



**MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE**  
**Held in the Conference Hall, Brent Civic Centre on Tuesday 21 March 2023 at**  
**6.00 pm**

**PRESENT:** Councillor David Ewart (Chair), Councillor Chan (Vice-Chair) and Councillors S. Butt, Choudry, Kabir, Long, J Patel, and Smith.

**Independent Advisor:** Vineeta Manchanda.

Also present: Councillor Mili Patel (Deputy Leader and Cabinet Member for Finance, Resources and Reform) and Julie Byrom (Independent Person – who was attending online)

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

Apologies for lateness were received from Councillor Smith.

**2. Declarations of Interest**

David Ewart (Chair) declared the following personal interests:

- as a member of CIPFA; and
- relating to Agenda Item 12 (I4B Holdings Ltd & First Wave Housing (FWH) Ltd performance and External Audit Findings) given that he had previously worked with Martin Smith (Chair of i4B Holdings Ltd and First Wave Housing (FWH) Ltd).

Councillor S. Butt declared a personal interest in Agenda Item 12 (I4B Holdings Ltd & First Wave Housing (FWH) Ltd performance and External Audit Findings) as a Council appointed Director on the Board of both i4B Holding Ltd and FWH Ltd.

**3. Deputations (if any)**

None received.

**4. Minutes of the previous meeting**

**RESOLVED** that the minutes of the previous meeting held on Tuesday 7 February 2023 be approved as a correct record.

Members noted the updates provided in relation to items listed on the Action Log along with the further enhancements proposed to support the efficiency and tracking of future actions identified by the Committee.

As a further update, Councillor Chan (Vice Chair) informed the Committee that both he and Councillor Choudry were due to meet with the Deputy Leader to discuss the development of the Financial Inclusion Dashboard and would provide an update to the Committee in June 2023.

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

None.

6. **Annual Standards Report (including Gifts & Hospitality)**

Debra Norman, Corporate Director of Governance, introduced a report updating the Audit and Standards Advisory Committee (ASAC) 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 2022, together with the quarterly report on gifts and hospitality registered by Members. The Committee noted the following key points:

- Whilst both Independent co-opted Members had stood down from the Committee during 2022-23, a recruitment exercise had now been undertaken which members were advised had resulted in the provisional appointment of Rachael Tiffen to one of the positions, subject to Full Council approval with a further recruitment exercise planned to fill the second vacant post.
- In addition to approval being sought for the appointment of Rachael Tiffen as Independent Co-opted Member (Standards Focused), Full Council would also be asked to confirm the ongoing appointment of the three existing Independent Persons – William Goh, Keir Hopley and Julie Byrom for the duration of their remaining terms of office.
- During 2022, 4 complaints were received against different Councillors for alleged breaches of the Members Code of Conduct, with a summary provided within Appendix A of the report. Members were advised that three of these complaints had been resolved at initial Assessment Stage and one concluded at Assessment Stage. None of the complaints had been upheld.
- The details of Gifts and Hospitality registered by members in the final quarter of 2022/23 (Jan – March 23) as detailed in section 3.11 of the report.
- Two Monitoring Officer Advice Notes (MOANs) had been issued to date during 2023 addressing respect and equalities and use of resources.
- The update provided in relation to member attendance at mandatory training sessions, with the Committee advised that all mandatory training had now been completed by members.

As no further issues were raised the Chair thanked Debra Norman for the update provided and it was **RESOLVED** to note the content of the report

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

Natalie Zara, Head of Executive & Member Services introduced a report that provided members with a summary of the Member Learning and Development (MLD) Programme since the last report to Committee in March 2022, and information regarding the Members' Expenses Scheme as well as an overview of upcoming Member Learning and Development sessions.

