

London Borough of Brent

Audit progress report; regaining assurance
progress report; and sector updates

June 2026

Agenda

1	Audit progress report	03
2	Introduction	04
3	Progress at June 2026	05
4	Audit deliverables	07
6	Sector updates	09
7	Audit committee resources	18

Audit progress report

Introduction

This paper provides the Audit & Standards Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit & Standards Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

[Local government](#) | [Grant Thornton](#)

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Sophia, Sheena or Keiran.



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Progress at June 2026 (1)

Financial statements audit

We completed the planning phase of the 2025-26 audit and agreed the 2025-26 audit plan with management in April. The audit plan will be presented to those charged with governance at the Audit & Standards Committee meeting on 16 June.

To support early progress, we carried out advanced testing in April, covering the months 1–9 period in the following areas:

- Other grant contributions
- Customer client receipts and deposits
- Agency costs
- Operating expenditure
- Other schools' expenditure
- Payroll – starters, leavers and changes in circumstances
- Accruals
- Housing benefits expenditure

The year-end accounts audit is scheduled to commence on 15 June, with draft accounts expected on the same date. We have clearly communicated to management our expectations with regards to readiness for the year-end audit to support timely delivery. **This approach is intended to enable substantial completion of audit fieldwork by 11 September and the issuance of the 2025-26 audit opinion by 30 November 2026.**

Value for money (VFM)

As communicated in the audit plan, we completed our planning and risk assessment procedures for the Council's 2025-26 VFM work.

We assume that prior-year findings remain a risk, pending confirmation through our in-year fieldwork. We will revisit the prior year significant weaknesses and key recommendations to assess progress and determine whether any further action is required.

As our work progresses, we will continue to monitor for any emerging issues. Should any new potential significant weaknesses be identified, we will report these promptly to those charged with governance.

Progress at June 2026 (2)

Other areas

Certification of claims and returns

We are progressing the finalisation of outstanding claims and returns from prior years. In addition, we have liaised with management to agree the scope and timing of claims and returns audit work to be undertaken during 2025-26. Please refer to page 8 of this report for detail.

Meetings

Since commencing our work for the 2025-26 audit year we have met with your Chief Executive, Corporate Director Finance and Resource, and the finance team members. In these meetings we receive strategic and finance updates as well as discussing the progress of the audit. Our regular meetings with your senior officers will ensure that issues are flagged and discussed early.

Audit fees

PSAA published their scale fees for 2025-26: [2025-26 audit fee scale – PSAA](#).

For the London Borough of Brent these fees are £560,500 for the Council and £99,507 for the Pension Fund. The fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

Events

We provide a range of workshops and network events.

Events taking place shortly include a webinar exploring the roles and responsibilities of audit committee chairs and members, and how audit committees function within a wider governance landscape. The webinar will be held on Thursday 2 July from 4.00pm to 5.30pm.

Register your place: [Effective audit committees in local government | Grant Thornton](#)

Audit deliverables (1)

Below are some of the audit deliverables planned for 2025-26

2025-26 Deliverables	Planned date	Status
<p>Audit Plans</p> <p>We are required to issue a detailed audit plans to the Audit & Standards Committee setting out our proposed approach in order to give an opinions on the Council and Pension Fund 2025-26 financial statements.</p>	10 April 2026	Completed
<p>Audit Findings Reports</p> <p>The Audit Findings Reports for the Council and Pension Fund will be reported to the Audit & Standards Committee.</p>	30 September 2026	Not yet due
<p>Auditor's Report</p> <p>This includes the opinions on your financial statements for the Council and Pension Fund.</p>	30 November 2026	Not yet due
<p>Auditor's Annual Report</p> <p>This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.</p>	30 November 2026	Not yet due

Audit deliverables (2)

Below are some of the audit-related deliverables planned for 2025-26

2025-26 Audit-related deliverables	Planned date	Status
<p>Teachers' Pensions Scheme – certification</p> <p>This is the report we submit to Teachers Pensions based upon the mandated agreed upon procedures we are required to perform.</p>	TBC	Ongoing
<p>Housing Benefit Subsidy – certification</p> <p>This is the report we submit to Department of Work and Pensions based upon the mandated agreed upon procedures we are required to perform.</p>	TBC	Ongoing
<p>Pooling of housing capital receipts – certification</p> <p>This is the report we submit to the Ministry of Housing, Communities and Local Government (MHCLG) based upon the mandated agreed upon procedures we are required to perform.</p>	TBC	Ongoing

Sector updates

Welcome to new members, and recommended actions

Recommended actions for members joining English councils for the first time.

