

MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE

Held in the Conference Hall, Brent Civic Centre on Wednesday 23 July 2025 at 6.00 pm

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

Independent co-opted Members: Rhys Jarvis, Steven Ross and Sebastian Evans.

Also Present: Councillor M. Butt (Leader of the Council), Councillor Rubin (Cabinet Member for Climate Action and Community Power), Sofia Brown and Sheena Phillips (Grant Thornton).

1. Apologies for absence and clarification of alternate members

Apologies for absence were received from Councillors Millie Patel and Lesle Smith along with Councillor S. Butt as Councillor L. Smiths notified substitute.

2. Declarations of Interest

David Ewart (Independent Chair) declared a personal interest as a member of CIPFA.

3. Deputations (if any)

There were no deputations considered at the meeting.

4. Minutes of the previous meeting & Action Log

RESOLVED that the minutes of the previous meeting held on Monday 16 June 2025 be approved as a correct record.

Members noted the updates provided in relation to the Action Log of issues identified at previous meetings along with action log item 3 items being addressed as an unnecessary compilation of the list. It was agreed by the Committee for the item to be removed following the meeting, with it having completed its intended goal of facilitating the removal of 5 other items from the log.

5. Matters arising (if any)

Ben Ainsworth (Head of Finance) provided an update on the annual accounts, explaining that the council had delayed publication of the accounts due to issues identified during a senior management review. He reported that the finance team had been working hard since the audit finished in February to address audit improvements recommended by Grant Thornton but had discovered major issues with the recording of Property, Plant and Equipment, particularly relating to valuations. The senior management review had also identified problems with the implementation of IFRS 16, the new lease accounting standards that affect leases, PFIs, and SPFIs, as well as specific issues with accounting for PFI buyers. To address these complex accounting problems, the council had brought in external advisors who were still working to understand the proper accounting treatment required. The committee agreed to defer detailed discussion of the accounts matters until Item 11 under the auditors' report, allowing for a consolidated discussion of all account-related issues at that point in the meeting.

6. Procurement Review Update

Rhodri Rowlands (Director of Strategic Commissioning Capacity Building and Engagement) introduced the report, outlining the details and providing the committee with a comprehensive update on the procurement review and service updates. He outlined the Embrace Change transformation program and referenced the previously issued Grant Thornton recommendations presented to the Committee in February 2025, which emphasised the council's constant focus on best delivery practices. Rhodri Rowlands then explained that external expertise had been brought in from January to April 2025 to conduct a thorough review. He elaborated on one key aspect of the review, which was to identify areas of strength within the procurement function as well as those requiring further development. He noted that while the Council's procurement practices were legally compliant and operated within appropriate legislation, the review had identified several key findings that were preventing procurement from fully meeting the council's strategic objectives. The main issues identified within this included a cultural problem around procurement practices, with functions not being sufficiently strategic or creative in their approaches. Also highlighted was the need for additional capacity, as well as greater clarity regarding roles and responsibilities, both within the procurement function itself and in relation to other council services. The highlights of Rhodri Rowland's update on the Procurement Review are summarised below:

- Regarding the Council's Improvement program's implementation, Rhodri Rowland spoke on the efforts being made to address challenges through the implementation of a wide-ranging improvement program. A single forum and vehicle had been established to deliver all recommendations, with all actions focused through this central mechanism. Both the Corporate Management Team and the Policy Coordination Group had approved the program, and delivery was already in action with good progress reported since approval. The areas of improvement included revised governance structures, enhanced delivery and assurance processes, and operational changes to day-to-day leadership. A roles and responsibilities outline protocol had been drafted, and positive progress had been made in this area as well.
- Moving to discuss the Council's procurement strategies, Councillor Ruben (Cabinet Member for Climate Action and Community Power) expressed the desire to move toward a more strategic procurement function, one that would better align with political priorities and examine the products and services the council purchases. He took the opportunity to also formally invite Councillors Chan and Molloy to attend the future meetings being held on the topic to represent the Audit and Standards Advisory Committee.