In considering the report the Committee noted:

- The role of the Member Learning and Development Steering Group in providing constructive input to shape and evaluate development of the Member Learning & Development programme.
- Whilst most Member and Learning Development sessions continued to be delivered online as the preferred method of learning and development identified by members, the benefits and effectiveness of in person face to face training had also been recognised, particularly in providing useful networking and team-bonding opportunities. These would continue to be offered and developed as part of the planning of future training opportunities.
- The offer of individual Personal Development Plan (PDP) sessions to all members to support identification of individual training needs and assist in shaping future training programmes. Details of the offer provided were set out in section 8 of the report with 31 out of 57 members having taken the opportunity for a PDP. A summary of the key priorities identified as a result were detailed within Appendix C of the report with the core attributes identified for development focussed around leadership areas.
- The update provided in relation to Members Allowances and expense claims, as detailed within section 9 and Appendix D of the report. Members were advised that most expense claims related to training, with the small underspend on the Member Learning & Development budget attributed to the increased delivery of internal training and level of attendance at external training events not having returned to pre pandemic levels.
- The ongoing development of the future Member & Learning Development Programme, as detailed in Appendix A of the report along with feedback on the current programme as detailed within Appendix B of the report.

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 Member queries in relation to training accessibility and effectiveness, the Committee were advised that there was an awareness of when additional support to access training may be necessary. In terms of the effectiveness of training, members were advised this was subject to regular review with the feedback having been used to help shape development of the ongoing programme. As additional suggestions the Committee highlighted a need to consider how member attendance and engagement in online sessions was monitored, including cameras being left on with the need also recognised to ensure sessions were fully utilised in terms of available space to ensure they remained as cost effective as possible.
- Following a Committee query regarding the future development of the core mandatory training offer to Members, the Committee were assured that data acquired from the PDP results would be used to inform future training and address any knowledge/skills gaps identified.
- Further clarification was requested on reference to the "Health Committee" in Appendix D of the report under Member expenses, with details also sought on use of personal devices by members to access online training. In response, Natalie Zara, Head of Executive & Member Services confirmed that she would provide a response outside of the meeting on the reference to the Health Committee and also to confirm the protocol for Councillor's using personal devices to access Learning & Development sessions (as detailed in the Action Log).

As no further issues were raised, the Chair thanked Natalie Zara for the update provided and the progress made in the Member Development Programme. The Committee **RESOLVED to**

- (1) Note the work being undertaken by the Member Learning & Development Steering Group to ensure effective training and development for Brents elected representatives (as detailed in Appendix A of the report).
- (2) Note the feedback on Members Services, training, and their relationship with departments across Brent (as detailed in Appendix B of the report)
- (3) Note the positive feedback from outside organisations on Brents MLD (as detailed in Appendix C of the report)
- (4) Note the expenses claimed by Members in the course of their work (as detailed in Appendix D of the report)

## 8. **Review the Role and Operation of the Constitution Working Group**

Debra Norman, Corporate Director of Governance introduced a report providing details of a further review undertaken following the local election in May 2022 on the role and operation of the Constitutional Working Group (CWG). It was noted that the review had been requested in response to a recommendation made by the Resources and Public Realm Scrutiny Committee and followed on from an initial review reported to the Committee in September 2021. In presenting the report the following key points were highlighted:

- The Committee were reminded that the CWG was not a committee of the Council and was an officer/member working group chaired by the Chief Executive that met ahead of Full Council meetings to discuss and seek cross party views on any potential changes to the constitution, for recommendation on to Full Council.
- Following the initial review, the main change identified had been for meeting invitations to be extended to the Chairs of relevant bodies where issues affecting their remits were due to be considered by CWG, which had now been implemented.
- In response to the request to undertake a further review after the local elections in May 2022, CWG had subsequently met and agreed to adopt the revised Membership and Terms of Reference as set out in Appendix 1 of the report. These reflected that there were now 3 political groups on the Council with the remit of CWG also clarified in relation to the discussion of items other than the Constitution going to Full Council, e.g., the municipal calendar. Having reviewed its remit, no further changes had been identified as a result of the review.

The Committee was then invited to ask any questions they had in relation to the update provided. The Committee required clarity in relation to the link between the CWG and the Audit & Standards Advisory Committee. In response members were advised that the Audit and Standards Advisory Committee had been identified as the appropriate body to consider any issues referred by CWG where it had not been possible to reach a view, prior to the item being referred

to Full Council. In response to a further question raised regarding how items discussed at CWG were fed back to the respective Groups, the Committee were advised that it would be for the representatives on CWG to feedback to their respective Groups on items due to be considered and their outcome.

As there were no further questions on the report, the Chair thanked Debra Norman for the update and the Committee **RESOLVED** to note the contents of the report.

