Brent

MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE
Held in the Conference Hall, Brent Civic Centre on Monday 27 July 2026 at 6.00 pm

PRESENT: David Ewart (Independent Chair), Councillor Choudry (Vice-Chair), Councillors Bajwa, Blackman, Brown, Donnelly-Jackson, Patel and Perrin.

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

Also Present: Matt Dean (Key Audit Partner – Pension Fund, Grant Thorton) and Councillor Grahl (Deputy Leader, Cabinet Member for Finance and Resources)

1. **Apologies for absence and clarification of alternate members**

An apology for absence was received from Sophia Brown (Key Audit Partner, Grant Thornton), with Matt Dean covering both the Council and Pension Fund external audit items in her absence.

No apologies for absence were received from any member of the Committee.

2. **Declarations of Interest**

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

Councillor Donnelly-Jackson declared a personal interest in relation to item 8 - Treasury Management Outturn Report 2025-26, given she had been appointed as Council representative to the boards of the Council owned subsidiary companies i4B Holdings Ltd and First Wave Housing Ltd.

No other declarations of interest were made by members during the meeting.

3. **Deputations (if any)**

There were no deputations considered at the meeting.

4. **Minutes of the previous meeting & Action Log**

The Chair addressed the corrections to the minutes from the 16 June 2026 highlighted by Sebastian Evans in advance of the meeting, which the Committee agreed to accept as read.

One substantive correction was identified to amend the wording of the substitute members to confirm Councillor Georgiou substituted for Councillor Brown and Councillor Ibrahim substituted for Councillor Blackman.

Subject to the corrections above, it was **RESOLVED** that the minutes of the previous meeting of the Committee held on Monday 16 June 2026 be approved as a correct record.

In considering the Action Log, the Chair thanked officers for the work done in progressing outstanding items, with the following points raised:

- A query was raised on the action (page 23) relating to the performance and management of i4B Holdings, specifically the circulation to members of current shareholder and guarantor reports, noting that the relevant meetings had already taken place when the item was considered in March 2026. Officers agreed to pick this up with the responsible team the following day, ahead of the next scheduled shareholder/guarantor meeting, and confirmed the reports would be circulated.

- It was suggested that, as with Internal Audit recommendations and external audit actions, target completion dates should be attached to in-progress actions on the Action Log, to prevent items remaining open indefinitely. The Chair agreed this was a good suggestion and asked that it be picked up outside the meeting with the Chair, Vice-Chair and Harry Ellis (Governance Officer).

5. **Matters arising (if any)**

None.

6. **Standards Report (including gifts & hospitality)**

Bianca Robinson (Principal Lawyer, Constitution, Governance and Finance) introduced the report from the Corporate Director Finance & Resources, which had been circulated and taken as read. In presenting the report, two points were highlighted:

- Three councillors had declared gifts and hospitality interests, with details set out in the appendix to the report.

- In relation to the RIPA inspection, the relevant documentation had been filed to support the (paper-based) inspection; the Committee would be updated once a response was received from the Information Commissioner's Office (ICO).

Having thanked Bianca Robinson, the Chair invited questions from members of the Committee, with the following raised:

- A question was asked in relation to the application of Regulation of Investigatory Powers Act (RIPA) 2000, with members wishing to know what would happen if triggered, and at what point the Committee would be informed if an incident were being investigated. Officers advised that, where a matter progressed to requiring magistrate authorisation, a defined review period applied and was documented, and that a summarised update would be brought back to the Committee once the outcome was known. Officers confirmed that this power had not needed to be exercised to date.

- Officers were asked whether they were satisfied that all members had completed the mandatory governance training needed to fulfil their roles. Officers advised that some members' training remained outstanding, with further sessions scheduled through to the end of September 2026, and that a further update would be brought to the Committee in September.

It was **RESOLVED** to note the gifts and hospitality declarations and to note the contents of the report.

7. **Emergency Preparedness Report**

Darren Armstrong (Deputy Director, Organisational Assurance and Resilience) introduced the report from the Corporate Director Finance & Resources, highlighting the following key points:

- The report provided assurance over the Council's emergency planning and resilience framework, governance arrangements and processes, reflecting the Council's responsibilities as a Category 1 responder under the Civil Contingencies Act.

- The Council's approach to emergency planning focused on continuous improvement, learning from incidents and exercises, reflecting national best practice, and aligning with the Resilience Standards for London.

- An independent review of the Council's emergency planning arrangements commissioned around two years previously continued to inform an ongoing improvement programme, alongside an action plan developed in response to the Grenfell Tower Inquiry Phase 2 report.

- The Emergency Planning and Resilience team was relatively small, providing coordination, advice, challenge and support across the organisation, with effective resilience recognised as a shared, whole-council responsibility.

