

MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE

HELD IN BOARD ROOMS 4,5 & 6, BRENT CIVIC CENTRE ON WEDNESDAY 03 DECEMBER 2025 AT 6.00 PM

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

Independent Co-opted Members: Sebastian Evans, Rhys Jarvis & Stephen Ross.

Also Present: Sophia Brown (Grant Thornton – External Auditor), Matt Dean (Grant Thornton – External Auditor), Hannah Sargent (Grant Thornton – External Auditor) and Sheena Phillips (Grant Thornton – External Auditor) and Councillor Muhammed Butt (Leader of the Council).

1. Apologies for absence and clarification of alternate members

Apologies for absence were received from Councillor Kabir with apologies for lateness received from Councillor L.Smith.

Members were advised that Councillor Muhammed Butt (Leader of the Council) was also attending in place of Councillor Mili Patel (as Deputy Leader & Cabinet Member for Finance and Resources).

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

Having noted that the minutes had incorporated comments submitted by Sebastian Evans (independent co-opted member) in advance of the meeting it was **RESOLVED** that the minutes of the previous meeting held on Thursday 25 September 2025 be approved as a correct record.

Members noted the updates provided in relation to the Action Log of issues identified at previous meetings which it was noted would be subject to ongoing review by the Chair & Vice Chair.

5. Matters arising (if any)

Min 7 (25 September 2025): Self-Referral to Regulator of Social Housing Update

Members were advised the next progress update had been rescheduled for the Committee in February 2026 and would follow on from a detailed update being provided for Cabinet on 8 December 2025.

Min 12 (25 September 2025): Audit & Standards Advisory Committee Forward Plan & Work Programme for 2025-26 – Deep Dive Activity

Following on from the previous meeting, Members were advised that the deep dive activity suggested for the February 2026 meeting had been on AI & cyber security.

As a further update, Minesh Patel took the opportunity to provide a brief update for members on the recent cyber-attack involving Westminster City Council and the London Boroughs of Kensington & Chelsea and Hammersmith & Fulham. In noting that the three local authorities were operating under a shared service arrangement members were advised that the impact of the recent incident was being assessed in terms of critical IT infrastructure with the London Office of Technology Innovation (LOTI) coordinating reflections and lessons learned, enabling other local authorities to benefit from a shared understanding of what had happened and focus on any associated issues in terms of the response and recovery. Shared learning would also be subject to review through a Business Continuity planning session being arranged in Brent to reflect on what had transpired and how well the Council would be able to react and recover from any similar type of incident.

6. Standards Report (including Q2 update on gifts and hospitality)

The Committee received a report from the Director of Law which presented an update on Standards related items, including the Q2 update on gifts and hospitality. Details were also provided on the outcome of the consultation process undertaken by the Ministry of Housing, Communities on “Strengthening the standards and conduct framework for local authorities in England and Governments”.

Members noted the report, as circulated without further introduction, including the summary of the Government’s response to the consultation results, detail likely to be included in any upcoming legislation and commentary on the potential implications for the London Borough of Brent as detailed in Appendix B of the report. It was noted that the most significant of these potential changes was likely to involve enhanced sanctions enabling the suspension or disqualification of a councillor along with the ability to withhold of allowances from elected members who had committed serious breaches of the code of conduct. In terms of Brent’s response, it was noted further this would be considered in more detail pending the relevant legislation being passed and enacted.

The Chair thanked Marsha Henry for her report and invited the Committee to raise any questions or comments on its content. The issues raised are summarised below:

- Members welcomed the inclusion of Appendix B, highlighting that the commentary provided indicated there were likely to be a number of potential changes to the Member Code of Conduct once the legislation was enacted. Given the scope of the changes and enhanced sanctions it was suggested that as the opportunity arose, members should be provided with as much advance notice of the potential changes as possible prior to them coming into effect. In response, Marsha Henry confirmed briefings and additional guidance would be provided for members at the appropriate time.

- Following this, members raised questions about the cost implications relating to the potential new provisions, which Marsha Henry advised would need to be assessed once the content of the final legislation and changes were confirmed. It was, however, noted that that costs were likely to relate primarily to the most serious sanctions, with the initial changes outlined being similar in scope to existing code requirements.
- Clarification was then sought from the Committee on application of the provisions relating to disqualification, breaches of the code and gross misconduct in relation to parliamentary office. Officers advised that guidance indicated the provisions would apply primarily to local authority members, but further updates would be provided should that position change in advance of the legislation coming into effect.

As there were no further questions, the Chair thanked officers for the report and **RESOLVED** to note the updates provided in relation to standards matters and forthcoming legislative changes to the Member Code of Conduct.

7. Interim Counter Fraud Report 2025-26

Darren Armstrong (Deputy Director of Organisational Assurance and Resilience) introduced a report, summarising the counter fraud activity that the Council had undertaken in 2025-26, up to 31 October 2025. In considering the report the Committee noted:

- That the report was intended to support the Audit and Standards Advisory Committee in obtaining assurance that the Council had robust and sound counter-fraud arrangements in place, which included a summary of the activity undertaken by the Counter Fraud team across multiple fraud types (including internal fraud, housing tenancy fraud, external fraud and proactive work undertaken to identify and reduce fraud). The report also fulfilled the requirements of the Local Government Transparency Code 2015, which required local authorities to publish details of their counter-fraud activity.
- The report followed a format similar to previous versions, and officers noted that the team continued to deliver a robust counter-fraud plan and preventative measures across the fraud types outlined underpinned by the Council's Anti-Fraud and Bribery and Whistleblowing policies.
- The details provided in relation to internal fraud which, whilst typically having the fewest referrals, were often more complex in nature as detailed within the "Proactive" section of Appendix 1 of the report. This included work in relation to whistleblowing referrals and a range of case types such as staff conduct, financial and procedural irregularities.
- The update provided in relation to Tenancy & Social Housing Fraud (as detailed within section 3.4 and Section 2 of Appendix 1 in the report) with the recovery of social housing properties continuing to have a positive impact on the temporary accommodation budget as a high-priority fraud risk for the Council alongside

enhanced fraud prevention activity in relation to tenancy successions applications.

- The update provided in relation to External Fraud activity cases as detailed within Section 3.5 of Appendix 1 within the report. This activity included (but was not limited to) fraud cases involving Blue Badge, Direct Payments, Council Tax, Business Rates, insurance, finance, concessionary travel and grant applications.
- The team continued to undertake a broad range of proactive activity including National Fraud Initiative (NFI) data matching, fraud workshops and targeted operations to support the identification, investigation and reduction in other fraud risk activity across all service areas with further details having been summarised in section 4 of Appendix 1 within the report.