#### 9. **Review the Financial and Procedural Rule governing the Mayor's Charity Appeal**

Biancia Robinson, Senior Constitutional & Governance Lawyer introduced a report updating the Audit & Standards Advisory Committee on a recent review of the financial and procedural rules for governing the Mayor's Charity Appeal.

In considering the report the Committee noted the following key points:

- The Financial and Procedural Rules governing the Mayor's Charity Appeal were last put before the Audit & Standards Advisory Committee in November 2021. At that time the Rules were updated to ensure transparency and reflect financial regulations.
- To ensure the Rules remained transparent and accurate, periodic reviews were undertaken. Following the most recent review, minor modifications have been proposed that reflected the organisational change of officers involved in the management and approval process of the Mayor's Charity Appeal (as detailed in Appendix A of the report). Given the nature of the proposed changes it was confirmed that their adoption could be agreed under delegated powers with it noted that moving forward the review would be incorporated as part of the annual Member Development Programme and Member Expense Review.

The Committee was then invited to raise questions on the report, which are summarised below:

- The Committee queried whether there was a public record kept of donations made to the current and previous Mayor charities and whether the Mayors Charity bank account was a paper based or online account. In response, members were advised that records were kept of donations to the Mayors Charity with details to be provided outside of the meeting (through the Action Log) as to whether Mayor's Charity bank account was operated as an online or paper account. Officers advised they would also investigate the establishment of an online historical record of organisations supported through the current and previous Mayor's Charity Fund.

As no further issues were raised the Committee **RESOLVED** to note the contents of the report and the financial and procedural management of the Mayor's Charity Appeal as set out in Appendix A of the report.

#### 10. **Brent Council Statement of Accounts 2021 - 22 and LB Brent Audit Findings Report 2021/22**

At the suggestion of the Chair, members agreed that Agenda Item 10 (Brent Council Statement of Accounts 2021-22) and Agenda Item 11 (LB Brent Findings Report 2021-22) would be considered together.

As further context the Chair advised that since the accounts had initially been presented to Committee in September and December 2022, further guidance had now been issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) providing a temporary solution nationally for the accounting of infrastructure assets. Brent had subsequently updated its Statement of Accounts to comply with the accounting requirement with final sign off now subject to completion of the External Audit process.

The Chair then invited Ben Ainsworth, Head of Finance to provide a further update, with clarification provided that Grant Thornton (External Auditors) were nearing completion on the audit of the final Statement of Accounts, pending further minor revisions as detailed in the accompanying Audit Findings report. These had arisen as a result of an additional review of the Statement of Accounts undertaken by Grant Thornton (as External Auditors). Members were, however, advised that whilst some further adjustments had been required to the Statement of Accounts as a result, none of these had significantly impacted on the anticipated outcome of the audit or medium term financial position of the Council with the result still expected to be an unqualified audit opinion being issued. It was also highlighted that although taking longer than previously advised, Brent were in a good position in terms of their accounts sign off both now and historically when compared with other London boroughs, as illustrated in paragraph 3.4 of the report.

The Chair then welcomed Ciaran McLaughlin, Key Audit Partner, Grant Thornton, who was invited to provide an update on progress with completion of the external audit relating to the Statement of Accounts and the updates to the Audit Findings report. The Committee were provided with the following update:

- The extended sign off process for the Statement of Accounts had been as a result of the accounts being selected for a “hot review”. This involved further review of the accounts by the technical team within Grant Thornton, with any issues identified as a result needing to be addressed prior to final sign-off and completion of the audit process.
- As a result of the additional review two further recommendations had been identified within the Action Plan included within Appendix A of the Audit Findings report, on which Management responses had been provided, with the audit findings adjusted accordingly but no material impact on the overall audit opinion. Confirmation was also provided that the changes identified did not impact upon Brent’s medium term financial plans.
- Grant Thornton recognised the inconvenience as a result of the additional time taken to complete the audit of the Statement of Accounts however it was highlighted that the thorough process added a further layer of assurance in Brent’s compliance with the code and financial reporting requirements.

