the source data for actuaries to prepare their estimate of the actuarial present value of promised retirement benefits at the Fund level, as required under *IAS 19 - Accounting and Reporting by Retirement Benefit Plans*, and provides the base for actuaries to roll forward their estimates and assumptions from the triennial valuation to annually estimate individual employers' pension liabilities between triennial revaluations as required by *IAS 19 - Employee Benefits*.

The data used by actuaries to produce IAS 19 liabilities and assets can be broadly split into two categories:

- 1) Individual member data used to calculate the triennial valuation liabilities and assets which the IAS 19 liabilities and assets are based on.
- 2) Data used to carry out the roll-forward calculation from the triennial valuation liabilities and assets to the IAS 19 liabilities and assets. This data is provided by administering authorities and the relevant employers.

As auditors, we therefore need to test the individual member data used by the actuaries in their triennial valuation calculations (Item 1) against independent records every three years and Item 2 testing is carried out annually. The work for Item 1 will involve picking a sample of members across actives, deferreds and pensioners and testing a number of separate data sets within each category. Item 2 testing is included within the annual contract fee but Item 1 is additional work that will be need to be subject to a fee variation. Our proposed fee variation is on Page 23.

Our approach to materiality

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

Matter & Description

Determination

We have determined planning materiality (financial statement materiality for the planning stage of the audit) based on professional judgement in the context of our knowledge of the Fund, including consideration of factors such as stakeholder expectations, sector developments, financial stability and reporting requirements for the financial statements

Planned audit procedures

We determine planning materiality in order to:

- establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements
- assist in establishing the scope of our audit engagement and audit tests
- determine sample sizes, and
- assist in evaluating the effect of known and likely misstatements in the financial statements.

Other factors

An item does not necessarily have to be large to be considered to have a material effect on the financial statements

An item may be considered to be material by nature when it relates to instances where greater precision is required.

Additionally, there may be items which we feel would benefit from a lower specific materiality for those account balances (e.g. benefits payable within the Fund Account).

Reassessment of materiality

Our assessment of materiality is kept under review throughout the audit process

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Our approach to materiality (Continued)

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

Matter & Description

Matters we will report to the Audit and Standards Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Standards Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

Planned audit procedures

- We report to the Audit and Standards Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.
- In the context of the Pension Fund we propose that an individual difference could normally be considered to be clearly trivial if it is less than **£1.3 million** (PY £1.2 million).
- If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Standards Committee to assist it in fulfilling its governance responsibilities.

Our approach to materiality (Continued)

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Materiality	Amount (£)	Qualitative factors considered
Headline materiality for the Fund's financial statements	£26,000,000 (This represents 2% of gross investment assets)	<ul style="list-style-type: none"> • Key users of the financial statements and performance measures that key stakeholders are interested in • Business environment • Control environment (e.g., known issues, frauds that could make a misstatement more likely) • Other sensitivities (e.g., Changes in regulations).
Performance materiality	£19,000,000 (This represents 75% of materiality for financial statements)	<ul style="list-style-type: none"> • the environment in which the pension fund operates • The size of the pension fund and functionalities • Whether there are material fraud risks that we have identified as being present.
Trivial matters	£1,300,000 (this represents 5% of overall financial statement materiality)	<ul style="list-style-type: none"> • Key users of the financial statements and audit methodology

Our approach to materiality (Continued)

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Materiality	Amount (£)	Qualitative factors considered
Specific lower materiality for classes of transactions, balances or disclosures: a lower specific materiality for Contributions receivable	£8,000,000 (this represents 10% of prior year gross income from contributions)	Key users of the financial statements and which performance measures that key stakeholders for the entity are interested in.
Specific lower materiality for classes of transactions, balances or disclosures: a lower specific materiality for Benefits payable	£5,900,000 (this represents 10% of gross expenditure from benefits)	Key users of the financial statements and which performance measures that key stakeholders for the entity are interested in.



Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

Progress against prior year audit recommendations

We identified the following issues in our 2024/25 audit of the Fund's financial statements, which resulted in 5 recommendations being reported in our 2024/25 Audit Findings Report. We have followed up on the implementation of our recommendations and 4 recommendations are still to be addressed.

