

 Brent	<p>Audit and Standards Advisory Committee 3 February 2026</p> <p>Report from Head of Digital Transformation</p>
<p>Artificial Intelligence (AI) Update – Audit & Standards Advisory Committee Deep Dive</p>	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	One Appendix 1: AI Strategic Risk Register
Background Papers:	None
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1.0 Executive Summary

- 1.1 Brent is expanding its use of AI and automation to enhance efficiency and modernise service delivery. While these technologies offer significant benefits, they also introduce strategic risks that require strong oversight and mitigation.
- 1.2 This report outlines those risks for the Audit & Advisory Committee, along with the gaps identified in the recent internal audit. It provides an in-depth overview of the newly added AI Strategic Risk within the Council's Strategic Risk Register and summarises the internal audit findings, governance improvements, and planned actions.

2.0 Recommendation(s)

- 2.1 That members of the Committee note the content of the report.

3.0 Contribution to Borough Plan Priorities & Strategic Context: Brent's AI and Automation Ambitions

- 3.1 The Council is progressively adopting AI and automation to support its ambition to become a data- and insight-led organisation. AI is recognised as a key enabler for improving service efficiency, enhancing the resident experience, and delivering measurable financial benefits and savings.
- 3.2 Brent Council is committed to becoming a "Digital Council" by investing in AI, machine learning, and robotics to enhance service delivery, improve efficiency, and foster a "Digital Place". Supported by a considerable investment, as detailed in the recently approved Digital Transformation Roadmap 2026-28, these technologies aim to drive efficiency, reduce operational costs and improve services.
- 3.3 Brent's AI ambitions, as set out in the Digital Roadmap 2026–2028, focus on building on learning from pilots and projects and embedding artificial intelligence as a core enabler of service transformation, improved resident experience, and organisational efficiency.
- 3.4 Alongside these ambitions, the roadmap identifies significant savings linked to automation including cross cutting digital and resident experience savings proposals for 2026–27 and 2027–28

4.0 Background

- 4.1 Artificial Intelligence (AI) is a cornerstone of Brent's digital transformation agenda. Its adoption enables efficiency and innovation. AI presents significant opportunities for service improvement, productivity, and resident experience.
- 4.2 Brent has a highly effective in-house automation function, the **Intelligent Automation Centre of Excellence (CoE)**. The CoE is responsible for identifying, designing and delivering automation solutions that streamline manual, repetitive and high-volume processes across the council. By leveraging the use of a leading platform for Robotic Process Automation (RPA) (i.e. UIPath) and agentic automation, the team also actively develops staff capability and promotes a culture of continuous improvement.
- 4.3 To date, the CoE has successfully delivered **around 50 automations**, generating significant efficiency savings, reducing administrative burden, and improving the speed and quality of services for residents.

Examples of impactful use cases include:

- **Hospital Discharge to Mosaic** - automating the transfer of discharge notifications into Mosaic to reduce delays and improve adult social care workflow.
- **ASC and CYP Payments** - streamlining the processing of Adult Social Care and Children & Young People payments, ensuring faster, more accurate transactions.
- **School Admissions** - automating elements of the admissions process to improve accuracy, reduce processing times, and free staff to focus on more complex queries.

This growing automation capability strengthens operational efficiency, enhances resident-facing services, and positions Brent as a leading council within the sector.

4.4 Recent AI initiatives have included a trial of Microsoft 365 Copilot, trial and adoption of Magic Notes in Adult Social Care, Brent's First Conversational AI Parking Chatbot and a pilot of using AI to assist with responses to Housing complaints. Additional pilots are also underway across the organisation.

4.5 Significant progress has been made in establishing governance, strengthening controls, and deploying early AI use cases. However, the 2025/26 Internal Audit review issued a Limited Assurance rating, identifying important gaps that must be addressed to ensure the council remains compliant, secure, and operationally resilient as AI adoption accelerates.

4.6 The internal audit commissioned by Brent and conducted by PwC in August 2025 concluded that the overall arrangements of AI were maturing but not yet consistent to the required corporate level as recommended. The report identified a number of areas for improvement, including:

- Council-wide AI strategy or roadmap to set priorities and standards.
- Strengthening the governance arrangements regarding AI.
- AI risks to be included on the digital risk register and the strategic risk register.
- Training on building staff awareness of AI risks such as data security, bias, explainability, and responsible use.
- Procurement guidance has not been adapted for AI (e.g. explainability, bias testing, model/IP portability, exit).