The Chair thanked Ben Ainsworth and Ciaran McLaughlin for presenting the updates before inviting Committee members to ask any questions or points of clarity they had on the information heard. The following points were discussed:

- Although the Committee acknowledged the thorough process undertaken to finalise the Statement of Accounts, concerns were expressed that the delays created as a result had not been reflected in terms of adjustments made to the timeline for the completion of the audit process. This prompted the Committee to query when the accounts would be ready for final sign off and if an audit scope could be provided for the process in future financial years in order to support realistic expectations of the expected deadlines for completion of the Statement of Accounts. Ciaran McLaughlin recognised the concerns expressed and extended apologies on behalf of Grant Thornton for the length of time taken to complete the audit process. In doing so however, he also reiterated that the level of regulatory review was necessary to ensure compliance. It was confirmed that the aim was for the audit and accounts to be authorised for sign off by the end of the month, however this was dependant on the final approval of the technical team performing the additional review.
- In relation to the concerns highlighted about the delay in being able to sign off the final Statement of Accounts and the impact on the work programme for the Committee during the year, members were reassured that the duration of time taken to finalise the accounts this year had been unusual and it was anticipated the process would return to a more normal timescale in future years.
- The Committee required clarity as to whether the two new recommendations identified as a result of the hot review (as detailed on page 188 of the agenda pack) required any substantial attention from the Committee. In response, the Committee were reassured that the medium rated recommendations were not high level concerns with the auditors satisfied that the management responses provided had adequately addressed the issues raised.
- The Committee acknowledged the knock-on effect which the delay in completing the sign off process on the 2021-22 Statement of Accounts had had on the Finance Team and ongoing impact in relation to the 2022-23 accounts. The Committee took the opportunity to thank Minesh Patel, Corporate Director of Finance & Resources and his team for their resilience and hard work in managing an increased workload as a result of the delays and extended review.
- The Committee queried if additional time would be factored into future timescales in respect of hot reviews taking place every two years. In response the Committee were advised that additional time to account for hot reviews would be written into future audit scopes to support appropriate expectations and planning.
- The Committee questioned why issues that had been picked up from earlier accounts had not been identified previously and whether this was indicative of the hot review process changing from previous years. In response the Committee were advised that the hot review process had not changed however the individuals undertaking the reviews had been different with a general increase in the level of testing required year on year. The Committee heard that to avoid any discrepancies being overlooked engagement leads were rotated to support an appropriate level of review from a fresh perspective.
- The Committee requested that if in future Statement of Accounts needed to be repeatedly brought back to the Committee that any amendments or changes recommended in the Audit Findings report (from previous versions provided)

should be made clear with colour coding, which would be included for reference within the Committee's Action Log.

As there were no further questions from the Committee, the Chair took the opportunity to thank all officers and auditors involved for their efforts in supporting completion of the audit process to enable final sign off for the Statement of Accounts to be progressed.

Having considered both reports the Committee **RESOLVED** to –

- (1) Note the updated version of Grant Thornton's Audit Findings Report for Brent along including the two additional recommendations and management responses provided within the Action included as Appendix A
- (2) To note the Audit Adjustments detailed within Appendix C of the Audit Findings Report, on which it was confirmed no further changes or approvals were required to the Statement of Accounts.
- (3) Given the further delay in completion of the External Audit process enabling formal sign off on the Statement of Accounts the Audit & Standards Advisory Committee seek to reconfirm the original delegation provided for the Chair of Audit & Standards Committee to sign off the finalised accounts. It was therefore **AGREED** to refer the following recommendation to the Audit & Standards Committee:

“On the basis of the discussion and comments made at the Audit and Standards Advisory Committee that the Audit and Standards Committee reconfirm the original delegation provided authorising the Chair of the Audit and Standards Committee to sign the final Letter of Representation and Statement of Accounts, subject to a written assurance being provided that all outstanding matters and adjustments contained in the Audit Findings report had been made. If there were any material adjustments required as a result of the final Audit Findings report being issued, these would be reported back to the next committee and also sent to the Chair of the Audit and Standards Advisory Committee and the Independent Advisor to the Committee”.

## 11. **Review of the Performance & Management of i4B Holdings Ltd and First Wave Housing Ltd**

The Chair advised that the updates on both i4B Holdings Ltd and First Wave Housing Ltd (included as Agenda Items 11.1 and 11.2 on the agenda) would be taken together. He then welcomed Martin Smith, Chair i4B Holdings Ltd and FWH Ltd to the meeting and invited him to introduce both reports.