The May 2026 local elections brought seismic changes to English council membership, and we extend a warm welcome to all new joiners.

There were significant changes to council control in many areas, coupled with new 'firsts' such as the first Green mayor and, in many areas, new councillors now sitting for their first time. The fact that the number of councils with 'no overall control' increased by more than 50% (rising from 41 to 64) highlights a shift towards multi-party politics; and the fact that politicians from very different ends of the political spectrum will need to work together.

Immediate impacts for the business of local government will include:

- ❖ **New scrutiny:** High number of new declarations of interest and scrutiny checks to process, which in some cases may lead to further councillor turnover.
- ❖ **Higher workload for Democratic Services:** High number of councillors needing briefings for the first time on the day-to-day business of government, necessitating rapid building of effective relationships with officers.
- ❖ **Co-operation:** Effective decision-making will depend on co-operation between councillors who have no previous experience of working together.

We recommend key actions for new members:

- ❖ Use our report on [Preventing failure](#). This includes a checklist of the various roles and responsibilities and duties and powers of the main committees and officers in the system.
- ❖ Enquire with your Grant Thornton Engagement Lead about [Local Government Governance training](#) we can provide.
- ❖ **Build an effective relationship with your Legal and Democratic Services team** to stay abreast of change. Local government structures and the legal and regulatory environment are rapidly evolving.
- ❖ **Promote financial transparency and a people-centric approach** as the sector, and millions of people who work within it and for it and with it, gear up to take on many new responsibilities.
- ❖ Familiarise yourself with the code of conduct and stay guided by [The Seven Principles of Public Life](#) (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

Webinar for audit committees and other interested parties

We invite you to register attendance at our fourth webinar for audit committee members and other interested parties.

Audit committee members and other interested parties are invited to join us at a webinar on 2 July 2026 from 4pm until 5.30 pm, to learn more about:

- ❖ The roles and responsibilities of the audit committee chair and members;
- ❖ The systems, structures and behaviours needed to perform as an effective committee;
- ❖ The importance of audit committee self-assessment;
- ❖ Connections between the role performed by the committee and other parts of the governance framework – Full Council, Cabinet and Scrutiny;
- ❖ Current local government sector trends, and the importance of the new Local Audit Office; and
- ❖ Resources available for support.

Audit committees play a pivotal role in safeguarding governance in the local government sector. An effective audit committee can be the gatekeeper for standards and compliance; and the guard against weakness in arrangements. Our webinar will include an opportunity for questions and answers, and give you everything you need to move forward with confidence.

Please register your place here: [Effective audit committees in local government | Grant Thornton](#)

Effective audit committees in local government

Tuesday 2 July 2026
4.00pm – 5.30pm (UK)
Webinar

[Register your interest](#)

LOCAL GOVERNMENT

We look forward to welcoming you.

Devolution and local government reorganisation

Audit committees are encouraged to review our good practice checklist and reach out for latest technical updates.

Latest key developments to be aware of:

- ❖ 25 March 2026 – Government decisions published on unitary structures for four of the six Devolution Priority Programme (DPP) areas. Next steps published for the remaining two areas. [Written statements - Written questions, answers and statements - UK Parliament](#)
- ❖ 29 April 2026 – Royal Assent given to the English Devolution and Community Empowerment Act, enhancing powers and responsibilities for strategic authorities; establishing combined authorities; and strengthening local audit arrangements. [English Devolution Bill receives Royal Assent - GOV.UK](#)
- ❖ 7 May 2026 – First shadow elections held in East and West Surrey. [Surrey Local Elections May 2026 results – Surrey LGR Hub](#)

Key future dates to be aware of:

Three councils have been reported as mounting legal challenges to reorganisation. Subject to the outcome of their challenges, remaining key dates to be aware of are:

- ❖ **April 2027** – Surrey shadow authorities' vesting day.
- ❖ **May 2027** – Shadow elections - all DPP areas except Sussex and Brighton; and reorganised new local government bodies.
- ❖ **April 2028** – Vesting day for all DPP areas except Sussex and Brighton; and reorganised new local government bodies.
- ❖ **May 2028** – Shadow elections Sussex and Brighton Devolution Priority Programme areas.