All recommendations have been accepted, with actions scheduled for completion by 31 July 2026.

5.0. Strategic Risks

- 5.1 The use of AI in local government carries inherent risks that require careful oversight. In particular, AI hallucinations—where generative models produce false or misleading information—pose a significant strategic risk. If such outputs are not appropriately verified with a ‘human in the loop’ or human reviewer, they can lead to reputational damage, legal exposure, financial loss, and poor decision-making.
- 5.2 AI systems that handle council data may expand the number of potential entry points within Brent’s IT environment. The integration of AI into core line-of-business systems also introduces additional cyber-risks, particularly where AI outputs influence critical operational processes. Without robust controls, these platforms could become avenues for intrusion or data exfiltration, increasing overall security exposure.
- 5.3 Lack of formal governance structures, inadequate oversight over AI model selection, training data provenance, and performance limits could result in ungoverned deployments and ethical lapses.
- 5.4 AI use must comply with data protection laws (UK GDPR, DPA), procurement and UK public sector standards, as well as emerging AI-specific regulatory expectations (e.g., UK AI assurance frameworks).

6.0 Cyber – Risks

6.1 Organisational AI Security Risks

Risks associated with securing internally developed or deployed AI systems arising from inadequate data classification and preparation for model training, insufficient prompt-engineering standards. This is mitigated through rigorous validation of AI-generated outputs, strengthened governance controls, and robust oversight of AI development and deployment.

6.2 Third-Party AI Service Risks

Risks associated with external AI platforms—including commercial generative AI tools—stem from unauthorised use, potential data exfiltration, loss of intellectual property, and unassessed or undisclosed AI functionality embedded by vendors. These risks should be mitigated through robust due-diligence processes, appropriate technical controls and policies, and regular reviews to identify and remove unauthorised AI software.

6.3 AI-Enabled Threat Landscape Risks

Risks arising from malicious actors using AI to increase the sophistication and impact of cyberattacks, including the creation of deepfakes for impersonation and social engineering and the development of highly personalised phishing campaigns. These threats will be mitigated through the deployment of defensive

AI tools, the adoption of “Verify-Then-Trust” protocols and strengthened staff awareness and training.

6.4 Human Risk and Security Awareness Gaps

Risks stem from limited staff understanding of AI capabilities and threats, including insufficient awareness of hallucinations, system bias, and over-reliance on unverified outputs. Targeted training is required to improve awareness of AI limitations and reinforce the necessity of maintaining a ‘human in the loop’.

7.0 Mitigations and Ongoing Improvement

- 7.1 The internal audit has identified key areas requiring improvement to support Brent’s AI adoption. In response, we have implemented initial mitigations and developed a forward plan to strengthen governance, build organisational capability, and ensure the safe and effective use of AI across the organisation.
- 7.2 The council operates a governance-first approach to prioritise the establishment of ethical, legal, and operational guardrails before the widespread technical deployment of AI systems. This is to ensure safe, ethical, and transparent AI adoption.
- 7.3 Governance structures and arrangements for AI include clear risk assessment, approval, monitoring and escalation pathways, supported by oversight from the Data Ethics Board, Technical Design Authority (TDA), AI & Data Board and the Cyber Security Board. In addition, strategic and operational risks associated with AI, such as those related to data privacy, security, model performance, and ethical considerations, are formally reported to the Senior Information Risk Owner (SIRO). This ensures that significant risks are escalated appropriately and that the SIRO is kept informed to enable effective oversight and timely decision-making regarding risk mitigation and compliance.
- 7.4 Governance controls already in place for AI at Brent include:
 - Mandatory Data Protection Impact Assessments (DPIAs) and AI Impact Assessments for all AI deployments
 - Technical and security assurance through the TDA and Chief Security Officer
 - A structured nine stage AI approval process
 - A risk-based approach to adoption
 - Dual administration controls and secure by design architecture
 - Use of RACI and RAPID decision-making frameworks