The Committee was then invited to raise questions and comments on the report which have been summarised below:

- Beginning the discussion, members raised questions regarding the Key Performance Indicators for external fraud. The number of new referrals was noted to have dropped in the first half of the year compared to previous years with members keen to explore the reason along with details provided in relation to number of closed cases. In response, Darren Armstrong explained that the drop in external cases related primarily to a change in approach towards Blue Badge fraud enabling resources to be redirected towards other emerging and higher risk areas of fraud investigation including housing tenancy, succession and verification work where fraud rates had continued to increase. Whilst also recognising the impact of blue badge fraud, the team had developed an enhanced triage process which enabled them to continue focussing on higher profile misuse. Regarding closed referrals exceeding new referrals, officers confirmed that the figures reflected referrals which had moved from one monitoring period to the next with future updates to therefore include details (in order to provide further clarification) on those cases which had been carried forward to better demonstrate this balance.
- Following on, details were sought on the action being taken to address performance in relation to the collection of council tax and business rates given the level of uncollected income and findings referenced from a recent Internal Audit report regarding issues with reminders and summons notices. In response, officers advised this had been an issue referenced within the Internal Audit Interim Report with it confirmed that management had provided a full and complete management responses on how specific actions would be addressed, further details on which would be reflected within the Annual Internal Audit Report.
- Members then requested clarification on the impact and cost benefit arising from the reduction of external fraud balanced against the increase in activity related to tenancy and housing fraud. In response, Darren Armstrong advised the approach reflected the need to balance and focus the use of available resources on the highest risk areas of fraud and those with the most significant outcome for the Council, both financially and for residents. The team had therefore

consciously stepped back to assess whether it was right to continue spending significant time on Blue Badge fraud when more significant areas of fraud risk (such as housing tenancy fraud) had been identified as likely to achieve more significant benefits for the Council and residents. Officers emphasised that whilst there was a notional value given to property recovery (as used by the Cabinet Office and National Fraud Initiative), the main driver behind the decision was that every property recovered meant one less family on the housing waiting list, representing significant social value alongside financial considerations.

- Moving the discussion on, members noted that the Council appeared to be undertaking significant pre-employment vetting on agency staff and queried whether this should be treated as a responsibility for the agency involved. Officers explained that these checks were performed by the Counter Fraud team using an existing subscription service.. This reflected efforts to protect the Council by undertaking additional screening and vetting to ensure as much as possible was known about people coming into the Council to work with residents (particularly where assessed as vulnerable) with the aim of preventing fraud in the longer term. Where matches or alerts were identified against the database, these were shared (subject to legal considerations) with the hiring manager to perform a risk assessment and decide on whether to continue with employment, mirroring the due diligence process for DBS checks. The team facilitated the process and provided advice when necessary but did not make employment decisions. Members welcomed the activity being undertaken in this area in terms of the additional assurance and oversight relating to pre-employment checks as a further measure in relation to the prevention of fraud.
- In concluding the discussion, members commended the report and, noting the team's assurance role and collaborative work, sought reassurance in relation to the cross-council work and support being provided around fraud prevention activity. Whilst highlighting the evolving nature of risk relating to fraud and nature of emerging risks identified, assurance was provided on the work being undertaken collaboratively to maintain and manage the Council's fraud risk register across the Council. Whilst the team facilitated this work members were reminded they did not own the risks with their role to support service areas in highlighting and seeking to mitigate against fraud risks, which was important both for providing assurance and for education purposes, so service areas understood why controls and processes were in place and why they were important to follow. The team promoted fraud awareness (including during recent Fraud Awareness Week) and conducted targeted sessions in high-risk areas including housing, adult social care and children's social care. Officers therefore confirmed that whilst the Council continued to operate what were regarded as robust counter-fraud measures, the team was always seeking to enhance these through collaborative working.

As no further issues were raised the Chair thanked Darren Armstrong and the Counter Fraud team for their hard work and efforts in relation to the ongoing delivery of counter fraud activity and it was **RESOLVED** to note the contents of the report and counter fraud activity undertaken from April – October 2025.

8. Internal Audit Interim Report – 2025-26

Darren Armstrong (Deputy Director of Organisational Assurance and Resilience) introduced the report, outlining the work undertaken by the Internal Audit function as at the end of October 2025.

In highlighting the role of the report in providing assurance that the Council had a sound framework of governance, risk management and internal control in place supported by a summary of Internal Audit activity, updating on the performance of the function, highlighting areas where high priority recommendations had been made and commenting on the level of implementation of audit recommendations by management, the following key issues were highlighted:

- The report reflected the continuation of the flexible audit planning approach adopted in 2024-25, moving away from the previous ‘annual plan’ approach and towards a less rigid and more flexible process but which would still provide assurance over areas of inherent risk, core systems and processes regarding key foundations to Council governance and control frameworks based on the following areas - Core Assurance, an Agile Risk-based Plan, Consultancy and Advice & Follow-up Activity. It was noted that the current Plan had been agreed by the Committee in March 2025.
- The summary provided within section 3.3 of the report relating to delivery of the 2025-26 Internal Audit Plan including progress (as detailed within Appendix 1 of the report) in relation to the Core Assurance Plan and development of the Agile Risk-Based plan listing the potential high risk and high assurance audit areas prioritised for activity during the remainder of the year. The key highlights included the completion of five core assurance reviews with 13 core assurance reviews currently underway, comprising of seven at the fieldwork stage and six at the planning stage. Completion of four risk-focused reviews, with eight additional risk-focused reviews in progress (four at the fieldwork stage and four at the planning stage) and the completion of two follow-up reviews, with a further thirteen actively being tracked through to implementation. Members noted there had been no changes to this section of planned work from that approved by the Committee in March, and the service currently remained on track to deliver 100% of the Core Assurance Plan by March 2026 enabling the Head of Internal Audit to provide a well-informed, evidence-based opinion on the effectiveness of the Council’s governance, risk management, and internal control framework.
- The summary of risk focussed work and findings identified within section of Appendix 1 to the report based on the Agile Risk-Based Plan, which included potential high-risk and high-assurance audit areas prioritised for delivery. Members were reminded of the fluid nature of this element of the plan which had been designed to ensure the Internal Audit function was able to respond to emerging risks and shifting organisational priorities (based on the resource available) whilst providing transparency and assurance around how Internal Audit activity continued to be identified, prioritised, and directed throughout the year. The current potential audit areas identified as part of the rolling internal audit risk assessment process had been included within section 2c of Appendix 1 of the report.