The Chair thanked Rhodri Rowlands for his update and following this opened up the floor to any questions or concerns held by the Committee. The Chair also took this opportunity to clarified to members that the committee's role was not that of a scrutiny committee but rather to examine and obtain assurance on specific matters. The highlights of the questions asked by members of the Committee have been summarised below:

- Beginning the discussion, members inquired over the running of the Council's strategic direction and governance. Members expressed a desire to move toward a more strategic procurement function across the council, that would better align with political

priorities and more thoroughly examine the products and services the council purchases. Invitations for additional members to attend future meetings on this topic were suggested to ensure broader engagement with the procurement improvement program.

- Concerns from members were raised over the scale of the procurement problems and their cost impacts, with specific examples of the issues identified requested. Rhodri Rowlands responded that problems included regular purchases that exceeded tender limits, failure to deliver expected cost savings, and insufficient decision-making notice periods for members. He emphasised that better oversight and decision-making processes would help address these issues, noting that there had been 60 waivers in place during 2025, with efforts underway to reduce this number through improved procedures and processes. The committee then inquired into the costs associated with addressing these problems. Rhodri Rowlands explained that the main cost was officer capacity, but noted that beyond direct costs, there were significant missed opportunities, including inadequate timeframes for considering the breadth of available options, missed opportunities for enhanced savings levels, failure to reduce tail spend, and inefficient use of multiple suppliers that could have reduced costs.
- Members welcomed the review of the procurement system but noted that there was little mention of localism and community wealth building, particularly regarding raising revenue from business rates. The committee requested that these aspects be better referenced in future work and emphasised the importance of local spending measured not just in terms of direct expenditure but also considering the number of employees supported and supply chain effects. Members stressed that focus should not solely be on saving money but on achieving value for the amount of money spent. Rodri Rowlands responded to this, noting that references to these priorities were included within the broader report and the procurement strategy revision. He explained how potential suppliers would need to demonstrate in-depth knowledge of the local area. The council was also noted to be working with the Centre for Local Economics on strategies to provide more opportunities within Brent, using Match My Project to connect suppliers and resources to local projects. A suggestion was made by the committee to include a clause within the procurement processes to ensure Brent community benefits were prioritized. During the discussion on value for money, members emphasised that focus should be placed on achieving better value, rather than simply reducing spend. There was discussion about the need to reduce extractivism and reference to the CPCMAC Board. The Committee suggested that benchmarking and case studies should be used to evaluate progress, asking what Brent had specifically improved over the months of implementation and whether raw metrics could be combined with qualitative assessments. Rhodri Rowlands agreed with this approach, noting to incorporate members feedback into future work. Regarding the clause recommending prioritisation of community wealth building and contribution to Brent's economy within the procurement processes, the Committee made a formal recommendation that this be considered, with Councillor Rubin stating that he would present the request to the Community Wealth Building Team for review.



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- In covering concerns over risk management and financial controls, members cautioned that the committee must be careful not to create new costs in other areas or generate long-term costs while implementing improvements. Inquiries were made about the relationship between the procurement improvement plan and internal audit activities, with Rhodri Rowlands assuring members that there was a good relationship between the teams, with plans to continue building internal audit activity into their processes. Concerns over budget reserves and whether cost elements in the budget assumed improvements would be achieved were then raised. Officers explained that procurement savings were built into the budget and set according to the status quo level, with any future improvements to be added as developments materialized. When members asked whether this created risk if improvements didn't proceed as planned, it was confirmed that this would indeed create a budgetary risk which would then need to be addressed.
- Whilst trying to gauge the likely success of the improvement plans, members acknowledged that cultural change was difficult and asked whether similar projects had succeeded in other organizations. Rhodri Rowlands confirmed that a number of councils had achieved successes in this area, citing Westminster, Oxford, and Croydon as examples. He noted that the council had brought in additional new management as a proactive step in the sector and had become an active member of the London Procurement Network and Social Value Network. The team was actively looking at what was working elsewhere, studying best practices, and implementing the improvements they observed.
 - Following questions on current initiatives being pursued, Rhodri Rowlands stated that current efforts included the new partnership with Centre for Local Economics Strategies, the "Match My Project" program launching September (matches community projects with supplier resources) and the implementation of greater scope under the Procurement Act for local knowledge requirements. The Teams future focuses were then noted as redefining what "local spend" meant, considering numbers of local employees rather than simply headquarters location in community wealth building calculations and an updated supply chain impact assessment.
 - Drawing the conversation to contract management and decision-making, the committee noted that most procurement seen by them involved large contracts and asked whether the review would examine and adjust when tendering and retendering for contracts was necessary. Rhodri Rowlands confirmed that this would be addressed on a case-by-case basis, considering factors such as sustainability and economies of scale. Members were assured that the procurement team would report on their decision-making processes. The Team currently were exploring how best to strengthen existing gateway review processes, introduce regular reporting (quarterly/six-monthly) on contract reviews and upcoming retendering and restructuring reports to go through Cabinet for organizational oversight. All information would also now be made available through the Brent Council website in the public domain. Members then inquired about technological improvements and how the use of data and AI could be used in improving the procurement processes. Rhodri Rowlands explained that closing capacity gaps and recruiting the right people for necessary roles