Having thanked Darren Armstrong for the report, the Chair invited questions and comments, with the following issues raised:

- Members queried whether the Community Resilience Hub referenced at paragraph 3.5.5 (in relation to work with CVS Brent) had been commissioned by the Council or was CVS Brent's own initiative, and whether there was a timeline; officers advised they were not certain of the background and would confirm this following the meeting.

- In light of a recent terrorist incident in a park in Germany, the Committee asked whether the Council's planning for events in parks would be reviewed. Officers confirmed that, following the national threat level rising from substantial to severe in April, a number of actions had been progressed. Significant event-day planning work had already taken place in relation to Wembley (including a recent exercise with the stadium and partners), and officers would come back to the Committee specifically on parks.

- Responding to whether work with key partners on the climate change/heatwave exercise involved registered housing providers, officers confirmed this was not currently the case, that Council arrangements were primarily focused on council-related properties, and that these issues were discussed with registered providers via the Borough Resilience Forum.

- On lithium-ion battery risk (paragraph 3.9.10), the Committee asked whether there was a timeline for the waste management work with Veolia, and whether the issue could be raised at the Resilience Forum regarding public communications on safe e-bike/battery charging. Officers confirmed this had been discussed internally and with the London Fire Brigade, and was also being considered at the West London Resilience Board, and that a further update would be included in the Strategic Risk Report to the next Committee meeting.

- Moving on, members enquired as to what was considered a 'prolonged event' and how the Council was resourced to respond. Officers explained that many calls could be resolved through signposting to the relevant council service without the Emergency Planning team standing up a dedicated response, whereas prolonged events required arrangements such as rest centres, temporary accommodation and financial support. Resources available included the dedicated team, a pool of trained Local Authority Liaison Officers, logisticians and other specialist roles, wider officer training across the Council, and mutual aid arrangements with other local authorities.

- The Committee asked when every council service would have an up-to-date business continuity plan, Officers confirmed all services should have a plan reviewed annually and the majority of plans had recently been refreshed, with outstanding plans due for completion over the summer. The outcomes of those plans would be consolidated and cross-referenced with IT disaster recovery arrangements in a report in September. Officers also confirmed that Internal Audit's was conducting a review of business continuity, with the Emergency Planning team working closely alongside Internal Audit using its access across the organisation.

- In response to whether officers were satisfied that critical systems could be recovered within agreed recovery times in the event of a major cyber incident, Darren Armstrong advised this could not yet be assured pending completion of the business continuity refresh. Minesh Patel (Corporate Director, Finance and Resources) added that no Council could give complete assurance on cyber resilience, but Brent was learning from incidents at other authorities (citing Westminster and Kensington & Chelsea) and he felt that testing resilience was the best available mitigation.

- Given the significance of the Civic Centre, members asked when the hostile reconnaissance/vulnerability plan would be completed and tested (in the context of 'Martyn's Law'). Officers confirmed this work was being undertaken with police colleagues and was in progress, but that no specific completion date was being published in order to maximise the benefit of the exercise, with assurance to be provided to the Committee once complete.

- Committee members requested an update on progress in implementing actions arising from the Grenfell Tower Inquiry Phase 2 report, and the current stage of cladding remediation work visible across social and private housing in Brent. Officers clarified that the Emergency Planning team's role related specifically to making the Council's response and recovery arrangements more resilient (including appropriate financial assistance arrangements), rather than the cladding remediation itself, which sat with housing colleagues.

- In relation to the new requirement for senior management roles focused on long-term sustainability of emergency planning arrangements, members asked whether this implied a time limit for completing training or an expectation of prior EPR knowledge before appointment. Officers confirmed there was no expectation of prior knowledge; the intention was to ensure the gold/silver/Halo command rota was well resourced, with officers trained (via gold, silver and Halo command training) before being onboarded to the rota, matched to roles suited to their background.

- Referencing the cyber incidents at other Councils, the Committee asked whether the LGA supported the Council on cyber security and business continuity given the sector-wide risk. Officers advised that there was ongoing work to improve business continuity planning templates and desktop exercises. The team was working closely with Internal Audit, whose 2025-26 plan included a business continuity theme t and there was shared learning via the London Resilience Forum, reported through London Councils. The Joint IT Committee, comprising Brent, Lewisham and Southwark received updates on cyber security, and the Shared IT Service had dedicated cyber security resources including a Data Ethics Board who considered cyber risks when new software was introduced.

- In relation to cyber security, members asked whether AI presented a resilience risk. Officers confirmed AI was captured as a strategic risk (subject to a previous deep dive to the Committee) but was not currently a leading risk from a purely emergency planning/business continuity perspective, though officers agreed to reflect further.
- Members asked whether Martyn's Law was yet in force and officers confirmed it would come into force in early 2027, with an independent internal audit report on the Council's preparedness due to the Committee in December 2026.