- In addition to its assurance work, Internal Audit continues to provide consultancy and advisory support where required or requested. So far this year, this had included a range of advisory activities, such as participation on various boards and working groups, contributing to discussions and decisions designed to support effective governance and risk management across the Council.
- The summary of follow-up outcomes and activity, as detailed within section 3.4 and Section 3 within Appendix 1 of the report, from planned audit work in relation to implementation of agreed actions, with it noted that the majority of follow-up work was due to be undertaken in Q3 and Q4 on which a final update would be provided within the Annual Internal Audit Report. Members were reminded that where actions were found to be partially implemented or not implemented at the time of follow-up, revised target dates would be agreed with management. These outstanding actions would then be subject to ongoing monitoring through departmental action trackers, with updates reported periodically to Departmental Management Teams and the designated action owner then responsible for advising Internal Audit once an action had been implemented, including the provision of appropriate evidence in support. Where actions were not implemented within their revised target dates, or where there was persistent lack of engagement in the follow-up process, these actions would be flagged as 'overdue' and escalated to senior management, with the list of those high-risk actions currently identified as overdue detailed within Section 3c within Appendix 1 of the report.

Having thanked Darren Armstrong for presenting the report the Chair then invited comments from the Committee, which are summarised below:

- Additional clarification was sought in relation to the executive responses and completion dates in relation to the audit activity and findings listed within Section 2c (Risk Focussed Activity) detailed within Appendix 1 of the report alongside the revised targets dates for items included within Section 3b (as overdue high risk audit activity follow up) which in the case of the Kilburn Square TMO appeared as being before the original target date. A query was also raised in relation to the status of the Licensing and Northgate Housing Benefits audits, given the status showed the findings as not implemented.

In response, Darren Armstrong advised that a number of executive responses for activity listed within Section 2c of Appendix 1 were still being finalised at the time the report was prepared, which it was confirmed had now been finalised with target dates and action plans available, on which a further update would be provided at the next meeting. Moving forward, it was agreed that details relating to completion dates would be included in future updates. In terms of the target date for Kilburn Square TMO audit, members were advised this reflected an error within the report and should have been listed as August 2024. In relation to reasons for non-implementation, members were advised that following the formal follow-up process if actions were not implemented by their original target date, revised dates were agreed with a rationale captured at that time with the responsibility on management or the designated action owner to notify Internal Audit of subsequent implementation and update on the reasons for delay in

implementation where revised dates had passed. Where available, it was agreed that detail on the rationale for non-implementation should be included in future update reports alongside the degree of associated risk (whether high, medium or low) arising from non-implementation to enable the Committee to assess priority and any further monitoring action that may be required as a result.

- Following on in support of the previous comments, support was also expressed for consideration of the risk weighting associated with repeated non implementation of high-risk audit findings to be included within future reports, particularly where this involved multiple actions related to a single audit.
- Further details were sought on the management letter in response to the audit on Wembley Learning Zone (listed under the risk-based audit findings within section 2c of Appendix 1 to the report) with members keen to explore whether (given the nature of the findings identified) these were isolated to Wembley Learning Zone or were more integrated with wider Council processes. In response, officers confirmed the issues identified were isolated to Wembley Learning Zone and did not extend to the Council's wider controls or processes. Follow Up audit activity would, however, consider the arrangements in place to provide wider oversight over the second line of assurance in seeking to avoid the recurrence of such issues.
- Highlighting reference to the phrase “weaknesses” identified in a number of areas within the Interim Report details were sought on the extent this reflected issues relating to the level of staffing available and whether there was a systematic approach to assessing the impact of the risks being identified in relation to staffing levels. In responding, members were advised that this would form part of the relevant considerations and assessment of the root causes identified as part of each finding, although whilst the audit would focus on the context and the risk, it would be the responsibility of management to determine how these were addressed. Where resourcing issues were identified, recommendations would often focus on the effective utilisation of existing resources, implementing smarter controls and processes, or managing risk in different ways rather than simply highlighting a need for more staff. Officers emphasised that recommendations needed to be cost-effective and within the Council's ability to deliver, achieved through collaborative discussion with management to develop suitable solutions.
- In response to a query, further clarification was provided on the definition of "limited assurance" with additional details also requested on the specific timescales for the management response and implementation of the findings relating to the limited assurance provided as an outcome of the risk based audit on Residential & Nursing Care and also on AI Governance, given concerns raised over the nature of the findings.

In response, officers advised that they would include definitions for the various assurance categories within future updates along with details on timescales and responsible officers in terms of management responses. Darren Armstrong advised that he would also provide a further update on progress with the management responses in response to the internal audits on Residential & Nursing Care and also AI governance at the next meeting. It was also noted that

the Committee had agreed to undertake a deep dive on the use and potential emerging risks relating to AI at a future meeting, which would provide an opportunity for further review of governance and oversight arrangements.

- Returning to the issue of core assurance, further details were also sought in relation to the audit findings and limited assurance provided as a result of the audit on Council Tax and Business Rates and management action being taken in response, with members keen to understand the root causes of the issues identified, especially in relation to issuing of reminders, summons and recovery actions. Whilst noting these would be matters for management to respond on in detail, the report had included a summary of findings with Darren Armstrong advising that he would seek to ensure future updates were enhanced to provide a brief synopsis that also gave indication of root causes.

In a broader response, officers emphasised this represented the internal audit process working effectively, focusing on the controls in place to address core assurance and high-risk activity. Whilst recognising that limited assurance may be an unsatisfactory outcome, from a risk perspective it was a good indication that Internal Audit was focusing on the right areas and adding value in identifying issues, with a key focus then on the outcomes delivered as a result through the follow-up process. The Chair acknowledged this was an area of concern and advised that following receipt of the management response and follow-up, if the Committee was not satisfied, they would have the ability to examine the matter in greater depth.

- As a final question, a member sought clarification on whether management had provided a timeline for implementation of AI governance policy, noting the report stated the current approach was reactive and seeking assurance on when it would become proactive. Officers advised that management had now responded with target dates for all actions, with a further update to be provided as an addendum to the report at the next meeting. In terms of when issues would be addressed, this would be reviewed through the follow-up process once the Committee had seen the target dates and Internal Audit had completed its follow-up work.

As there were no further issues raised, the Chair once again thanked Darren Armstrong and his team for the report and progress update provided, noting the reassurance that targeted work was identifying issues. As a result of their consideration, the Committee **RESOLVED:**

- (1) To note the Internal Audit Interim report 2025-26 and additions identified in relation to the provision of future updates.
- (2) That an update be provided as an addendum to the Interim Internal Audit Plan Update on progress in delivery of the management responses to the limited assurance identified in response to the internal audits on Residential & Nursing Care and also AI governance.