was a current priority. He identified data and AI as key areas that were recognized as important for the future. The Council was stated as needing to drive more benefit from data in spend and supplier analysis, so as to develop a more strategic approach and make better use of spend and supplier analysis data. This would then help in ensuring this information was available to decision-makers with appropriate use and visibility. Rhodri Rowlands then noted that the council was exploring new opportunities with AI in procurement, which could potentially support the early stages of tender processes. This technology was currently being explored as part of the on-going improvement program.

- With members questions satisfied members requested that the executive summary of the full report on the procurement review be provided to the Committee and all its independent members. Officers agreed to this request, with the committee noting that once completed, the reports summary would be circulated to all Audit and Standards Advisory Committee members by Harry Ellis (Governance Officer).

The Chair thanked Rhodri Rowlands for the update provided and the committee moved to **RESOLVE** following recommendations and note:

1. the contents of the report.
2. to receive a follow up report on procurement improvement development, which would be brought to the Committee in six months' time.

7. Treasury Management Outturn Report

Nadeem Akhtar (Senior Finance Analyst) introduced the report which would cover the Treasury Management activities for the previous financial year. Nadeem Akhtar began by stating that the presentation on the report had come to the Audit and Standards Advisory Committee for scrutiny before its eventual submission to Brent's Cabinet. He explained that the report, with four appendices, updated members on the borrowing and investment decisions made by corporate and financial resources under delegated authority. The highlights from the report are summarised below:

- The Council had complied with its prudential indicators for the 2024-25 financial year, which were initially set at full council in February 2024, with no breach of indicators reported. Outstanding debt as of March 2025 was stated to stand at just over £900 million, having increased from £814 million at the start of the financial year (correcting an initial figure mentioned as £894 million), representing a net change of £86 million. This change in debt resulted from raising new borrowings of £170 million while paying back £84 million of existing debt, with the borrowed funds used to finance the capital program. Cash investments as of March 2025 totalled £47 million, having decreased from £95 million at the start of the financial year, representing a change of approximately £48 million. The council's capital financing requirement, which represents the underlying need to borrow, had changed from £1.25 billion to £1.35 billion, a net increase of £100 million, again reflecting forecast investment made in the capital programme. The council's rate of return on cash investments decreased during the year from 5.3% to 4.5%, reflecting numerous changes in the Bank of England's

base rate during the course of the year. The statutory charge for repayment of debt, known as minimum revenue provision (MRP), was just under £20 million and excludes PFI schemes.

The chair acknowledged the scale of the figures, noting that with £900 million of debt, even slight movements in rates would make significant differences. The Chair then congratulated the Finance Team for managing to reduce the average cost of borrowing in a rising interest rate environment. Following this, the Chair opened the floor to questions from the Committee with the highlights of these questions summarised below:

- Regarding budgetary developments, members raised concerns about the capital financing requirement being forecasted to reach £1.5 billion against an authorised limit of £1.5 billion, questioning officer on whether there was concern given that markets showed no real signs of interest rates decreasing. Debt maturity was also discussed, with members noting that significant debt was maturing within the year and asking about potential refinancing strategies. Amanda Healy (Deputy Director of Finance for Investment and Infrastructure) responded that CFR increases are ultimately driven by the capital programme. When looking at new capital programme schemes for inclusion, they examine affordability, with the most significant growth in the capital programme relating to affordable housing development, which has underlying cash flows to enable asset delivery and debt repayment. She explained they work closely with treasury management advisors to evaluate the best mechanisms for borrowing required sums over coming years, especially given interest rate environment movements that are difficult to navigate but require constant assessment. Regarding maturity structure, she confirmed that a significant portion of their portfolio was coming up for renewal in 2025-26, which was part of their intended strategy. Brent generally preferred to keep a proportion of debt in short-term holdings to ride through interest rate waves, as rates were expected to decline, allowing them the Finance Team to take reasonable small risks rather than fixing rates at current levels. Small amounts of short-term borrowing had been taken and officers noted that they would assess next year whether to renew in medium or long-term arrangements.
- Discussing the PFI loans listed in appendix two, members noted their higher than desired rates, despite them consisting of relatively small amounts. The Committee questioned when these loans mature and whether they demonstrated a valid reason to avoid future PFI arrangements. Amanda Healy clarified that these aren't traditional borrowing agreements but long-term liabilities, acknowledging the extremely high rates compared to the rest of their portfolio. She confirmed they hadn't undertaken PFI agreements for a significant period and wouldn't be doing so going forward, as different alternative funding options were now available and PFI were no longer considered a viable option.
- It was noted that capital funding figures seemed to change enormously from year to year, with an example given where grant funding of £52 million had apparently disappeared in forecasts. Amanda Healy explained that projects in the capital programme were multi-year, and applying the funding was based on when projects were started or completed. Grant phasing was timed along with actual schemes progress – such as the housing scheme completions expected in 2025-26. Any

changes to scheme delivery will change when grant can be applied to fund the associated works. As such, Amanda Healy assured the Committee that every affordable housing scheme would have a grant element.

- Concerns were raised by members regarding short-term deposit accounts used for liquidity, with some members specifically mentioning CCLA recently acquired by Jupiter Asset Management. It was noted that CCLA had a triple-A rating while Jupiter had a triple-B rating. Whilst it was the Council's policy to require a A-plus rating, the fund's rating was reported no to have changed, as CCLA remained as shareholders rather than a subsidiary. Amanda Healy spoke on the issues, addressing the Committee's uncertainty and confirming that the Finance Team maintain constant engagement with advisors who proactively contact relevant organisations to obtain assurances about fund operations, often giving indications where performance dips or structural changes could result in discontinuing product use. She noted this would be discussed with our advisors and noted the CCLA fund was domiciled in the UK.
- Covering the Council's investments, officers were asked why it maintained more liquid assets than was typically approved, asking whether the risk-to-return ratio was appropriate. Amanda Healy explained that peaks and troughs in cash balances were driven by borrowing undertaken in year. The Council is a net borrower so this drives the volatility within periods but also means it could not undertake long-term investment opportunities and had to focus on reviewing cash flow requirements.
- The use of cash held for other purposes to keep external borrowing lower was explored by the Committee, which questioned the impact on these internal borrowing activities. Amanda Healy explained that Brent were utilising cash reserves not yet called upon, including existing balances and reserves, which represented best practice for prudent cash management. Officers stated that when these funds need to be utilised, borrowing would be required.
- Inquiries were made about service investments listed under "schools, academies, and colleges," with members asking for examples of the specific definitions of service investments in this category. Amanda Healy clarified that these were historical investments that had been transferred into loans during the academy conversion process and not new opportunities.
- Regarding attempts to forecast future UK interest rates, members asked how quickly interest rates changes would affect Brent when they reduced, and what impacts further decreases this would have. Amanda Healy explained that investment portfolios generally saw the results of interest rate movement impacts before debt portfolios. This was because investments were held in more liquid assets, which were more closely linked to current interest rates. For borrowing portfolios, officers stated that rate changes only impacted new borrowing, not existing portfolios. While base rates had recently declined, local authority borrowing rates were linked to government gilts, which haven't followed the same trend and stood at around 6% at the time of the meeting. Many factors were stated to impact these government gilts, and while they were expected to drop over time, their volatility was shown. Officers assured members

that they assessed options based on Brent's current borrowing needs, with their current approach being to borrow little and often with the intent to ride out peaks and troughs in interest rate fluctuations.