Assessment Issue and risk previously communicated

Update on actions taken to address the issue(s)

In progress **Excessive System Administrative Permissions Assigned to Business Users**

During our review, we noted that certain business users, primarily from the HR and Payroll teams, had been assigned system roles that included permissions for 'Manage Menu Customisations' and 'Functional Setup Manager'. The entity was unable to confirm whether the users required all of the assigned permissions for their job responsibilities, as these permissions appear to include system administrative access and may provide elevated privileges beyond what is necessary for their business functions. When system administrative permissions are assigned to business users without clear justification, there is a risk of unauthorised or unintended changes being made to system configuration.

We recommend that management enhance the existing Quarterly Logical Access Review process by incorporating a review of the detailed permissions within user roles, not just the role assignments themselves.

Management will review all the relevant roles and remove the administrative roles which they may not require for their job, ensuring that users can continue to carry out the necessary activities as part of their normal duties.

This will need to split into separate stages including review of the roles, feasibility to remove permissions, testing to ensure users can carry out their activities. Work has already progressed to develop this with full implementation expected in February 2026.

Progress against prior year audit recommendations (Continued)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	<p>Benefits Payable Note 9</p> <p>As per CIPFA Code 6.5.5.1 (q) guidance Benefits Payable should be disclosed separately on the Note for the Administering authority, Scheduled bodies and admitted bodies.</p>	<p>The management has confirmed that the Oracle Payroll system has prevented them to be able to separate the Administering Authority and the Scheduled bodies Benefits payables until December 2024. As they had made transition from the Oracle Payroll to LPPA system, this is now possible from January 2025 onwards. The management is confirming that for 25/26 accounts, the Benefits payable will be provided on separate lines on Note 9 for Administering authority, scheduled bodies and admitted bodies. Target date: 25/26 SoA</p>
In progress	<p>Cash Balances Note 20</p> <p>A long-standing Cash in Transit balance of £(3.2m) remains unreconciled following the Oracle R12 to Oracle Cloud migration. Items were netted against the General Bank Account to present a reconciled position, but underlying unmatched transactions persist. Management to perform full historical reconciliation, clear legacy items, strengthen monthly bank reconciliation and review controls, and ensure full CIPFA disclosure compliance.</p>	<p>Management has confirmed that the work is in progress to reconcile and resolve the balance. Target date: 25/26 SoA</p>

Progress against prior year audit recommendations (Continued)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	<p data-bbox="295 347 817 378">School Employer Contribution Rates</p> <p data-bbox="295 396 1345 544">From our testing over the employee/employer contributions we noted that the Pension Fund reviews the contributions schedules at the beginning of each year to ensure that the right employer contributions are paid, and instructions are issued to school/payroll providers.</p> <p data-bbox="295 562 1251 666">It was identified that a sample of schools had paid incorrect rate of employer contributions in 2023/24 as they had not updated the contribution rates.</p>	<p data-bbox="1391 347 2428 458">It was noted that the management issues instructions to school/payroll providers, however, it is highlighted that appropriate review of correct contributions paid needs to take place at the beginning of the year.</p> <p data-bbox="1391 498 2428 606">The same issue has been encountered in 2024/25, therefore, we continue to highlight this as a weakness in the control environment and the 2023/24 recommendation stands.</p>

IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audit and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audit will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