9. Treasury Management Mid-Year Report 2025-26

Oliver Simms (Head of Finance for Capital and Treasury) introduced the report, which updated Members on Treasury activity for the first half of the financial year 2025-26 in compliance with The Local Government Act 2003 and the Local Authorities (Capital Financing and Accounting) Regulations 2003 and Council's Treasury Management indicators.

In considering the report the Committee noted:

- The ongoing volatility in relation to the national economic context under which the Council's Treasury Management Strategy had been operating during the first half of the year, as detailed within section 3.3 of the report, including the impact of UK Inflation and Monetary Policy, Economic Growth and Labour Market indicators along with Market Volatility and Gilt Yield Surge with a full economic commentary provided in Appendix 1 of the report.
- The following key emerging issues in relation to Treasury Management performance, which included:
 - The level of borrowing identified as outstanding at 30 September 2025 being £951.2m representing an increase from £900.0m at the beginning of the financial year, a change of £51.1m. The change in debt was due to a combination of new loans to fund the capital programme and repayment of loans - both short term and long term borrowing.
 - Cash Investments at 30 September 2025 being identified as £38.6m compared to £47.1m at the beginning of the financial year, a change of £7.1m. The change related to the repayment of maturing debt and ongoing investment in the Council's capital programme.
 - Forecast net interest costs for 2025/26 being £20.7m consisting of interest costs of £52.1m and interest income of £31.4m.
 - The Council having generated interest income of £1.27m on cash investments as at 30 September 2025. This income reflected the Council's cash position and the current level of the Bank of England's Bank Rate. Bank Rate which had been maintained at 4% in September 2025.
 - The economic environment remained highly volatile with sluggish economic growth and inflation remaining above the Bank of England's 2% target, peaking at 3.8% in August. The Bank of England had cut interest rates from 4.5% to 4.0% with further cuts expected but these had not been fully reflected in rates, particularly long-term rates, available to local authorities because of the uncertain economic environment.
- The summary of the Council's cash position arising from the Council's revenue and capital income and expenditure and balance sheet position with the underlying need to borrow for capital purposes being measured by the Capital Financing Requirement (CFR).
- The Council had complied with its Prudential Indicators as at Q2 2025/26 (which members were advised had also published as an Appendix to the Council's Q2 outturn report on 13 October 2025).

The Chair thanked Oliver Simms and Finance officers for the report and then invited the Committee to raise any questions they might have, which are summarised below:

- In noting the Council's level of borrowing and associated cost, assurance was sought from a strategic point of view regarding the affordability of the Council's approach towards borrowing and Capital Financing Requirement with a comparison also requested on the approach taken by other councils of similar size. In response, Amanda Healy (Deputy Director Investment & Infrastructure) confirmed that borrowing cost forecasts were actively built into the Council's Medium Term Financial Strategy to ensure the forecast impact of the capital programme was incorporated into revenue budgets, though this represented a significant challenge. The majority of schemes requiring borrowing were generally housing-related where grants and cash flow could be used to help mitigate the cost of borrowing, though there remained significant pressure that would continue to grow based on the size of the capital programme. Officers advised benchmarking was difficult across authorities due to variations in the breakdown between General Fund and HRA borrowing and different sizes and requirements in relation to the Housing Revenue Account (HRA) and level of housing stock. Limited benchmarking was, however, available through the Council's external Treasury Management Advisors regarding the average cost of borrowing, with assurance provided that Brent was comparable and in line with their wider group of their clients.
- Following on, clarification was requested on what (if any) options existed for the Council to provide an interest free borrowing facility to their subsidiary housing company i4B Holdings Ltd, given the substantial contribution being made in mitigating against ongoing pressures relating to temporary accommodation costs. Officers advised that recent legal advice had been obtained on subsidy control laws. At current lending rates (which were noted to be significantly cheaper than market rates) the Council was not in breach of subsidy control regulations, but it was clarified the provision of an interest free loan facility would not be permitted in order to avoid providing unfair commercial advantage. Recognising that the company provided a public benefit and was not acting purely commercially (in terms of housing tenants from the Council's waiting list rather than being open to any tenant) the rate the Council lent to i4B (reflecting the more advantageous Public Work Loan Board rates) was already highlighted as significantly cheaper than those available from a bank or commercial lender.
- As a further issue, clarification was sought on the potential for the Council to borrow from the London CIV (Collective Investment Vehicle). Officers advised that at present there was no facility to borrow from the London CIV. Changes being introduced in relation to the management of Local Authority Pension Schemes as a result of the Government's Fit for the Future reforms had been designed to support local investment through CIV products, but these proposals were still in the process of being developed for implementation. Officers confirmed the Council was in discussions with LCIV to explore how such an arrangement could work, noting conflicts of interest in dealing directly with the Council's own pension fund. whilst also seeking to maximize local investment alongside compliance with the fiduciary duty on the Pension Fund to its members. The London CIV is also exploring available opportunities to provide a funding blend that could make investments viable for both local authorities and them as investor.

- Moving on, members raised questions about LOBO (Lender Option Borrower Option) loans, particularly in relation to section 3.7 of the report, noting the significant difference between the original and proposed loan rates when refinanced with Public Work Loan Board (PWLB) loans. Clarity was also sought on how much notice the Council received when lenders wanted to call in loans and the timescales for refinancing decisions. Officers confirmed that whilst notice periods varied, lenders would often provide more notice than the required. The Council's Strategy had been developed to reflect the terms relating to the loan facilities and factor in provision for any repayment requirements, especially when rates were more favourable than current market rates. When asked to forecast future interest expenditure, officers confirmed they took a cautious view which reflected the maturity profile of the each facility, in order to provide a necessary buffer.
- Moving on to discuss the link between borrowing and delays in delivery of the capital programme details were sought on the scheduling of borrowing and how this corresponded to project delivery. Officers confirmed that modelling around the Capital Financing Requirement (CFR) indicated expected borrowing levels, but this was monitored throughout the year. As forecasts for borrowing and capital programme spending plans changed, this had knock-on impacts on the CFR providing more realistic assessment of expected borrowing need. The full plan of expected borrowing transactions (quantum and timing) was maintained, but as the capital programme shifted or general cash flows changed (including grant receipt timings), borrowing plans were also adjusted with assurance provided that borrowing was undertaken on an as needed basis relating to project delivery. Details were also sought as to whether any changes were being proposed by the Government under the Capital Receipts Regulations to enable more flexible use of capital receipts and the potential impact including whether this included proposals to allow the contribution of up to 10% of receipts towards revenue. Whilst aware of proposed changes to capital receipts legislation around more flexible use, officers advised they would need to seek further clarification on the clarification being sought before being able to report back.
- In concluding the discussion, the Chair requested a quick update on the impact of the budget on long-term interest rate projections. Whilst no significant impact had been identified in relation to long-term rates some reduction in short-term rates had been observed, including the inter-authority market where the Council borrowed on a shorter-term basis with economic uncertainty being priced within the rates currently available through the Public Works Loan Board. Whilst reductions in bank interest rates may reduce short-term borrowing costs it was felt these would be unlikely to have significant impact on the longer-term borrowing the Council typically undertook. Based on advice from Treasury Management Advisors, the Council's current strategy focused on borrowing over a 5–10-year period, designed to balance the risk of borrowing over a shorter-term period (given the exposure to refinancing and interest rate risk) against that over a longer period, which may not provide best value. The strategy was also noted to vary the maturity profile to avoid refinancing all loans simultaneously, which would expose the Council to higher risk levels.