In introducing the item Martin Smith advised that both reports provided the Committee with an update on i4B Holdings Ltd and FWH Ltd.'s recent performance, 2023/24 business plan and risk register, with the following issues noted by the Committee:



- Both companies were financially secure, with i4B recently demonstrating a positive financial return, the Committee was advised that financial forecasting suggested that this would be likely to continue in the foreseeable future.
- The context in which the 2023-24 Business Plan had been developed along with the progress made against the objectives within the 2022-23 Business Plan and key strategic priorities for 2023-24.
- In terms of operational performance, the main issues continued to be void turnaround times and (in relation to i4B) rent collection, with ongoing strategies in place to address both issues.
- Risks continued to be regularly reviewed with the biggest strategic development since the last Committee recognised as the challenging external economic environment in which both companies were having to operate which had seen high inflation and a sharp increase in interest rates. This had posed issues in relation to the i4B Business Model relating to the purchase of street properties. In response to the economic challenges, members were advised of the measures taken to secure available finance at preferential interest rates, as part of i4B's Development Strategy. Additionally, the decision had been taken to temporarily suspend the i4B street property acquisition programme until market conditions had stabilised.
- The Business Plan for i4B and FWH Ltd had both been approved by Cabinet on 13 March 2023 with the strategic priorities identified remaining focused around increasing the supply of affordable housing in the borough; running a viable business; delivering safe and sustainable homes; and providing a consistently good housing service in support of the Council's wider Housing Strategy. Members were advised these also included, as specific priorities, an approach designed to deliver accessible adapted accommodation as well as meet current environmental and decarbonisation requirements and standards, given the additional costs relating to environmental efficiency works. In working towards these objectives, the Committee was advised of the current focus within the i4B Business Plan towards the acquisition of new build block properties utilising the funding available pending any decision to re-enter the street property market.

Having considered the reports, the Chair invited Committee members to ask any questions or points of clarity they may have, with the following points of discussion summarised below:

- In response to concerns identified regarding the performance on voids and rent collections, Darren Armstrong (Head of Audit and Investigations) advised of the recent completion of an internal audit undertaken with Brent Housing Management (BHM) in relation to voids management, on which a follow up was scheduled for Quarter 1 2023-24, with an update due to be provided to the Committee as part of the Annual Internal Audit Report in June 2023 to advise of the summary outcomes and recommendations.
- The Committee welcomed the actions listed in section 5.1.2 of the i4B Performance report that provided an overview of the measures being taken by BHM to improve voids and re-letting performance but were keen to understand the reasons for the current performance. In response, the Committee were advised that there was no one clear reason, it was a combination of issues mainly around process that needed to be addressed to

support a reduction in voids and re-letting times. As a result of concerns expressed at the ongoing performance in this area, members were advised of the regular review mechanisms now in place with the actions identified felt to be reasonable and proportionate in their design and overall impact in seeking to monitor and address ongoing turnaround performance issues and their causes..

- An additional factor that had been identified in terms of performance on voids was an external issue that extended beyond Brent, in relation to the supply of material and trade and labour to undertake the necessary maintenance and repair to allow properties to be in a suitable condition for re-letting.
- In response to the detail provided on the financial performance of both companies, further assurance was sought by the Committee regarding the financial viability of both companies. In response, the Committee were advised that both companies were financially secure. Despite the ambiguity of the external economic climate and the potentially large expenditure in relation to the decarbonisation of properties, financial forecasting had indicated the mitigating actions being taken to address these challenges would ensure the operation of both companies would remain viable.
- The Committee queried if there were plans to increase housing opportunities for residents with more complex needs such as large families, families with household members with disabilities and residents seeking refuge from domestic abuse. Whilst the housing of those residents suffering domestic abuse was provided through a separate arrangement and not a function for either i4B or FWH addressing supply issues in relation to large families and disabled residents had been recognised as a priority and had been included within the Business Plan to purchase new builds that were more adaptable to meet the needs of these groups.
- In response to a query regarding the timescales and plans to progress the retro fitting of properties to support Brent's climate ambition the Committee were advised that pilot work and stock energy efficiency surveys had been undertaken to ascertain the likely costs of retro fitting properties to relevant standards. As a result, it was envisaged that a more detailed position would be available by the end of 2023 - 24 on the financial impact, and an action plan could be formulated accordingly including any necessary updates to the company Risk Registers
- It was confirmed that Service Level Agreement's (SLA's) were regularly reviewed and the i4b and FWH Boards felt that a fair package was in place for both the companies and Council.
- In relation to the decarbonisation of properties in properties not owned by i4B or FWH, the Committee were reassured that finances had been set aside for the retrofitting and decarbonisation programme of works, however, this would also involve, where necessary, full consultation with leaseholders in relation to the costs of any works.
- Following concerns highlighted in relation to the effectiveness of the current housing repairs service, the Committee were advised of the alternative options being considered linked to the upcoming renewal of the existing housing repairs contract with Wates.
- Referring to the risk identified in relation to i4B and the impact of poor data quality on asset management systems and effective monitoring of compliance with health and safety standards the Committee were assured that Health and Safety compliance continued to be a high priority for the