- Amanda Healy noted that further details would be provided to the Committee in the Finance Teams mid-year report for 25/26 rather than for 24/25. A LOBO (Lender's Option Borrower's Option) recall had occurred during the first part of the year, where the PWLB (Public Works Loan Board) rate was valued at lower than what was being offered. As a result, the loan was redeemed to help with costs and included within their wider portfolio. Amanda Healy observed that recent market movements, including impacts from political announcements around tariffs, had created a volatile treasury environment. When questioned around borrowing from the pension fund, Amanda Healy clarified that Brent could not directly borrow from their own pension fund due to concerns around financial conflicts of interest, though potential opportunities for local investment might potentially exist through the London CIV (Collective Investment Vehicle).

Following this, and with no further questions or concerns raised by members of the Committee, the chair thanked Amanda for a comprehensive report and the Committee moved to **RESOLVE** and note the contents of the financial performance report and its submission to cabinet, acknowledging that officers had met all prudential indicators.

A recommendation was made to also note and comment on the overall financial performance of the report.

8. FM Code Update

Michael Armand (Senior Finance Analyst) introduced the report, providing an update on the council's progress in implementing the CIPFA Financial Management Code since the previous update provided to the Committee in February 2024. The report was structured into two main sections. Section 4 provided an update on the council's progress against each of the 17 financial management standards included in the CIPFA Financial Management Code. Section 5 presented the report's conclusion that the Council was continuing to broadly comply with the code while acknowledging areas requiring continuous improvement through implementation of external auditor recommendations. The highlights of the report are summarised below:

- Significant Financial Challenges had been identified, with the external auditor having identified a significant weakness in the area of financial sustainability for 2023-24 and 2024-25, primarily due to the council's continued use of reserves to fund overspends on homelessness services and temporary accommodation. This led to several recommendations including increasing the level of usable reserves, improvements to monitoring and reporting of statement delivery, MTFS risk register updates, and enhanced scenario planning. The council had then addressed these concerns in the 2025-26 budget approved in February, which was set on the basis of not continuing to use reserves for unplanned expenditure. Growth was built into the budget to address significant pressures, particularly in areas such as homelessness. The budget included

difficult decisions regarding savings and updates to the council tax support scheme effective from April 1, enabling a balanced budget without relying on reserves.

- Section 4 of the report discussed the council's journey along the hierarchy of financial management styles linked to the three Es. Economy: The council maintained a well-established approach to budget setting focused on making available funding stretch further and taking necessary difficult decisions. Efficiency: Since the last update, a budget assurance panel had been established providing additional scrutiny of budgets and performance against targets. The council had also undertaken more benchmarking activity and enhanced performance reporting to provide indicators for management and members. Effectiveness: Financial management was recognized as a dynamic task involving the whole council. The Embrace Change portfolio was listed to be transforming how the council worked to tackle current and emerging challenges while maintaining sustainable finances.
- Beyond the external audit, several other reviews had taken place including a corporate peer review, an internal audit review of financial management, and a critical friendly review of the MTFS model by Oliver Wyman. All recommendations from these reviews would be taken forward as part of Brent's efforts in implementing the CIPFA financial management code.

Following this, the Chair opened the floor to any questions or concerns held by members of the Committee. The key highlights of these questions have been summarised below:

- Regarding the HRA Business Plans monitoring, members asked about paragraph 5.3 of the report, specifically who conducts this monitoring and whether council officers or councillors are involved. Amanda Healy (Deputy Director Investment and Infrastructure) responded that the HRA business plan was presented as part of the budget setting process and was publicly available, with constant reviews throughout the year included in quarterly financial monitoring updates to cabinet, providing updates on the in-year position and any risks and issues. When asked who sees the detailed business plan, Amanda Healy clarified that at the time of the meeting it remained an officer-led work plan.
- Following this, members asked on CIPFA requirements for local audit reform. Questions were aimed particularly on the now mandatory requirement for one independent audit committee member to be placed on the audit committee, with members asking officers how this would work given Brent's unique structure of having two Audit committees. The Chair acknowledged this as a good point, explaining that the current structure came about because the Advisory Committee operated as a decision-making committee rather than the typical non-decision-making audit committee. The Chair noted this would need to be considered and whether they regarded themselves as one committee or two under the new legislation. This would be a decision that the Council would need to determine, considering the distinction between voting and non-voting members,
- Regarding the recommendation in section 5.3 of the report, which looked at the introduction of zero-based budgeting in targeted service areas, members wished for