As there were no further questions the Chair thanked Oliver Simms for presenting the report and responding to the Committee's questions. On the basis of the update provided, the Committee **RESOLVED** to note the 2025-26 Mid-Year Treasury report for reference on to Cabinet and Council, in accordance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice along with the fact that the Council had been fully compliant with its Prudential indicators.

10. Draft Treasury Management Strategy 2026-27

Oliver Simms (Head of Finance for Capital and Treasury) and Amanda Healy (Deputy Director Investment & Infrastructure) introduced a report, presenting the draft Treasury Management Strategy (TMS) for 2026-27 for consideration by the Committee with it noted that the final version of the TMS including the views of the Committee was due to be included in the annual budget setting being presented to Cabinet and Full Council in February 2026.

Prior to considering the report, the Chair invited Minesh Patel (Corporate Director Finance & Resources) to provide a brief update (as additional context) on the overall financial position of the Council. Members were advised that when the Committee last met in September, one of the key issues identified had been the outcome of the Government's Fair Funding Review on which the Government had recently published a policy statement setting out their response to the consultation.

Having reviewed the response provided, it was clear the government had taken note of lobbying, including that of the Council, around the need to more clearly take account of the impact on levels of deprivation and housing costs across specific areas. Whilst the outcome to the consultation had therefore been positive, further details were now awaited in terms of the impact on the provisional local government settlement and understanding of any multi-year settlement position, which was expected the week commencing 15 December 2025.

Having thanked Minesh Patel for the update provided the Chair then invited Oliver Simms to introduce the Strategy, which members were advised set out the framework for Treasury Management activity in 2026-27 and included an outline of the Council's borrowing strategy and sources of debt finance (including the Liability Benchmark), investment strategy (including types and prescribed limits), Treasury Management Indicators for 2026/27, alternative options and strategies along with an external and local context and Capital Financing Requirement (CFR), with the draft Strategy included in Appendix 1 of the report.

In considering the Strategy members noted:

- Key emerging points as follows:
 - The growth in Council debt to fund the capital programme as detailed within Table 1 of the Strategy.
 - The outline of the Council's capital programme based on the Period 6 forecast as detailed within Table 2 of the Strategy.
 - The outline of the Borrowing Strategy as set out in section 34 of the Strategy.

- The outline of the Treasury Investment Strategy as set out in paragraph 50 of the Strategy including Investment limits and approved counterparties.
- The Treasury management prudential indicators are set out in paragraph 79 of the Strategy.

At the request of the Chair, officers advised they would ensure the co-opted members of the Committee were provided with a copy of the final Treasury Management Strategy included within the Council's 2026-27 Budget Report.

Members were advised that the strategy remained unchanged in substance from the previous year, focusing on what the Council's Treasury Advisors termed a "little and often" strategy whereby the Council borrowed regularly from the PWLB, inter-authority market or other sources in relatively small amounts (typically around £5-10 million) with varying maturity profiles to ensure loans did not all mature at the same time. This approach sought to balance affordability and prudence against risk in relation to fluctuations in interest rates given the long-term nature of the capital programme. Members were advised that officers maintained regular discussions with Treasury Advisors on optimal borrowing timing enabling them to act quickly to take advantage of market and interest rate conditions with it noted that the Strategy had been produced in compliance with the CIPFA Treasury Management Code of Practice & Prudential Code for Capital Finance.

The Chair thanked Oliver Simms for the outline provided and then invited the Committee to raise any questions, which are summarised below:

- In highlighting the reference to reputational risk associated with investment undertaken with certain counterparties within section 76 of the Strategy, examples were sought on the nature and type of investment activity this might relate to, including the issue of divestment. In response, officers explained that the focus on this matter had predominantly involved the portfolio of investment linked to other local authorities, as an example, linked to other authorities which had needed to issue s114 notices. As a result, members were advised officers continued to monitor the financial health of any counterparties identified as being at potential risk due to these implications. Whilst local authorities were backed by central government providing security, and there had not necessarily been significant changes in credit quality of counterparties, the reputational impact of such transactions had caused significant reputational risk across the sector and officers had felt it necessary to highlight this within the Strategy.
- Clarification was also sought in relation to the details within Table 11 of the Strategy regarding alternative treasury strategies and the way this reflected the Council's borrowing appetite and profile. It was also requested whether there were monetary examples showing the impact of options such as reducing borrowing on debt interest or savings through forecast modelling. Officers explained that the alternative strategies were included for information and reference purposes. Given the unpredictability demonstrated over recent years, the Treasury Management Strategy sought to provide alternative options for different situations that might arise, ensuring clarity on how the Council would

react if required. The overall strategy set parameters for how the authority would undertake borrowing and investment transactions, with the Council's stance on execution in different situations outlined as a guide.

As there were no further questions the Chair thanked Oliver Simms and Amanda Healy for presenting the Strategy and responding to the Committee's comments. In recognising the importance of the Strategy, the Committee **RESOLVED** to note and endorse (on the basis of its consideration at the meeting) the draft Treasury Management Strategy 2026/27 as detailed in Appendix 1 of the report prior to its inclusion within the Annual Budget Report for Cabinet and Full Council in February 2026.

11. External Audit Findings Report & Council's Statement of Accounts 2024-25

The Chair welcomed Sophia Brown (Key Audit Partner, Grant Thornton) and Sheena Phillips (Senior Audit Manager, Grant Thornton) to the meeting and in taking the opportunity to thank them and the finance team for their ongoing efforts on the audit invited them to introduce the report presenting the draft External Audit Findings Report 2024-25 to the Committee. Consideration of the item was divided between the draft Audit Findings (ISA 260) report for the London Borough of Brent and Brent Pension Fund.