Recommended reading:

- ❖ A good practice checklist for councils embarking on LGR can be found in our report: [Learning from the new unitary councils](#).
- ❖ Audit committees **can request updated technical guidance** reflecting latest developments from their Engagement Lead.



Latest changes to laws and regulations

For information: Recent legal and regulatory changes that audit committees need to be aware of.

Changes	Dates	Further information
English Devolution and Community Empowerments Act	29 April 2026 – Royal Assent	Enhanced powers and responsibilities for local government, and new local audit arrangements
Renter Rights Act	1 May 2026 – Officially took effect	Introduces new duties for local authorities to take enforcement action for beaches and tenancy law by private landlords
Social Housing Renewal Bill	13 May 2026 – King’s Speech	Changes to eligibility requirements, discount rules and exemptions planned for Right to Buy
Overnight Visitor Levy Bill	13 May 2026 – King’s Speech	Mayors and potentially other local leaders to be able to change new tourist taxes
Education for All Bill	13 May 2026 – King’s Speech	Planned changes to arrangements for young people with Special Educational Needs and Disabilities
Public Office (Accounting Bill)	13 May 2026 – King’s Speech	Introduces new duties of candour for local authorities and other public bodies
Town and Country Planning (local Planning) (England) Regulations 2026	25 March 2026 – Statutory instruments	New system introduced for Local Plans
Combined Authorities (overview and Scrutiny Committees, Access to Information and Audit Committees) (Amendment) Order 2026	14 May 2026 – Statutory instruments	Provides a formal mechanism for setting commissioner allowances in Combined Authorities and Combined County Authorities
Sporting Events Bill	14 May 2026 – Impact assessment and DCMS Memorandum	Proposes new enforcement powers for local authorities in ticketing protection

CIPFA Bulletin 23 – Closure of the 2025-26 financial statements

CIPFA issued Bulletin 23 (April 2026) to support authorities in preparing the 2025-26 Statement of Accounts. The bulletin covers key areas that authorities should consider for 2025-26.

Indexation of non-investment assets

The bulletin includes a useful list of answers to frequently asked questions on indexation for preparers of accounts.

Key reminders include:

- ❖ Authorities need to adopt a five-year revaluation cycle, with indexation in intervening years, replacing more frequent revaluations.
- ❖ It applies to most property, plant and equipment, excluding council dwellings, along with leased assets if measured at valuation.
- ❖ Indexation maintains asset values in line with market changes, and authorities should continue to review asset lives and indicators of impairment.
- ❖ CIPFA do not prescribe which indices authorities may use - authorities must select appropriate indices, justify choices, and use the latest available data.
- ❖ In rare cases where no index is available a desktop valuation is required in year three.

Point to consider:

- ❖ What assurance is available that the indexation applied is appropriate for the Authority's various assets within the scope of indexation, and is supported by sufficient external evidence and professional input?

For a full copy of Bulletin 23, see [CIPFA Bulletin 23 – Closure of the 2025-26 financial statements | CIPFA](#)

More detailed guidance on indexation is available in CIPFA's [CIPFA Bulletin 22 Indexation application guidance | CIPFA](#)

Valuing people

For information: Audit committees need to be mindful of workforce and people-related challenges facing the sector.

The Public Services People Manager's Association held their latest Annual Conference in Birmingham in April this year and heard thoughts on whether the time is right for Chief People Officer to become a statutory role, equivalent to Monitoring and s151 Officer.

With challenges around skills retention, and with local government reorganisation creating uncertainty and instability for those employed across the sector, the timing for this debate could perhaps never be better.