specific details on where these areas might be. Michael Armand explained in response, that no conclusions had been reached yet, but a workshop with heads of finance had been conducted to examine different recommendations, which would drive decisions about zero-based budgeting implementation. Amanda Healy added that zero-based budgeting was very resource-intensive, so the Council had a need to review and prioritize where it would add the best value, noting that finance teams had already done significant work linking key drivers of spend to outputs, but a full zero-based budgeting approach would require careful prioritization.

With no further questions or concerns noted, the Chair thanked Michael Almond and his team for their good work. The committee then moved to **RESOLVED** and note the contents of the report. In doing this they acknowledged the council's alignment with the CIPFA Financial Management Code. The Chair included a formal amendment to the report's recommendation, commending the Council accept the longer-term recommendations listed in section 5.3, specifically referring to the zero-based budgeting implementation on a targeted basis.

9. Emergency Preparedness Report

The Emergency Preparedness Report was taken as read by the Committee, with members proceeding directly to questions and discussion.

As such, the Chair opened the floor to any questions or concerns from the Committee. The highlights of the questions raised are summarised below:

- Inquiries were made about the debrief process, specifically asking whether it involved the fire brigade and other emergency resources, and whether such processes were always handled sensitively. Darren Armstrong responded, noting that the approach used involved a combination of various emergency services and stakeholders. He explained reviews looking at responses to tragic incidents largely focused on evaluating how well responses were managed whilst identifying any areas for improvement. It was noted that while the initial incident response had been recorded as excellent, recovery phases often continued well beyond the first 24-48 hours of the incident. This was felt particularly keenly through the Council's support of families involved in incidents, with many needing temporary housing for long periods of time. Emphasis was given to the Council's position that resilience was the responsibility of everybody at the Council and that there was considerable reliance on maintaining a collaborative approach.
- Approval of the report was noted by members, with the document seen to be live with healthy and reassuring changes. Questions were raised over if any emergency planning for civil disobedience or rioting had been planned. Darren Armstrong confirmed that such scenarios had been considered within the inherent risks framework and were fed into current planning processes received from the broader London risk register. He explained that work was conducted internally with colleagues, with internal warning signs monitored and information and intelligence shared throughout the Council frequently.



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- Regarding preparations required for the implementation of Martyn's Law, members asked whether any reviews were being conducted to help smoothen the implementation process and whether additional CCTV was being considered. Darren Armstrong indicated that a broader update on this topic would be brought to the next committee meeting as part of the strategic risk report, which included emergency planning as one of their strategic inherent risks. He explained they were in the initial stages of considering the factors mentioned, as their main focus over the past twelve months had been on their own improvement plan from an independent inspection report and responding to the Grenfell inquiry phase two report. The team had only recently turned attention to Martyn's Law, with a fuller update promised for the September meeting. An action was noted for this item to be included in future proceedings. Clarification was sought about Martyn's Law thresholds, noting the legislation's specific guidelines of internal events with 200 people or more and external ticketed events with 800 or more. Members asked whether the council would look at approaches for smaller numbers to build in best practices beyond these specific thresholds. Darren Armstrong confirmed this approach aligned with the team's ethos of achieving best-in-class standards. He assured that they wouldn't just adhere to legislative minimums but would look across the full spectrum, aiming for gold standards and more aspirational measures that might not fall within immediate requirements but would raise the bar as high as possible. He confirmed they would consider the legislation in its full breadth rather than just specific threshold points.
- The importance of maintaining up-to-date accredited rest centres was emphasised, with reference made to a previous major incident in Kilburn where an accredited rest centre (the Granville) was found to be demolished, requiring emergency alternative arrangements for hundreds of displaced residents including children in their pyjamas at night. Darren Armstrong confirmed that significant work had been undertaken over the previous twelve months regarding rest centres, including site visits to ensure they remained fit for purpose. This work was linked to observations and findings from the Grenfell inquiry, ensuring that directly or indirectly linked findings were considered when determining appropriate rest centres. The team had been conducting site visits when not responding to incidents or working on improvement plans and had also provided training to rest centre staff to ensure they were fully trained and understood their roles and responsibilities for efficient, effective, and compassionate activation when needed.
 - Member's referenced section 3.3.2 on page 89 regarding updates to business continuity templates, asking whether sufficient challenge and learning would be incorporated given the team had been asked to update them by August. Darren Armstrong explained this was an enhancement to previous business continuity exercises. Rather than simply asking areas to test their plans, they had developed a suite of off-the-shelf scenarios that heads of service and service areas could select from based on relevance. These collaborative exercises were supported by the emergency planning and resilience team in a business partner role. While they couldn't attend all exercises, they had identified those requiring the most support. The exercises included lessons-learned components to ensure genuine value rather than mere tick-box compliance.