In introducing the Draft Audit Findings for the London Borough of Brent's Statement of Accounts for year ended 31 March 2025 Sophia Brown highlighted the following key issues:

- The headline section within the Audit Finding Report, which provided a summary of the process to date, ongoing challenges and work still to be completed. Members noted that the accounts audit had commenced in July 2025 and remained ongoing, with completion planned towards the end of December 2025 and findings to date summarised on pages 19 to 53 of the report. To date three adjustments to the financial statements had been identified as required resulting in a £3.6m adjustment to the Authority's Comprehensive Income and Expenditure Statement, decreasing the financial position. These adjustments were not stated to affect the level of the Authority's usable reserves. Work had been completed on management override of controls and substantially completed on pension liability, with both having been identified as risk areas.
- Whilst audit work was ongoing, no issues had yet been identified that would require modification of the external audit opinion, subject to completion of the following outstanding areas of work on which delays and challenges had been identified which included:
 - Plant, property and equipment: Members were advised that work on PPE valuation had started once the final valuer's report had been received in October 2025 although challenges, delays and issues had been identified in the quality and provision of subsequent information being sought from the Council's valuer. As a result, a number of matters remained outstanding with the valuer with significant work ongoing and required to complete this work with the challenges highlighted as including receipt of incorrect

- valuation reports, duplicate property valuations and difficulties in reconciling the fixed asset register with the valuer's report.
- IFRS 16 / Leases: Whilst the lease sample had been selected testing was currently on hold pending the receipt of updated leases note. As an update, it was reported that these had now been received with lessor listings and disclosures also due to be provided by management.
 - Movement in Reserves: It was reported that work was now largely complete pending final review.
 - Cash and cash equivalents: It was reported that work remained ongoing.
 - Financial instruments: Finalised disclosures were awaited from management
 - Completion of all remaining audit testing: it was reported that samples were currently being reviewed by the audit team with other supporting information, once provided by management, to be reviewed in full once the revised financial statements had been completed.
- The audit team continued to work closely with management with the aim in seeking to complete the audit by December 2025 with the significant work and effort of both the Finance and Audit Teams commended.
 - As an additional update, members were advised that it had now been possible to issue the audit certificate relating to the 2023-24 accounts following completion of the National Audit Office's work on the issues where further guidance had been required relating to the Whole of Government accounts.

Sheena Phillips was then invited to provide an update on the work undertaken in relation to the overview of audit risks, with the following issues highlighted:

- In relation to work focussed around the management of override of controls (journals testing), work had been completed with three deficiencies identified, one classified as significant which related to the segregation of duties involving the posting and approval of journal payments. Whilst highlighting concerns about potential management override in the journal process it was pointed out that the testing undertaken had identified an additional layer of approval outside of the system, providing assurance that the journals were subject to further scrutiny although the issue had remained flagged as a significant control deficiency.

The other two deficiencies identified had involved missing journal checklists and incomplete user listings

- In terms of the valuation of net pension liability, work on this area had been completed with one disclosure error identified which would be corrected by management. The pension fund auditors also identified a £3.7m variance between the Fund Manager confirmations and figures recorded in the financial statements, which it was confirmed fell below performance materiality and would be included as an adjustment in the accounts.
- Work in relation to the valuation of land and buildings and Council dwellings remained ongoing. To date, a £9.5m overstatement in council dwellings had

been identified alongside a £1.6m variance in land and buildings which had led to appropriate adjustments in the accounts.

- IFRS 16 work to date had identified an error in the lease liability calculation, resulting in a £5.7m misstatement. This error would be adjusted by management and once reviewed it would (if appropriate) be added as an audit adjustment. Work had been completed on other risks including fraud in revenue recognition and fraudulent expenditure recognition, with no risk control issues identified for either.

The difficulties experienced by management in preparing the lessee disclosure, requiring the note to be rewritten after audit work had begun due to a significant volume of errors in the underlying data were also noted.

- In terms of other findings, management had recorded three prior period adjustments for 2024-25. Two of these related to PPE (incorrect classification and assets written off), and one related to capital commitments disclosure which remained ongoing pending management decision on how to progress.
- Findings from the information technology audit relating to Oracle Fusion main ledger system had identified a risk arising from excessive system administrative permissions granted to business users without clear justification. This had, however, been addressed in the journal testing process, with confirmation provided that none of those users had posted journals during the year, eliminating the risk of management override of controls.
- Details were also provided on the audit adjustments identified, with adjusted misstatements listed in relation to PPE (land and buildings and council dwellings), and expenditure cut off. In addition, a number of misclassification and disclosure changes had been identified which had subsequently been adjusted by managers. Two unadjusted misstatements had also been identified which had not been included within the final statement of accounts. These related to an error identified where Section 106 and Community Infrastructure Levy contributions were recorded as income but should have been credited to Capital Grants Unapplied creating an imbalance on the Movement in Reserves Statement. The second related to the Pension Liability already referenced, which had not been identified as material.
- Reference was also made to the Action Plan produced in response to the Financial Statements audit and nine control points identified, including one high level deficiency relating to management and control of the journal process. Five medium deficiencies were identified, including two relating to management capacity: insufficient capacity to work on capital commitments (resulting in errors when challenged), and similar issues for capital grants received in advance where no figure was provided in draft financial statements due to lack of capacity for year-end review. Three low-level deficiencies had also been identified in relation to journals checklist which involved change in circumstances reports / retrospective payroll change reporting and the misclassification of reason for work hour changes, with the management responses provided also outlined within the report.

The Action Plan in relation to the IT audit had identified three deficiencies. One of these had been high level relating to the assignment of system administration permissions to business users and two medium level deficiencies related to the revocation of system permissions and user access logging and monitoring with the management responses provided also noted.

In concluding, Sheela Phillips highlighted the follow-up from the prior year audit recommendations with three of the six recommendations shown as completed and the remaining three still in progress, all relating to PPE valuation, with updates included on action taken to date by management to address each issue.

Moving on, Matt Dean (Key Audit Partner for the Pension Fund audit, Grant Thornton) was then invited to introduce the Audit Findings Report relating to Brent Pension Fund. A summary of the main headlines was provided, which included:

- The main audit work had been completed during July to September 2025 with the findings summarised within pages 35 to 41 of the report.
- The audit work had identified one disclosure adjustment to the notes to the financial statements which had resulted in a £45m adjustment to the Pension Fund's Capital Commitments Disclosure Note. As this had been a disclosure amendment, it had no impact on the reported position of the Fund as at 31 March 2025.
- £3.718 million of unadjusted differences had been identified in the valuation of the Fund's investments disclosed in the financial statements at 31 March 2025 and the valuation statements received from the third-party investment managers. In addition, an unadjusted classification error had been identified within the testing of Transfers Out. Two errors were noted in relation to amounts the pension fund had received in error and subsequently refunded to the relevant individuals. The sum of the errors was extrapolated over the absolute population for Transfers Out for which a projected misstatement of £1.214m was identified.
- Members noted the reference to the audit adjustments and unadjusted differences listed within the Audit Findings Report as a result of the above issues with it reported that management was proposing not to amend the financial statements on the basis that the above differences were not material both quantitatively and qualitatively which the Audit and Standards Committee advised they would be asked to confirm as part of approval of the Letter of Representation.
- Details were also provided in relation to the overview of audit risks and other findings, including the IT audit (with similar issues identified to those under the Financial Statement audit process). As a result of the audit work a number of recommendations had been raised for management which included high level action in relation to excessive System Administrative Permissions assigned to Business Users and medium level actions in relation to transfers in made in error

and benefits payable on which the management actions identified in response had been provided within the report.