Board, particularly in relation to concerns highlighted around mould issues. In recognising the mitigating actions identified to support further improvements moving forward, the Committee noted that BHM had implemented a whole system review of compliance arrangements. The Committee were assured that Health and Safety compliance would continue to be identified as high risk on the Risk Register until the newly introduced system was in use and confirmed to be operating successfully at which stage consideration would be given to reducing the overall level of risk. Members also noted that part of the operational challenges in managing health and safety compliance was in gaining access to third party owned properties to carry out checks.

- In response to a Committee query in relation to the financial modelling used to forecast i4B/FWH cashflow, including the risks and variability assumptions used to stress test the model, the Committee were advised that the stress test looked at factors including costs around the decarbonisation of properties, the challenging economic environment including inflationary cost pressures, the likely increase in tenant arrears and the changes in governance to local housing. After exploring the impacts of these points individually and collectively it had been established that FWH could withstand significant variation in the impact of these factors on their financial viability. Whilst the impact of these factors would be greater on i4B it was felt that the company remained in a financially sustainable position with additional mitigations available should the position in relation to its viability alter, including the option to dispose of stock, if necessary.
- The Committee required clarity on how the loans drawn down to reinvest as part of the company Business Plans had been utilised. The Committee were advised that £23m had been borrowed by i4B prior to the interest rates rising rapidly in 2022. It was clarified that approx. £20m was available and ready to spend, however this money would not be used to support business cashflow but would be deployed at the right time in line with positive economic peaks to purchase more affordable housing, with a preference that the housing purchased would support groups with the greatest housing needs as previously discussed, in line with the agreed Business Plan.

As no further issues were raised the Chair thanked Martin Smith for attending the meeting in order to present both the i4B Holding Ltd and FWH Ltd reports and it was **RESOLVED** to note the performance update reports provided in relation to both i4B Holding Ltd and FWH Ltd and continued focus required on the key risks and performance issues identified.

## 12. **Internal Audit Investigations Plan**

Darren Armstrong, Head of Audit & Investigations introduced a report which set out the draft Internal Audit Strategic Plan, and the Counter Fraud Plan for 2023-24.

In firstly considering the Internal Audit Strategic Plan the Committee noted:

- The Internal Audit Strategic Plan had been formulated to address the statutory requirements and key risks for the Council in line with the available resources within the Internal Audit service.
- The plan had been prepared in consultation with senior management via Departmental Management teams and Senior Leadership teams to gain a

greater understanding of the Councils strategies, key objectives, and associated risks.

- Additionally, Internal Audit had also (in developing the Plan) undertaken a risk assessment exercise and reviewed departmental risk registers and the Council's Strategic Risk Register in order to identify key risks that could impact on the achievement of the Council's objectives.
- Whilst the Plan, recognising the extent of resources available, had been focussed on those areas identified with the highest levels of required assurance an element of flexibility had been maintained to ensure a responsive approach could be provided in relation to managing any emerging risks or supporting services undergoing significant levels of change and in need of advice in relation to control measures.
- The Committee's attention was drawn to Appendix 1 of the report that included further details on the Internal Audit Plan including a strategic risk assurance map aligned to the Council's identified strategic and key inherent risks, available resources and mitigating actions identified.