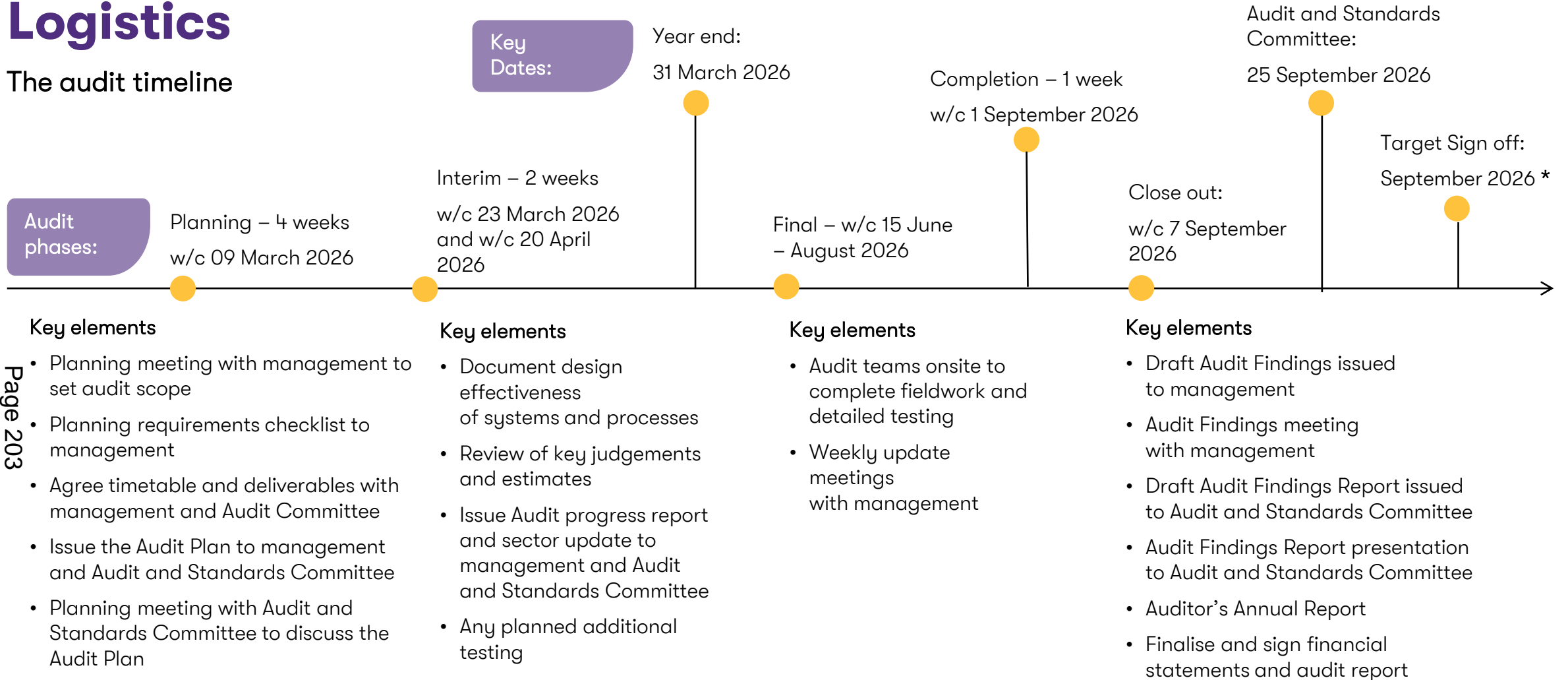
The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach, we will perform the indicated level of assessment:

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IT application	Audit area	Planned level IT audit assessment
Oracle Cloud	Financial reporting	<ul style="list-style-type: none"> ITGC assessment (design, implementation and operating effectiveness) Application controls assessment
Civica - Pension Administration System	Fund Information	<ul style="list-style-type: none"> ITGC assessment (design and implementation effectiveness only)

Logistics

The audit timeline



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* Target sign off timeline is dependent on the administering body sign off date, in line with LGPS signed off alongside the administering authority

Our team and communications

Grant Thornton core team

Matt Dean

Engagement Lead/
Key Audit Partner

- Key contact for senior management and Audit and Standards Committee
- Overall quality assurance

Jasmine Kemp

Audit Manager

- Audit planning
- Resource management
- Performance management reporting

Tamara Dolidze

Audit Senior / In-charge

- On-site audit team management
- Day-to-day point of contact
- Audit fieldwork

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	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	<ul style="list-style-type: none"> • Annual client service review 	<ul style="list-style-type: none"> • The Audit Plan • Audit Progress and Sector Update Reports • The Audit Findings Report 	<ul style="list-style-type: none"> • Audit planning meetings • Audit clearance meetings • Communication of issues log 	<ul style="list-style-type: none"> • Technical updates
Informal communications	<ul style="list-style-type: none"> • Open channel for discussion 		<ul style="list-style-type: none"> • Communication of audit issues as they arise 	<ul style="list-style-type: none"> • Notification of up-coming issues

As part of our overall service delivery we may utilise colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK and receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit Senior/In-charge and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

Our fee estimate

Our fee estimate:

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the Fund will:

- prepare a good quality set of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made while preparing the financial statements

provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements

maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

- Our fee estimate also assumes that you will engage suitably competent experts to assist management in the following areas:
 - Actuarial valuation of the fund; and
 - Valuation of level 2 and Level 3 Investments.