In concluding, Matt Dean also highlighted the follow-up from the prior year audit recommendations with it noted that the recommendation in relation to school employer contribution rates had once again been highlighted as an issue during 2024-25. This involved a sample of schools being identified as having paid incorrect rate of employer contributions in 2023/24 due to not having updated the contribution rate. As a result, this had been highlighted as an ongoing weakness in the control environment. Whilst noting that management issued instructions to school/payroll providers the issue related to the work required with schools to ensure the correct contribution rates were checked and actioned at the beginning of the year.

Prior to moving on, the Committee noted that whilst work on the Pension Fund financial statements was complete, it would not be possible to issue the final audit opinion on the Pension Fund financial statements until the audit of the Administering Authority had also been completed. The statutory deadline for the Pension Fund Annual Report to be published was 1 December 2025 but as the Administering Authority audit would not be finalised until after this date members were advised it would not be possible to issue the final audit opinion on the Pension Fund financial statements until that had been completed.

The Chair thanked Matt Dean for the summary provided on the Pension Fund Audit Findings Report and as the next stage in consideration of the item then invited Ben Ainsworth (Head of Finance) to provide an update on the work being undertaken to address the issues identified within the Financial Statement audit including progress on delivery of the Improvement Plan established to address the challenges identified during the previous year's audit process. Key issues highlighted were as follows:

- As a key area of focus, the council had 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 had been 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 had now also commenced which planned to address the remaining issues, such as ensuring that all property assets had 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, members were advised that, Internal Audit had also reviewed the Property department's Asset register and associated processes given it contained most of the council's non-housing assets, with recommendations due to be made known shortly.
- In response to clarification which had been sought at the previous Committee meeting regarding the formula for calculating reserve levels, members were advised this was a decision which fell within the remit of the Corporate Director of Finance & Resources as part of the budget, with the current requirement for 5% of the Council's net expenditure to be set aside in unallocated general fund

reserves. It was noted that there was no set level for earmarked reserves, school reserves or Housing Revenue Account reserves.

- An update was also provided regarding the restatement of infrastructure assets, which had been identified as an issue following review of the Council's capital expenditure in recent years, involving the way certain capital expenditure was being misstated against infrastructure. In outlining the management action taken in response, an assurance was provided that the issue had no material impact on the overall balance sheet.

Sawan Manji (Senior Finance Analyst) then provided a brief update on the action being taken to address the Financial Disclosure errors identified, involving the link between short-term debtors and financial instruments disclosures, which had involved a number of misclassifications being identified and needing to be corrected. Whilst not having materially impacted on the accounts it was noted this had created additional delays in the audit process.

Details were also provided in relation to the ongoing work in support of IFRS 16 leases which had involved a range of new accounting policies having to be included in the financial statements along with additional disclosures relating to leases. Whilst implementation had been recognised as presenting challenges for local authorities due to the scale and complexity of leasing arrangements, delays had also been experienced as a result of issues relating to the quality of data available and longer-term asset register issues. Audit work in this area therefore remained ongoing with the testing to date having identified an error of £5.7m due to management using an incorrect Excel formula in calculating the lease liability using net present value and present value methods.

Ben Ainsworth then continued with reference to a further outstanding issue relating to the treatment of PFIs under IFRS 16 which had resulted in a £4m movement being identified, although this was noted not to be material in nature or to have had an impact on general fund or HRA reserves. In addition, updates were provided on the Prior Period Adjustments (PPA) outlined within the Audit Findings report relating to PPE, which it was confirmed involved corrections being agreed in relation to errors identified in prior and current year PPE disclosures and further assurance being sought over the Fixed Asset Register cleansing exercise and PPA adjustment entries.

In terms of Capital Accruals, it was noted that as a result of the creditors and expenditure completeness testing, three errors had been identified arising from management not completing the year-end review of capital accruals which had resulted in the incorrect recording of expenditure and potential risk in terms of material misstatement in the financial statements. Management had acknowledged the audit finding and agreed with the recommendation that an annual review of capital accruals be undertaken with a formal review to be incorporated into the year-end timetable to ensure completeness and accuracy of financial reporting.

On PPE valuations, officers acknowledged that work had been delayed increasing the risk that auditors would identify further errors, given the scale of valuations. The Council expected to update indexation of housing assets by approximately 2% (estimated at £17m), with statutory adjustments leading officers to believe that this

would have no effect on bottom line or usable reserves. Finally, it was noted that the Group Accounts would also need to be audited once the other audit items are complete which would be focused on whether the single entity accounts (once audited) been combined correctly. At this stage it was not anticipated that this would lead to any material issues being identified.

In thanking Sophia Brown, Sheena Phillips & Matt Dean along with Finance Officers for the updates provided, David Ewart (as Chair) recognised the impact of the delays and challenges identified, including the additional complexity introduced as a result of the implementation of IFRS 16. Prior to inviting comments, reference was also made to the report provided by the Corporate Director Finance & Resources providing an update from the Council perspective on work to complete the 2024-25 statement of accounts for both the Council and Pension Fund and process that would need to be followed in terms of their formal approval and sign off, including the Letter of Representation. Given the ongoing work, members were advised that it was proposed to recommend to the Audit & Standards Committee that approval of the Letter of Representation be delegated to the Corporate Director of Finance & Resources with the Chair of the Audit and Standards Committee authorised to sign the final statement of accounts for 2024-25, subject to written assurances being provided that all outstanding matters and adjustments contained in the audit findings report had been made and with any material adjustments required as a result of the final audit findings report to be reported back to the Audit and Standards Advisory Committee and Audit and Standards Committee.