- 7.5 Governance foundations are in place, including mandatory Data Protection Impact Analysis and AI Impact Analysis, strengthened cyber assurance, and a structured approval process preventing shadow AI.
- 7.6 Brent has implemented a policy restricting the use of unauthorised artificial intelligence (AI) software to safeguard council data and ensure responsible technology usage, supported by regular monitoring and management of AI activity across the organisation.
- 7.7 Brent is developing a dedicated AI strategy that will define the council's vision, principles, governance, priority use cases, success measures, and delivery roadmap. The strategy is scheduled for completion by Q2 of the next financial year.
- 7.8 We have recently undergone an exercise to decommission and block unauthorised AI tools within the Brent ecosystem, alongside issuing staff communications to reinforce the requirement to use only approved AI solutions.
- 7.9 The council's AI governance model is strengthened by dedicated in-house AI expertise, including a functioning Centre of Excellence that ensures safe, ethical and well-assured adoption of AI. This level of specialist expertise is uncommon in local government and positions Brent with a distinct advantage in scaling AI safely and responsibly across its services.
- 7.10 Brent continues to work closely with sector partners to ensure its AI approach aligns with emerging best practice and collective public-sector standards. The council is an active participant in pan-London collaboration through organisations such as the London Office of Technology and Innovation (LOTI) and the West London Alliance (WLA), contributing to shared learning on AI governance, risk management, and resident-centred design.
- 7.11 Brent also incorporates national best practice by adopting guidance from the Government Digital Service (GDS) and the Local Government Association (LGA), ensuring its frameworks, ethical safeguards, and delivery models remain consistent with sector-wide standards. Through participation in cross-council working groups, peer networks, and communities of practice, Brent ensures that its AI adoption is informed by the latest evidence, meets public-sector expectations, and demonstrably aligns with responsible, transparent, and trustworthy use of emerging technologies.
- 7.12 As part of Brent's Procurement Improvement Programme, work is underway to update the council's existing "How to Buy" guidance with an AI Procurement Addendum aligned to emerging UK Government standards.
- 7.13 The council will continue to monitor and assess its AI maturity on an ongoing basis. An initial self-assessment, using the UK Government's AI principles and data ethics tool, places the council at Level 1–2 (Foundational) on the five-level AI maturity scale. The target is to progress to Level 3–4 (Defined/Managed) by 2027.

8.0 Financial Considerations

- 8.1 All activity referenced, including the continued rollout of AI initiatives, governance enhancements, and delivery of the Digital Transformation Roadmap, are funded from existing budgets. The Digital Transformation Roadmap has been built into the Capital programme and will invest up to £8.7m across 2026/27 and 2027/28.
- 8.2 The anticipated £2.1m annual saving associated with cross-cutting digital and resident experience themes proposed as part of Draft Budget for 2026/27 have been incorporated into the draft Medium Term Financial Strategy.

9.0 Legal considerations

- 9.1 The council's expanding use of artificial intelligence (AI) engages a range of legal duties and compliance requirements, particularly in relation to data protection, procurement, public-law decision-making, and emerging government standards governing the safe deployment of AI technologies. Officers have addressed the majority of these requirements within the report and, as they work to resolve the gaps identified in the 2025/26 Internal Audit review, they are reminded to engage all relevant teams, including Legal Services.
- 9.2 There are no direct legal barriers to the council's continued adoption of AI, provided that appropriate oversight, risk controls, and compliance measures remain in place. As officers are asking the Committee merely to note the contents of this report, there are no legal implications arising from the recommendation.

10.0 Equity, Diversity & Inclusion considerations

- 10.1 AI must actively support the council's commitment to fairness, inclusion, and equitable service delivery. All AI pilots will incorporate fairness testing, bias monitoring, and representative data considerations in line with the council's EDI commitments.

11.0 Stakeholder and ward member consultation and engagement

- 11.1 AI adoption requires transparent engagement with internal and external stakeholders to maintain trust and alignment. A structured engagement process will be used to make sure ward members, service leads, and residents are properly consulted during all significant AI deployments, promoting transparency, alignment, and trust.

12.0 Climate Change and Environmental considerations

- 12.1 AI initiatives will be assessed for environmental impact, including energy usage, sustainability of data processing, and alignment with the council's climate commitments.

13.0 Human Resources

- 13.1 The implementation and wide use of AI tools can boost productivity and reduce repetitive tasks. The full impact is yet unknown but could lead to efficiencies requiring less people in some areas but increased skills in other areas, particularly in the AI skills and data analysis space. Clear communication, training, and positioning AI as a tool to drive improvements will be important.
- 13.2 Aligning the AI strategy with Brent's workforce strategy is essential to ensure HR considerations—such as workforce impact, changing roles, and emerging skills requirements—are fully integrated into the AI programme, enabling staff to prepare for and adapt to organisational change.

<i>Report sign off:</i>
Rachel Crossley Corporate Director Service Reform and Strategy