The Committee was then invited to raise questions on the report, which are summarised below

- The Committee thanked Darren Armstrong and his team for what they felt was a highly informative and clear report.
- It was noted that the planned Climate Change Audit had been pushed back to Quarter 3 within the Plan and the Committee queried if this could be brought forward given the increasing focus on activity in this area and planned scrutiny review. In response the Committee were advised that officers would explore if the internal audit on Climate Change & Sustainability could be brought forward within the Internal Audit Plan 2023-24 from Quarter 3.
- In response to a Committee query regarding the range of audits identified in relation to the housing function and performance of BHM, the Committee were advised that a great deal of work had been undertaken in terms of the operational performance of BHM, particularly in terms of void turnaround and repairs. The Committee were reassured that this work would continue to evolve as a rolling programme of assurance and to support further improvements. It was noted that as well as building on and responding to emerging risks in housing, the Internal Audit team were able to provide ongoing consultancy support and advice to BHM.

As there were no further issues raised in relation to Internal Audit Strategic Plan the Chair then invited Darren Armstrong to update the Committee on the Counter Fraud Plan for 23-24.

The Committee noted the following key points:

- Fraud remained an inherent risk for the Council, due to the unpredictable nature of fraud it was more challenging to predict where resources would need to be deployed on the Counter Fraud Plan
- The Counter Fraud Team's operational approach required both reactive and proactive work. It was noted that reactive work largely consisted of referrals internally, from the Housing department or external fraud types, whereas

proactive activity was generated from within the service in response to a wide range of fraud risks.

- The Committee's attention was drawn to Appendix 2 of the report detailing the Counter Fraud Plan for 2023-24 and deployment of resources based on types of fraud to be investigated and the approaches in managing specific risks.

The Committee was then invited to raise questions on the report, which are summarised below:

- In response to a query regarding the current resourcing of the Counter Fraud Team were, the Committee were advised that the team were at full capacity and carried no vacancies, with the team able to access all the areas of expertise they needed to undertake their work successfully. It was however noted that the demand for internal audit work was likely to increase parallel to the increased risk the Council faced. Therefore, the team were aware of the need to work as effectively and efficiently as possible to cover the key areas of risk.

As no further issues were raised, the Chair thanked Darren Armstrong and his team on behalf of the Committee for their hard work on both the Internal Audit and Counter Fraud plans. The Committee **RESOLVED** to approve the draft Internal Audit Strategic Plan and Counter Fraud Plan for 2023-24.

### 13. **Review the use of Regulation of Investigatory Powers (RIPA) Act 2000**

Bianca Robinson, Senior Constitutional & Governance Lawyer introduced a report that detailed the Council's use and conduct of surveillance techniques in accordance with the Regulation of Investigatory Powers Act (RIPA) 2000 in compliance with the annual review obligations set out in Brent Council's RIPA policy and procedures.

In considering the report the Committee noted:

- The Regulation of Investigatory Powers Act 2000 (RIPA) gave the Council significant powers in order to investigate serious matters and offences, enabling the Council to use covert surveillance, covert human intelligence sources (CHIS) and to acquire service user or subscriber information in relation to communications data.
- The Council was periodically inspected by the Investigatory Powers Commissioner's Office (IPCO). Brent's last inspection was in March 2020 and members were advised that no concerns or recommendations had been identified as a result of the inspection, with Brent due another inspection around 2023/24.
- In November 2022 further changes were made to RIPA powers when Sections 37-44 of the Police, Crime Sentencing and Courts Act (PCSA) 2022 came into force with a further power to extract (Communications) Data. Consequently Section 7 of the RIPA Policy and Procedures had been amended to reflect the PCSA changes (as seen in Appendix A of the report). Further amendments had also been required to reflect changes in officer titles as a result of the Council's recent senior management restructure.

- The decline in use of RIPA over recent years, with zero RIPA Directed Surveillance or Covert Human Intelligence Source (CHIS) authorisations in Brent during 2022-23 and two request for Communications Data, as detailed within section 3 of the report. Members were advised that the predominant use of RIPA was now focussed on the enforcement of trading standards controls and in the context of serious fraud investigations.

