



**Audit and Standards Advisory Committee
8 December 2020**

Report from the Chief Finance Officer

Audit Findings Report Action Plan – Management Response

Wards Affected:	ALL
Key or Non-Key Decision:	KEY
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:	Appendix 1: Management responses
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Daniel Omisore Deputy Director of Finance Email: Daniel.omisore@brent.gov.uk Tel: 020 8937 3057

1.0 Summary

- 1.1 Auditors are required by ISA 260 to communicate audit matters of governance interest to those charged with governance to ensure acknowledgement and understanding of any significant issues that have arisen from the audit.
- 1.2 The matters to be reported can include, but are not limited to;
- the overall approach and scope of the audit
 - adjustments arising as a result of audit procedures
 - material events or uncertainties
 - weaknesses discovered in the internal systems and controls
- 1.3 For 2019/20 the external auditors identified an isolated number of issues during the audit which resulted in five recommendations being reported in the Audit Findings report.
- 1.4 This report provides an update to Audit and Standards Advisory Committee on the management response to those findings since September 2020.

2.0 Recommendations

- 2.1 The Committee is asked to note the progress made to date (as set out in appendix 1) in response to the issues identified in the 2019/20 audit findings report.

3.0 Detail

3.1 As part of the audit work for 2019/20, Grant Thornton included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters identified during the course of the audit are summarised below:

- IFRS 16 Implementation (readiness for new lease standard)
- Aged Collection Fund debtors and creditors (writing off uncollectable debt)
- Housing Benefit expenditure (reconciliation of Northgate/Oracle system)
- Creditors – purchase order accruals (closure of old PO accruals)
- Unallocated income (clearing unidentified income)
- Oracle security and access controls (security and access)

3.2 Further detail on each of the recommendations along with the management responses have been included in Appendix 1.

4.0 Financial Implications

4.1 There are no specific implications arising from this report. The cost of the audit work described in this report is contained within the annual external audit fee which amounted to £184 k in 2019/20. (2018/19 £175 k)

5.0 Legal Implications

5.1 No specific implications.

6.0 Equality Implications

6.1 No specific implications.

7.0 Consultation with Ward Members and Stakeholders

7.1 Not applicable.

8.0 Human Resources

8.1 Not applicable

Report sign off:

Minesh Patel
Director of Finance