On the basis of the updates provided, the Chair then invited the Committee to raise any questions, with the issues highlighted summarised below:

- Seeking further clarification around the issues identified in relation to PPE valuations members were keen to explore the basis of the challenges experienced. In response, Sophia Brown advised that whilst fewer issues had been identified on the capital side compared to the previous year (reflecting the impact of ongoing process improvements) the main issues experienced had been in relation to the receipt of incorrect valuation reports, duplicate property valuations, difficulties in reconciling the fixed asset register with the valuer's report and slow responses and limited engagement from the valuer. Whilst causing delays in the audit timetable and requiring unplanned audit resource members were advised that to date this had not resulted in a significant impact on audit fees.
- Moving on, questions were raised relating to the process of continuous improvement. Whilst noting the additional complexity introduced as a result of IFRS 16, assurance was sought on the progress made in addressing the challenges and delivery of the improvements identified as a result of the previous audit, including the valuation process and selection and performance of the Council's valuer. In response, Sophia Brown felt it important to recognise that whilst progress had been made, many of the changes included within the Council's Improvement Plan were still due to fully materialise due to the short timeframe between completing the 2023-24 audit and commencing the 2024-25 audit process leaving insufficient time to make desired progress and address all of the previous control points. It was noted that one of the changes introduced

had been to undertake valuation at year-end rather than beginning (as previously) which it was felt would provide more time for future improvement.

As an additional query, views were also sought on whether it was felt the issues identified in relation to financial controls around journals had worsened from previous year. Sophia Brown advised the specific issues highlighted had been raised as a high level deficiency previously and were not therefore felt to represent a widespread risk giving they only related to a limited number of individuals.

Concerns were, however, highlighted by members at the deficiencies identified, in relation to control of the journal process in relation to journal checklists and control of user permissions, which it was felt had the potential to generate a high likelihood of errors and risk of fraud noting that from an audit perspective the risks to financial controls were examined through procedures designed to mitigate identified risks and sample testing.

In terms of the process followed a total of 20 journals were sampled with the significant deficiency relating to segregation of duties found within nine of the tested journals. Members were, however, reminded that in all nine cases, there was an additional layer of approval outside of the system, providing assurance that the journals were subject to further scrutiny. The other two deficiencies identified (not classified as high) involved missing journal checklists (not considered to present a fraud or material misstatement risk) and incomplete user listing, which aligned with the IT audit findings around insufficient monitoring of system access. Further clarification was provided from Hannah Sargent (Grant Thornton) in relation to the sample testing approach and split across journal transactions which it was pointed out had reflected a risk-based approach with confirmation provided the samples selected had been on the basis of the associated risk level identified. Final concerns were raised about roles, responsibilities and security levels representing fraud risk. Officers confirmed this represented a risk with recommendations to be provided for management to review roles, responsibilities and security levels assigned to individuals regularly as appropriateness could change due to team structure or responsibility changes with the audit approach designed to ensure those individuals had not made changes outside their role to financial accounts or adjusted reconciliations.

- Following on from the concerns previously highlighted, members sought additional clarification on the response and engagement of the Council's appointed valuer in support of the audit process and whether this highlighted an issue in relation to data available or responsiveness and management arrangements. Questions were also raised concerning confidence in reconciliation of the Fixed Asset Register and how the depreciation of assets was treated. In response to the treatment of asset depreciation, Sheena Philips outlined the process undertaken with the complexity of the current system also reflecting the changes and improvements introduced as a result of the Council's new asset register management strategy designed to deliver more accurate valuations and avoid single list submissions. Regarding how the asset register, ongoing work was planned to focus on the most material assets on a staged basis, which it was confirmed would include garages. Further planned processes

included reconciliation of the asset register against Land Registry data, as this was the most robust data source and was expected to provide reasonable assurance regarding correctness and absence of significant missing assets.

- In response to further details being sought on the selection process undertaken for the Council's Valuers, confirmation was provided this had been based on a formal procurement process with the firm selected having offered the most cost-effective rate. In terms of value for money (given the issues currently being experienced and potential impact on audit fees) members were advised that the contract had been in place several years with this being the first year of specific difficulty. The impact of delays and potential cost recovery would be addressed at process end before undertaking the next procurement. As a result of the concerns and challenges identified the Committee requested that issues highlighted regarding the delay in response being provided on External Auditor queries in relation to valuations be formally raised on behalf of the Committee with Council Valuers following the meeting in an effort to enhance engagement.
- In concluding the questions, further clarification was sought as to whether the reference to potential equal pay claims within the draft Letter of Representation reflected the same issue experienced by Birmingham City Council and any specific concerns relating to Brent. In response, Sophia Brown advised this had been included as a general reference for all local authorities and did not represent a specific concern in relation to Brent.

As no further issues were raised, Members were then invited to consider the recommendations outlined in the report presented by the Corporate Director of Finance & Resources on the 2024-25 Statement of Accounts. Having once again thanked Sophia Brown and the audit team at Grant Thornton along with the Council's Finance Team for their efforts to progress completion of the audit and noted that the recommendations made regarding approval for sign off of the accounts would require formal approval by Audit & Standards Committee it was unanimously **RESOLVED**:

- (1) To recommend to the Audit & Standards Committee that approval of the draft letters of representation to Grant Thornton for the Council and Pension Fund be delegated to the Corporate Director of Finance & Resources, as set out in Appendices A & B of the report, which member noted was the standard template, subject to any significant changes or adjustments required as a result of the final audit findings report being issued to be reported back to members of the Audit and Standards Advisory Committee .
- (2) To recommend to the Audit & Standards Committee that approval to sign off the final statement of accounts for 2024-25 be delegated to the Chair of the Audit & Standards Committee, subject to written assurance being provided that all outstanding matters and adjustments contained in the Audit Findings report had been made, with any material adjustments required as a result of the final Audit Findings report being issued to be reported back to the Audit and Standards Committee and also notified to all members of the Audit & Standards Advisory Committee.

- (3) To recommend to the Audit & Standards Committee that the audit fees for 2024-25 be approved, as detailed in section 3.2.9 of the report subject to members of the Audit & Standards and Advisory Committee to be notified of any material adjustment or change

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

It was **RESOLVED** to note the Committee's Forward Plan and Work Programme for the 2025-26 Municipal Year with the dates for further meetings noted as:

- Tuesday 3 February 2026
- Tuesday 24 March 2026

It was noted that development of the Committee's work programme would continue to be kept under close review with the Chair and Vice Chair working closely with officers to ensure sufficient capacity was maintained to allow for the appropriate consideration of each item at future meetings.

As part of this process, it was NOTED that the update on progress relating to the Council's self-referral to the Regulator of Social Housing and AI Deep Dive had been rescheduled for the February 2026 meeting with the work programme to be adjusted accordingly.

12. Any other urgent business

No items of urgent business were identified.

The meeting closed at 8:17pm

David Ewart
(Independent Chair)