



Brent

MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE
Wednesday 31 March 2021 at 4.00 pm

PRESENT (in remote attendance): David Ewart (Chair), Councillor Lo (Vice-Chair) and Councillors Long, Naheerathan, Kansagra, Akram and Johnson

Independent Advisor: Vineeta Manchanda

Also Present (in remote attendance): Councillor McLennan (Deputy Leader and Lead Member for Resources)

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

Apologies were received from Nigel Shock (Independent Person).

2. **Declarations of Interest**

None.

3. **Deputations (if any)**

None.

4. **Minutes of the previous meeting**

It was **RESOLVED** that the minutes of the previous meeting held on 8 December 2020 be approved.

5. **Matters arising (if any)**

None.

6. **Standards Report (including gifts and hospitality)**

Debra Norman, Director of Legal, HR, Audit and Investigations, introduced a report on gifts and hospitality registered by members, and the attendance record for members in relation to mandatory training sessions. She also updated members on the appointment of Independent Persons and co-opted Independent Members to the Committee. The Committee was then invited to raise questions on the report, which focused on a number of key areas as highlighted below:

- Members were assured officers were working with members and their groups to ensure all mandatory training was completed.

RESOLVED to note the contents of the report.

7. **Review of the Member Development Programme and Members' Expenses**

Katie Smith, Head of Executive & Member Services, introduced a report on the Member Learning Development Programme since the last update to the Committee in January 2020, and information regarding the Members' Expenses Scheme. She also provided an overview of upcoming member learning and development sessions. The Committee was then invited to raise questions on the report, which focused on a number of key areas as highlighted below:

- It was noted that virtual meetings had led to an increase in member attendance, and would continue to be used even as restrictions were lifted. The average attendance was up to 30-40% compared to 20-30% previously. The uptake of external training sessions had also increased since they were made free for members of use.

RESOLVED to note the work being undertaken by the Member Learning and Development Steering Group in ensuring effective training and development for Brent's elected representatives

8. **Internal Audit Annual Plan 2021/22**

Michael Bradley, Head of Audit & Investigations, introduced a report on the draft Internal Audit Plan for 2021/22 and the basis on which the plan had been prepared. The Committee was then invited to raise questions on the report, which focused on a number of key areas as highlighted below:

- In response to a question regarding the review the use of procurement cards and pre-paid cards, it was noted that the appropriateness of their use would be in line with procurement arrangements and would be monitored for misuse.
- It was noted that property development costs would be scoped in the property development audit. The audit sought to provide assurance over process and controls including project management, tendering, contract management and resource management.
- It was noted that there was no current plan to include the scoping of fire safety arrangements as part of the First Wave Housing and i4B audits. Members suggested that this be included.

RESOLVED to approve the contents of the Internal Audit Plan 2021/22.

9. **Departmental Risk Management**

Michael Bradley, Head of Audit & Investigations, introduced a report on the management of risk at departmental level. The Committee was then invited to raise questions on the report, which focused on a number of key areas as highlighted below:

- It was noted that departmental risk registers were presented to senior management annually, at which point risks from services and departments which were deemed to require consideration at a higher level were added to the corporate risk register. It was explained that the Council Management

Team were responsible for reviewing the departmental risk register, whereas the Committee was responsible for reviewing the corporate risk register. It was also noted that the Chairs of the Scrutiny Committees would have access to the registers.

RESOLVED to note the contents of the report.

10. **External Audit Plan 2020/21**

Sophia Brown, Senior Audit Manager at Grant Thornton, introduced a report on the planned scope and timing of the statutory external audit 2020/21 for those charged with governance. The Committee was then invited to raise questions on the report, which focused on a number of key areas as highlighted below:

- It was noted that the misstatements reported to the Audit and Standards Committee figure on page 85 should read £0.8m rather than £0.xm.
- In response to a question regarding the return of in-person auditing, it was noted that the external auditors envisaged that office visits would be undertaken from July but this would be subject to government guidelines and the agreement of the Council.
- It was noted that regulatory changes had been made to the audit process regarding pension fund liabilities and value for investments. Members were assured that the Council had a number of advisors and a wide range of valuation processes and that the audit process would be managed effectively.

RESOLVED to note the contents of the report.

11. **External Audit Progress Report and Sector Update**

Reshma Ravikumar, Public Services Associate at Grant Thornton, introduced the report on progress in delivering its responsibilities as the Council's external auditors, along with a summary of emerging national issues and developments that may be relevant to Brent as a local authority. The Committee was then invited to raise questions on the report, which focused on a number of key areas as highlighted below:

- In response to a question regarding the revised standard in respect of audit risk assessment process for accounting estimates, it was noted that the external auditors had requested further information from management and those charged with governance for 2020/21 year. Council management were expected to respond to these requests in within the next week.

RESOLVED to note the contents of the report.

12. **Value for Money Presentation on the New Code**

Paul Dossett gave a presentation on the new Value for Money (VfM) arrangements in the new Code of Audit Practice. The Committee was then invited to raise questions on the report, which focused on a number of key areas as highlighted below:

- It was noted that the VfM arrangements were a statutory requirement. Members were assured that the new arrangements would go some way to address public concerns about VfM and make public accounting more accessible.
- In response to a question regarding parking policy, it was noted that changes to parking policy would be assessed as part of the external auditor's financial sustainability work. While an external auditor would not be involved in policy formulation, it would be involved in assessing its impact.
- It was noted that the external auditor would be assessing the impact of integrated care services from both a local government and NHS perspective. VfM arrangements would form part of this assessment.
- It was noted that any future VfM report would be brought to the Committee separately from the Statement of Accounts and Annual Report to ensure it is considered in its own context. Any additional outputs would be picked up in the external audit benchmarking exercise.
- It was noted that the VfM work would largely be focused on the Council's regeneration and capital programme, as well as the governance of i4B and First Wave Housing.
- In response to a question regarding the additional pandemic related charge incurred to the Council during 2020/21, it was explained that the charge would only be incurred again should there be significant disruption to the external auditor's work.
- Members were assured that the external auditors were confident that the Council would continue to engage well with them in their VfM work.

RESOLVED to note the update on the new VfM arrangements.

13. **Forward Plan**

RESOLVED to note the Committee's latest Forward Plan.

14. **Any other urgent business**

None.

The meeting closed at 5.30pm.

David Ewart
Chair