

	Audit & Standards Advisory Committee 3 December 2025
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	Report from the Corporate Director of Finance & Resources
	Lead Member – Deputy Leader & Cabinet Member for Finance & Resources (Councillor Mili Patel)
Statement of Accounts 2024/25	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Three: Appendix A: LB Brent Draft Letter of Representation Appendix B: LB Brent Pension Fund Draft Letter of Representation Appendix C: LB Brent Pension Fund Draft Audit Opinion
Background Papers:	N/A
Contact Officer(s): <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

- 1.1 This report provides an update on the statement of accounts for the Council and Pension Fund for 2024/25

2.0 Recommendation(s)

Audit & Standards Advisory Committee is asked:

- 2.1 To recommend that 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 B.
- 2.2 To recommend the Audit & Standards Committee approve the final statement of accounts for 2024/25, 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
- 2.3 To recommend the Audit & Standards Committee agree the audit fees for 2024/25, as set out in section 3.2.9 of this report.

3.0 Background

3.1 Contribution to Borough Plan Priorities and Strategic Context

- 3.1.1 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 2024/25 accounts and their ISA260 (Audit Findings Report). A draft Audit Findings Report will be presented to the committee at this meeting.
- 3.2.3 At the time of writing, most of the key audit areas have been reviewed by Grant Thornton, with some awaiting review by their senior management. The main outstanding areas are Plant, Property & Equipment and Leases. The issues in both these areas are similar in that the council has experienced poor record keeping by service areas relating to these items in recent years, so these areas have required extensive review both at the preparation and audit stages for the 2024/25 accounts to ensure that they are materially correct.

- 3.2.4 The council has been working on an improvement plan to address the shortcomings of its records of assets since the completion of the audit of the 2023/24 Statement of Accounts. So far, this has focused on improving the records of those areas with the most material assets and issues, especially Assets under Construction and recently completed capital schemes. A second phase of these works has just started which is planned to address the remaining issues, such as ensuring that all property assets have the correct Universal Property Reference Number, reconciling the list of the council's assets back to the records held by the Land Registry on asset ownership, and ensuring that all areas of the council maintain adequate inventories of their assets as the council's constitution requires. Alongside this, Internal Audit has reviewed the Property department's Asset register and associated processes as this contains most of the council's non-housing assets, and will be making recommendations shortly.
- 3.2.5 The Group Accounts also need to be audited once the other audit items are complete. At this point, the underlying single entity accounts will have been audited, so the audit of the Group Accounts focuses on whether the single entity accounts have been combined correctly. It is not anticipated that this will identify any material issues.
- 3.2.6 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 2024/25, the backstop date is 27 February 2026. It is understood that for 2023/24, 87% of authorities published their audited accounts by the backstop date.
- 3.2.7 At the time of despatch of this report, it is expected that the accounts will be signed before the backstop deadline of 27 February 2026. The final accounts and final Audit Findings Report will be sent to the committee as soon as practically possible.
- 3.2.8 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 B.
- 3.2.9 Details of audit fees are set out in the Audit Findings Report. The fees as per the original audit plan are £545,235 and the additional fees incurred, primarily as a result of the additional work required on Plant, Property and Equipment, totals £19,000. Further fees may be incurred as part the audit of leases if additional work is required. 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 Equality, 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