With no further questions noted, the Chair thanked Darren Armstrong for his report, with the Committees thanks for the efforts made by the Emergency Team formally recorded. Following this, the Committee moved to **RESOLVE** and note the contents of the report.

10. Evaluating the Effectiveness of the Audit and Standards Advisory Committee

The Chair introduced the report, thanking Darren Armstrong (Deputy Director Organisational Assurance and Resilience) for circulating the report and Harry Ellis (Governance Officer) for compiling member's responses. He then expressed gratitude to members for their comprehensive and frank responses to the self-assessment survey. The Chair noted that the responses indicated a need to improve performance rather than to completely transform operations. Several key themes emerged from the member responses with members expressing a clear desire to broaden input from officers beyond the finance department, seeking wider representation from all teams and departments across the Council. Significant concerns were raised about both the timeliness and length of agendas, with members highlighting issues around short notice distribution. Members also requested more oversight reports focusing on forward planning and deep dive investigations. Strong emphasis was placed on the need for better follow-up of audit recommendations and ongoing monitoring of progress; various general concerns were also identified regarding internal audit, including questions about structure, role, and working relationships. The Chair acknowledged that given the volume of work ahead, the Committee would need to significantly improve its approach to avoid falling behind. It was proposed that, to help maintain members understanding of the field, internal audit training be arranged for the next available timeslot, with officers noting that September was already allocated to a session on standards training. Training would cover current internal audit methods and approaches, the new risk-based audit approach and its implementation over the past year, as well as a detailed examination of internal audit operations. In response to ideas of outsourcing the workload of the Committee, the Chair clarified to members that the Committee already operated a co-sourced model, with PwC providing specialist number of hours annually, particularly in areas such as cyber security where in-house expertise was not feasible or cost effective.

Following the Chair's report, he opened the floor to any questions or concerns held by members of the Committee, with the key highlights of these summarised below:

- Committee members commended the self-improvement initiative, commending recent efforts to broaden departmental input, observed in recent items on DSG, housing regulations and procurement investigation. Member's requested additional suggestions from all Committee members for future departmental involvements.
- Regarding possible improvements to be made to the Committee, members praised recent meetings for implementing a policy requiring officers to avoid verbal updates on routine items unless urgent or substantive matters arose. Potential joint training opportunities with other London authorities were then suggested to leverage shared expertise and knowledge. One member highlighted the value of establishing a structured deep dive program similar to those used by other audit committees, suggesting this should be integrated into the annual work program. Within the

discussion around this idea, members noted that the topics of cybersecurity and artificial intelligence could be expanded on. The possible establishment of time-limited working groups between committee meetings, to facilitate more effective deep dive investigations was suggested, noting the practical limitations of conducting thorough deep dives during formal committee sessions. The utilization of online meetings where appropriate was also suggested to improve accessibility.

With no further questions or points noted, the Chair acknowledged all the members contributions and confirmed that the Governance Team would work on implementing the working group proposal. The Chair once again thanked members for their contributions and the Committee **RESOLVED** to note the contents of the report.

Action – Governance Team to explore the implementation of a list of subjects for deeper exploration into the work program, alongside the establishment of inter-meeting working groups to facilitate these deep-dive investigations.