- Regarding audit targets, members enquired why only 79% of internal audit recommendations had been completed within timescale, and what single resilience risk most concerned officers. Darren Armstrong advised that, for him personally, retaining the skilled Emergency Planning team was key to supporting resilience, and his biggest concern was the risk of a Grenfell-type or major cyber incident given their potential to affect all council operations.

The Chair thanked Darren Armstrong and the Emergency Planning and Resilience team for their work in keeping Brent's residents safe, and it was **RESOLVED** to note the report, with the Committee's thanks formally placed on record. It was noted that Darren Armstrong would report back to the Committee on the question of counterterrorism planning for park-based events.

8. **Treasury Management Outturn Report 2025-26**

Amanda Healy (Deputy Director, Finance, Infrastructure and Investment) introduced the report from the Corporate Director Finance & Resources, which presented the Treasury Management outturn position for 2025-26 (April 2025 to March 2026), providing assurance that Treasury Management activity had been undertaken in line with the CIPFA Treasury Management Code and the Council's approved strategy. In presenting the report, the following key points were highlighted:

- The Council had remained compliant with its Prudential Indicators and had managed its borrowing and investments prudently during a year characterised by continued market volatility, inflationary pressure and geopolitical uncertainty, including the impact of US trade tariffs (April 2025) and the US-Israel-Iran conflict (February 2026). The Bank of England base rate reduced from 4.5% to 3.75% during the year, though long-term borrowing rates remained relatively high, and inflation, while easing, remained above the Bank of England's 2% target.

- The Council's overall borrowing position as at the 31st of March 2026 stood at £1.074 billion, an increase on the previous year, reflecting borrowing to support the capital programme (including housing, regeneration and infrastructure investment). £295 million of new borrowing had been raised during the year and £121 million of existing debt repaid.

- £20 million of the debt repaid related to two LOBO (Lender Option Borrower Option) loans of £10 million each which had review dates during the year; the lenders had exercised their option to increase rates from between 4% and 5% to over 6%, and both loans were accordingly repaid. One further LOBO loan remains due for review this year, with the same options to be considered. Officers noted that the Council's 'little and often' approach to borrowing had continued to help manage interest rate risk and avoid locking in large amounts of debt at unfavourable points in the market.

- The Capital Financing Requirement (CFR), representing the Council's underlying need to borrow to fund its capital programme, remained a key Prudential Indicator. The Council could also do internal borrowing, whereby cash resources such as reserves and working capital were used to fund capital expenditure in place of external borrowing, generating an interest cost saving.

- Investment balances stood at £43.8 million, a small decrease on the previous year, held entirely in liquid money market funds consistent with the Council's security and liquidity approach, with a strong average portfolio credit rating of A+.

- The Committee was asked to note the Treasury Management outturn performance and compliance with the Prudential Indicators, ahead of the report proceeding to Cabinet and, ultimately, Full Council for approval.

Amanda Healy added that the report reflected the Council's ambitious capital programme, requiring a careful balance of internal and external borrowing, grant funding and developer contributions, and drew attention to the Council's continued strong investment position (Table 9), supporting the delivery of housing for residents affected by the housing crisis.

Following this, the Chair thanked Amanda Healy for her report and invited questions and comments from the Committee, with the following issues raised below:

- In relation to paragraph 3.43, Members sought clarification of the term ‘appropriation’ in the context of amounts moved between the General Fund and the ring-fenced Housing Revenue Account (HRA), and the benefits or drawbacks of such movements. Officers explained that this was a legal technicality: where the Council undertook regeneration or land development, assets could be appropriated from the HRA into the General Fund to support delivery of a scheme, before being transferred back to the HRA on completion, with the associated debt following the asset between the two balance sheets.

- Moving on, questions were raised over restrictions on the Public Works Loan Board (PWLB) borrowing, specifically on whether any approval process applied at the point borrowing was drawn down, and how the Council assured itself that funds were used as intended and not primarily for yield. Officers explained that Treasury Management activity was distinct from investments for service purposes (such as loans to other public bodies) and from investment purely for yield, which some other authorities had historically undertaken (for example acquiring commercial property outside their local area) but which Brent did not undertake; central government had introduced additional governance and reporting requirements and restrictions on new PWLB borrowing as a result, requiring the Section 151 Officer to provide assurance, at the point of borrowing, that no such yield-only investment was planned within the capital programme, which was itself approved (and therefore subject to member oversight) at Full Council. Sebastian Evans noted an apparent discrepancy in the short-term borrowing line of Table 3 (Treasury Management Summary, page 64) which; officers agreed to review and revise.