Description	Audit Fee for 2024/25 (£)	Proposed fee for 2025/26 (£)
London Borough of Brent Pension Fund Audit	97,945	99,507
2025 triennial valuation data testing	0	5,000
Total (Exc. VAT)	97,945	104,507

Our fee estimate

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2024\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

PSAA

Local Government Audit fees are set by PSAA as part of their national procurement exercise. This contract was re-tendered in 2023 and Grant Thornton have been re-appointed as your auditors. The scale fee set out in the PSAA contract for the 2025/26 audit is **£99,507**.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous Audit Year or opinion issued
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here [Fee Variations Overview – PSAA](#)

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms). In this context, there are no matters that we are required to report:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Fund and/or Administering Authority that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Fund and/or Administering Authority or investments in the Fund and/or Administering Authority held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Fund/Administering Authority as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	Grant Thornton UK LLP are appointed as the London CIV's auditor. The London CIV are a LGPS asset pool for which London Borough of Brent are one of the Shareholders. We are satisfied that this does not impact upon our independence.

Independence considerations (Continued)

Matter	Conclusion
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Fund's and/or Administering Authority's board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

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We confirm that there are no significant facts or matters that impact on our independence at planning as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Following this consideration we can confirm that we are independent at planning and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

Communication of audit matters with those charged with governance

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

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

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

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Our communication plan	Audit Plan	Audit Findings Report
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●

Communication of audit matters with those charged with governance (continued)

Our communication plan	Audit Plan	Audit Findings Report
Views about the qualitative aspects of the Fund’s accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

Respective responsibilities

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

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

New and future standards and reporting requirements

New or revised accounting standards that have been adopted by the CIPFA Code for 2025/26

Amendments to IAS 21 – Lack of Exchangeability

IAS 21 *The Effects of Changes in Foreign Exchange Rates* has been amended by the IASB to clarify how an entity should assess whether a currency is exchangeable and how it should determine an appropriate spot exchange rate when exchangeability is lacking. The amendments introduce more detailed guidance on identifying a lack of exchangeability and on estimating a spot exchange rate in such circumstances. These amendments have been adopted by the Code from 1 April 2025.

IFRS 17 – Insurance Contracts

IFRS 17 Insurance Contracts was issued by the IASB in May 2017 and has been adopted by the CIPFA Code for local authority accounting from 1 April 2025. The standard introduces a new comprehensive framework for the recognition, measurement, presentation and disclosure of insurance contracts, replacing IFRS 4. Key features of IFRS 17 include the introduction of revised measurement models for insurance liabilities, the contractual service margin to defer unearned profit, new presentation requirements and significantly enhanced disclosures aimed at improving transparency and comparability.

New or revised accounting standards that are expected to be adopted by the CIPFA Code in future years.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities (including settling financial liabilities using an electronic payment system), adds guidance on the solely payment of principal and interest (SPPI) criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the CIPFA Code for [2026/27](#).



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	A	E	F	G	H	I	J
1	ASAC FORWARD PLAN & WORK PROGRAMME 2026-27						
2	Topic / Date	16-Jun-26	27-Jul-26	23-Sep-26	30-Nov-26	02-Feb-27	24-Mar-27
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		
7	Internal Audit Strategy & Plan						X
8	External Audit						
9	External Audit progress report	X	X	X			X
10	Audit Findings Report Council & Pension Fund Statement of Accounts 2025-26				X*		
11	Draft External Audit Plan 2026-27 (incl Pension Fund)	X					
12	Annual Auditor's Report				X		
13	Financial Reporting						
14	Treasury Management Mid-term Report				X		
15	Treasury Management Strategy				X		
16	Treasury Management Outturn Report		X				
17	Governance						
18	To review performance & management of i4B Holdings Ltd and First Wave Housing Ltd			X			X
19	Procurement Strategy Review Progress Update						
20	Referral to Social Housing Regulator			X			
21	Review of the use of RIPA Powers						X
22	Receive and agree the Annual Governance Statement	X*					
23	Risk Management						
24	Strategic Risk Register Update			X			
25	Emergency Preparedness		X				
26	Deep Risk Dive - subject areas to be confirmed						
27	Audit Committee Effectiveness						
28	Review the Committee's Forward Plan	X	X	X	X	X	X
29	Review the performance of the Committee (self-assessment)						X
30	Chair's Annual Report	X					
31	Training Requirements for Audit Committee Members (as required)						
32	Standards Matters						
33	Standards Report (including gifts & hospitality)	X		X	X		X
34	Annual Standards Report						X
35	Member Complaints & Code of Conduct						X
36	Review of the Member Development Programme and Members' Expenses (incorporating Review of the Financial and Procedural Rules governing the Mayor's Charity Appeal)						X
37	Committee Development - training sessions to be identified						
38	Member induction & role of Committee	X					
39							
40							
41							
42							
43	* Requires approval by Audit & Standards Committee						

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