The Committee was then invited to raise questions on the report, which are summarised below:

- The Committee queried how Brent fared comparatively against other boroughs in terms of the use of RIPA powers. In response, the Committee were advised that the decline in use of RIPA powers was consistent across most local authorities with its use therefore comparatively equal amongst other local authorities.
- In response to a Committee query regarding the thresholds to decide on making an application to use RIPA, it was confirmed that thresholds were high (hence the low number of RIPA authorisations sought). Significant prior intelligence was needed to successfully support an application to the magistrates to use RIPA.
- Officers advised that RIPA only referred to covert surveillance, the deployment of mobile CCTV would not be considered under RIPA.

As there were no further comments raised the Chair thanked Bianca Robinson for the update and the Committee **RESOLVED**

- (1) To note the contents of the reports.
- (2) To note the changes to the RIPA policies in relation to further powers to extract data from a mobile device, pursuant to Police Crime Sentencing and Courts 2022.
- (3) To note that the updated policies and procedures on RIPA were due to be approved by Cabinet on 17 April 2023.

#### 14. **Evaluating the Effectiveness of the Committee - Survey Outcomes**

Darren Armstrong, Head of Internal Audit & Investigations, introduced a report that detailed the outcome of the recent self-assessment exercise completed by members of the Audit & Standards Advisory designed to evaluate the Committee's effectiveness in response to CIPFA's guidance around self assessment and evaluation for Audit Committees. .

The Committee noted the following key points:

- The summary outcomes of the self-assessment process, as detailed in section 4 and Appendix 1 of the report. Overall, the results had indicated that members felt the Committee was fulfilling its duties across all areas within the CIPFA guidance.
- Whilst some minor improvements had been identified to further enhance the effectiveness of the Committee, these had been reflected within an. Action

- Plan developed (as detailed within Appendix 2 of the report) to include suggested actions to respond to the lowest scoring areas evidenced from the assessment.
- In addition to the actions identified within the Action Plan, the Committee's Terms of Reference were also subject to review in order to further clarify and make explicit the Committee's responsibilities, to better reflect the CIPFA 2022 Position Statement.

Following the summary provided the Committee sought further assurance on the resources available to support implementation and monitor delivery of the Action Plan and also sought details on targeted training available for Committee members. In response, it was confirmed that no specific financial implications had been identified in relation to supporting delivery of the Action Plan. In terms of the additional training opportunities for Committee members, officers confirmed they would explore what training was available linked to the CIPFA guidance as an action to take forward and provide a response to the Committee as part of the Action Log in advance of the next Committee meeting.

In closing the discussion on the item, the Chair thanked Darren Armstrong for his work on the self-assessment process and the Committee **RESOLVED** to

- (1) Note the outcomes of the self assessment exercise.
- (2) Agree the suggested actions as detailed within Appendix 2 of the report, to address the areas for improvement that had been identified.

## 15. **External Audit Progress Report and Sector Update**

The Chair invited Ciaran McLaughlin, Key Audit Partner, Grant Thornton, to update the Committee on the progress in delivering the audit of the 2022-23 Statement of Accounts over the next financial year.

Ciaran McLaughlin confirmed that an audit scope plan and timetable for the 2022-23 Statement of Accounts and Pension Fund audit was in the process of being finalised, pending final sign off the 2021 - 22 accounts. The Committee requested advance sight of the audit scope and timetable as soon as possible.

## 16. **Review the Committee's Forward Plan**

Given this was the final meeting of the 2022-23 Municipal Year the Committee noted the current work programme with the Chair advising that an updated Forward Plan and work programme was in the process of being developed for the 2023-24 Municipal Year which would come in to effect from the next meeting in June 2023.

As part of the development of the 2023-24 and future work programmes members requested that future planning consider the management of each agenda to allow Members to focus on providing an appropriate level of challenge on the substantive items included for consideration at each meeting. The Chair agreed that it was important to recognise the issue raised in relation to the effectiveness of the Committee and that efforts would be made to accommodate this request where possible. It was highlighted that the use of the Forward Plan was designed to evenly spread items across the year to support manageable Committee agendas

and that the last few meetings had been unique in terms of the Statement of Accounts being a repeated item, as it would usually only be presented to the Committee on one occasion.

**17. Any Other Urgent Business**

In view of her upcoming retirement the Chair closed the meeting by extending his gratitude on behalf of the Committee to Chief Executive, Carolyn Downs for her support during her time at Brent, with all members of the Committee wishing her well for the future.

The meeting closed at 7:41 pm

David Ewart  
Chair