11. External Audit Progress Report and Sector Update

Sophia Brown (Grant Thornton) introduced the report, presenting the external audit progress report to the Committee. She confirmed that the audit plan previously brought to the Committee was now final with no further changes required, as no additional risks or risk factors had been identified during planning closure. The key highlights of the update to the Committee are summarised below:

- The auditors had commenced fieldwork on 16th of June 2025 in the absence of draft financial statements from the Council, working with the finance team on areas where progress was possible. Sophia Brown explained that while there was always risk in starting work before receiving draft financial statements, management had provided assurances that the listings being worked on would not change. If balances did subsequently change, additional testing might be required in those areas. Sophia Brown noted that Grant Thornton's PFI expert on accounting was still to return to work, which added stress on top of the work required for IFRS 16.
- The auditors were working closely with the finance team to receive updates on when draft accounts and the Property, Plant and Equipment (PPE) note would be available. The biggest pieces of work that could not yet commence were the PPE valuation work and journals testing. To manage resources effectively, some team members had been released in recent weeks to avoid waste, with plans to bring people back once draft accounts were received on Friday.
- Sophia Brown then highlighted that the PPE note was a key component touching different areas of the accounts. She emphasised the risk to completing the audit by the September deadline, explaining they were in week six of the audit with summer holidays approaching. Additional resources had been secured for October if the September deadline was missed, to avoid repeating the previous year's approach of returning in January. The auditors noted that the expected financial statements would contain several material prior period adjustments, and they were still awaiting expert input on PFI accounting treatment. Sophia Brown indicated that while meeting the

September deadline would be very challenging, it remained doable if everything proceeded without any issues, though she cautioned against raising expectations too high.

The Chair thanked Sofia Brown and Grant Thornton for their work, and the floor was opened to any questions or concerns from members of the Committee, with the key highlights summarised below:

- Regarding the account's deadline, the Committee asked about the likelihood of meeting the September deadline. Sophie Brown responded, noting that it would be very challenging but possibly achievable if no issues arose, though she emphasised the substantial workload remaining and the impact of summer leave periods.
- Following this, members sought clarification on the meaning of "value for money" within the audit progress reports context. Sophia Brown explained that their work followed the National Audit Office code, examining value for money under three areas: financial sustainability, governance, and the three E's (economy, efficiency, and effectiveness). Within this context 'value for money' would highlight areas where arrangements could be improved or where sector best practices could be applied.
- The Committee inquired over the three expected material prior period adjustments in the draft accounts with Ben Ainsworth (Head of Finance) explaining in response that these related to leases and property, plant and equipment, each over £20 million. He then noted that these would impact unusable reserves rather than usable reserves, meaning they had no effect on council taxpayers or service provision resources.
- Moving the discussion on, members asked about the auditors' other clients and whether delayed accounts elsewhere would affect Brent's audit priority. Sophia Brown confirmed that under backstop arrangements, all authorities were up to date (some with disclaimed opinions), and emphasised Grant Thornton's desire to maintain Brent's record of unqualified opinions rather than risk facing the February 2025 backstop deadline.
- In concluding the discussion, the Committee discussed potential October meeting dates, with the Chair noting that 21st, 22nd, or 23rd October were being considered as standby options, though no meeting would be scheduled until needed. Members were asked to reserve these dates provisionally. In addition to this, the Chair cautioned members that an additional meeting of the Audit and Standards Advisory Committee might be required for November 2025.
- A final note was raised by Sophia Brown, informing the Committee that page 131 of the update report provided a link to Grant Thornton's recorded webinar for Audit Committee members. Further webinars were being created with an up-and-coming session on the changes coming to IFRS 16.

The Chair thanked Sophia Brown and her team, along with Ben Ainsworth and the Finance Team, for their ongoing work, confirming that the September deadline remained the

Council's objective with October date available as a fallback position if required. With no further questions or comments raised, the Committee **RESOLVED** to note the report.

12. Audit & Standards Advisory Committee Forward Plan & Work Programme for 2025-26

The Chair briefly addressed the Committee, stating that given the uncertainty concerning the completion of the accounts and heavy content scheduled for discussion at the September and December meetings of the Audit and Standards Advisory Committee, an additional meeting of the Committee might be required. This would depend on future developments, members of the Committee would be informed on when the details were finalised. It was also noted that if a meeting did occur in November, it would be important to keep discussion focused solely on the key points required.

13. Any other urgent business

None.

David Ewart

Independent Chair

Meeting closed at 19:59