

 <b>Brent</b>	<b>Audit &amp; Standards Advisory Committee</b> 24 February 2025
	<b>Report from the Director of Finance &amp; Resources</b>
	<b>Lead Member – Deputy Leader &amp; Cabinet Member for Finance &amp; Resources</b> <b>(Councillor Mili Patel)</b>
<b>Statement of Accounts 2023-24</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>No. of Appendices:</b>	Four Appendix A: LB Brent Draft Letter of Representation Appendix B: LB Brent Draft Audit Opinion Appendix C: LB Brent Pension Fund Draft Letter of Representation Appendix D: LB Brent Pension Fund Draft Audit Opinion
<b>Background Papers:</b>	N/A
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Minesh Patel Corporate Director of Finance & Resources 020 8937 6528 Email: Minesh.Patel@brent.gov.uk

### 1.0 Purpose of the Report

1.0 This report provides an update on the statement of accounts for the Council and Pension Fund for 2023/24

### 2.0 Recommendation(s)

- 2.1 To recommend the Audit & Standards Committee delegate approval of the draft letters of representation to Grant Thornton for the Council and Pension Fund to the Corporate Director of Finance & Resources, as set out in appendices A and C.
- 2.2 That the committee note the draft audit opinions, as set out in appendices B and D.
- 2.3 To recommend the Audit & Standards Committee approve the final statement of accounts for 2023/24, 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 committee.
- 2.4 To recommend the Audit & Standards Committee agree the audit fees for 2023/24, as set out in section 3.2.7 of this report.

### **3.0 Contribution to Borough Plan Priorities and Strategic Context**

**3.1** The statement of accounts is the formal audited accounts of the Council. The purpose of the statement of accounts is to give clear information on the Council's overall finances and demonstrate stewardship of public money for the year. Being able to independently demonstrate that the Council's financial affairs are sound, will ensure the Council can achieve its Borough Plan priorities and objectives.

### **3.2 Detail**

3.2.1 The Audit Committee has responsibility for considering issues raised by the external auditors as part of the process of approving the annual statement of accounts. The basis for this consideration is the "report to those charged with governance" also referred to as the ISA260 (Audit Findings Report). The Council's external auditors, Grant Thornton, produce the report following completion of the audit of accounts. The report is intended to identify any changes to the accounts, unadjusted mis-statements or material weaknesses in controls identified during the audit work.

3.2.2 At the time of despatch of this report, Grant Thornton are in the process of finalising the audit of the 2023/24 accounts and their ISA260 (Audit Findings Report). A detailed update on the Audit Findings Report was presented to the committee on 4 February 2025. Since then, the audit of Plant, Property and Equipment, which was the original cause of the delay in the audit, has concluded and adjustments to the accounts have been agreed. Unfortunately, a final AFR could not be issued in time for the committee meeting and therefore the auditors will provide a verbal update at the committee meeting. The final Statement of Accounts and AFR will be published after the meeting. The committee is asked to approve the Council's statement of accounts, subject to no other material changes required by the auditors. Representatives from Grant

Thornton will attend the meeting to provide an update on the audit and respond to any matters raised by the Committee.

- 3.2.3 A series of 'backstop' dates were introduced by the government in 2024 as part of its plans to clear local authority audit backlogs. If the audit of the accounts cannot be completed before the backstop date then the auditor can issue a modified or disclaimed audit opinion. A disclaimer of opinion states that the auditor does not express an opinion on parts of the financial statements. For 2022/23, the backstop date was 13 December 2024 and for 2023/24, the backstop date is 28 February 2025. It is understood that for 2022/23, 361 disclaimed opinions were issued. According to analysis by Public Sector Audit Appointments (PSAA), 43.9% of local government accounts for 2022/23 were disclaimed due to the backstop date of 13 December, while only 1.1% of audits for 2022/23 were delivered by the original publishing date. The unprecedented number of disclaimed opinions illustrates the scale of the challenges facing the sector and local audit. It is expected that a similar number of disclaimed opinions will be issued for 2023/24 accounts.
- 3.2.4 At the time of despatch of this report, it is expected that the accounts will be signed before the backstop deadline of 28 February 2025. The final accounts and final Audit Findings Report will be sent to the committee as soon as practically possible.
- 3.2.5 As part of the accounts sign off process, Brent are required to issue a letter to the auditors that sets out the responsibilities and representations made by Brent to the auditor to confirm that certain matters have been undertaken and confirm the responsibilities of Brent to ensure there is no misunderstanding. The draft letters for the Council and Pension Fund are set out in Appendices A and C.
- 3.2.6 The draft audit opinion highlights the key matters arising from the audit of the 2023/24 accounts and whether the council's financial statements present a true and fair view of the financial position, its expenditure and income for the year and whether they have been properly prepared. It is also used to report the audit findings to those charged with governance. The draft audit opinions for the Council and Pension Fund are set out in Appendices B and D.
- 3.2.7 Details of audit fees were set out for the committee on 4 February 2025 as part of the Audit Findings Report and discussed with committee members. In summary, the fees as per the original audit plan are £515,639 and the additional fees incurred as a result of the additional work required on Plant, Property and Equipment totals £60,120. Total fees are £575,759. As part of the accounts sign off process, members are asked to agree the additional audit fees.

#### **4.0 Stakeholder and ward member consultation and engagement**

- 4.1 There are no direct considerations arising out of this report.

#### **5.0 Financial Consideration**

- 5.1 There are no financial implications arising as result of this report.

## **6.0 Legal Considerations**

6.1 There are no legal implications arising as result of this report.

## **7.0 Equity, Diversity & Inclusion (EDI) Considerations**

7.1 Not applicable.

## **8.0 Climate Change and Environmental Considerations**

8.1 Not applicable.

## **9.0 Human Resources/Property Considerations**

9.1 Not applicable.

## **10.0 Communication Considerations**

10.1 Not applicable

**Report sign off:**

***Minesh Patel***

Corporate Director of Finance &  
Resources