Local Government Association workforce data shows that:

- ❖ More than 1 million people are directly employed by councils across England, at a cost of £35.8 billion per annum; and
- ❖ More than one million additional people are employed in council-commissioned Adult Social Care through the private sector.

In addition to those formally employed across the local government sector, the Health Foundation recently estimated that 1 in 6 adults in the UK carry out unpaid care work, providing essential top up for public services that are the statutory responsibility of local authorities.

CQC is currently consulting on proposed changes to its regulatory process. The intention is to replace 34 'Quality Statements' with 24 'Key Lines of Enquiry', looking at how local authorities deliver care and, amongst other things, lending greater weight to how local authorities work professionally with the unpaid carers whose work supports statutory provision.

Carers UK held an inaugural State of Caring conference in May 2026 hearing, amongst other things, about the tipping point unpaid carers can reach if not given the right support. CQC's change of emphasis seems a well-timed recognition of the reality of how significant elements of social care are provided across England today.



Neighbourhood health frameworks

Audit committees need to ask their councils what steps are being taken to prepare for changes in the way they work with the NHS.

A [new policy paper on Neighbourhood health frameworks](#) was published on 17 March 2026 – setting out plans to create a new “neighbourhood health service”. This:

- ❖ Builds on ambitions first [set out by the government in 2025](#) to move the focus of health care from hospital treatment to community prevention; and
- ❖ sets out expectations for neighbourhood level partnership working across the health and care system from 2027/28 onwards (with the NHS, local authorities and community and voluntary partners).

As the NHS is embarking on a period of restructuring, and local government is reorganising at the same time, councils will need to be clear about what their responsibilities are; how they will agree local neighbourhood health objectives with partners; and how they will measure progress.

Points to consider:

- ❖ What are the risks for the Council, and how are these mitigated?
- ❖ How to identify key public health partners and agree strategic objectives with them?
- ❖ How to measure neighbourhood health achievements?



Fit for purpose - partnerships and procurement

Audit committees need to ask their councils how robust their leisure partnerships and procurement are.

Whilst [high profile government announcements](#) in May on the Olympics and stadium regeneration highlighted the economic importance of sport for regeneration in local areas, councils are already doing an excellent job using leisure contracts to deliver health and social care impacts in their areas.

[SOLACE and Alliance Leisure](#) held a roundtable in April 2026 highlighting the role that local authority leisure centres are starting to play in the NHS ten-year plan's health prevention agenda, including:

- ❖ Co-locating libraries and community services with leisure centres; and
- ❖ Providing clinical deliveries such as health checks and rehabilitation at leisure centres.

To make the most of the opportunities their leisure estate provides, councils need to develop and maintain effective relationships not only with the NHS and community and voluntary groups, but also with the commercial contract partners that manage and operate the centres.



In April, one of England's largest outsourced leisure centre operators (Fusion Lifestyle), [appointed administrators](#) following multiple financial distresses built up in the wake of the Covid-19 pandemic; rising energy costs; and reduced government funding. Affected councils have had to take their leisure services back in house while they look for alternative providers.

Financial pressure is common across the sector, and there is a risk of disruption elsewhere in England.

Points to consider:

- ❖ Are services for residents and schools at risk?
- ❖ When was the last time of checking the financial health of contract operators?
- ❖ Is there a register of community and voluntary sector partners the Council is co-delivering social and health prevention impacts with?
- ❖ When was the last time the leisure estates strategy was updated? Is the use of the estates optimised?
- ❖ How is performance of leisure estates and leisure contracts measured?
- ❖ Where applicable, what oversight is the health scrutiny committee exercising?

Audit committee resources

Commentary from Grant Thornton on recovering the accounts preparation and audit timetable:

[Local audit reset: What comes after the backstop? | Grant Thornton](#)

Latest guidance and learning from Grant Thornton on local government reorganisation and devolution:

[Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton](#)

[Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)

[Learning from the new unitary councils](#)

Grant Thornton learning on procurement and contract management:

[Local government procurement and contract management](#)

Audit committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for audit committee chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

[Global Internal Audit Standards in the UK Public Sector | CIPFA](#)

CIPFA Good Governance

[Delivering Good Governance in Local Government Addendum](#)

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-ias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>



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