- Regarding the increase in borrowing to £1.074 billion, members queried how sustainable the Council's borrowing strategy was over the medium term if interest rates remained higher than forecast. Officers explained that the largest proportion of debt-funded capital expenditure related to housing and regeneration schemes, which were subject to viability assessments to ensure future cash inflows (such as rental income) would offset interest costs and support debt repayment, with the proportion of the revenue budget exposed to debt interest costs monitored as a Prudential Indicator.

- Members asked how rising construction material costs (cited as up to 30% in some cases) were reflected in the budget. Officers confirmed this was assessed at the viability stage for individual schemes rather than reflected directly in the Treasury Management report, and explained that the capital pipeline was consequently challenging, with alternative funding routes such as GLA grants being actively explored to mitigate or delay borrowing. Further points were asked about the impact of future borrowing requirements on the Medium-Term Financial Strategy (MTFS); officers confirmed that Treasury Management fed into MTFS scenario analysis, including modelling the impact of a 1% overnight interest rate rise, and that a blend of maturities and longdated debt was considered to manage exposure, noting that geopolitical shocks (including, in response to a further question, the impact of US tariff announcements) tended to be short-lived and were managed using the Council's ‘little and often’ approach, which allowed borrowing to be timed to avoid immediate market shocks.

- A point on the Committee's operation was posed, with Members questioning whether it was normal practice for the lead Cabinet Member to attend and speak to a report. The Chair confirmed the Committee operated independently of Cabinet, but that on occasion (as with Councillor Grahl as Deputy Leader & Cabinet Lead for Finance and Resources) it was helpful for a Cabinet member to attend, primarily to hear the Committee's feedback rather than to make political statements, with any non-member contribution made at the Chair's invitation. Councillor Grahl confirmed she attended chiefly to gain information from the Committee's scrutiny of her officers' work.

- The subject of whether the Capital Financing Requirement (CFR) forecast reflected current economic conditions or the position at the time of the February budget-setting process was raised. Officers confirmed the CFR forecast reflected the approved capital programme as at the February budget setting, that Prudential Indicators were reported quarterly in line with the Treasury Management Code (with a Q1 position currently before Cabinet), and that the CFR forecast represented an absolute borrowing requirement rather than a commentary on how or when borrowing would be undertaken; officers indicated the current CFR forecast generally represented a worst-case position, with actual borrowing typically coming in lower due to capital programme delivery delays. Members asked whether clawback provisions applied to grant funding not spent on a timely basis; officers confirmed this varied by scheme, with some grant programmes (including GLA programmes) carrying milestone-related risk, managed through the capital programme and quarterly reporting governance, and that further detail could be shared with members if requested.

In closing the item, the Chair reminded members that he had previously flagged the level of the Council's debt as an area to monitor, noting this was modelled within the Prudential Indicators rather than representing a specific new risk, and emphasised that the Committee's key role was to satisfy itself that the Prudential Indicators had been properly complied with and completed, these having originally been introduced to guard against unsustainable borrowing of the kind seen historically at other Local Authorities.

It was **RESOLVED** to approve the report for submission to Cabinet and Full Council, noting the Council's compliance with the Prudential Indicators and their continued significance.

9. Update on statement of accounts and External Audit Progress Report

The Chair advised that the Council's draft Statement of Accounts and Annual Governance Statement had been published on the Council's website in accordance with the statutory deadline of 30 June 2026, and he had encouraged members who had reviewed the accounts to submit detailed questions in advance to Ravinder Jassar (Deputy Director Corporate and Financial Planning).

Commenting further, Ravinder Jasar confirmed the Council had met its statutory duty to publish the accounts and Annual Governance Statement by 30 June 2026, and that this had been confirmed to MHCLG (the Ministry of Housing, Communities and Local Government), with the audit progressing well and broadly on track (in week six of a twelve-week programme).

Matt Dean (Key Audit Partner – Pension Fund, Grant Thornton), covering the update for both the Council and Pension Fund audits, reported that a different approach had been taken this year, with the first four weeks of the audit (the last two weeks of June and first two weeks of July) focused on sampling across all client areas, including previously challenged areas such as journals, PPE, and debtors and creditors. 274 individual sample items had been selected for testing, with 212 responses received to date. No errors had yet been identified, with a clearer picture expected within two to three weeks. Both audits were reported to remain on track for the Audit Findings Report to be brought to the 23rd of September 2026 meeting of the Committee.

Following the conclusion of the update, the Chair invited questions from Members of the Committee, with the following summarised below:

- In noting Brent's history of delays in completing its accounts, members asked what assurance could be given that the remaining audit work would be complete within the revised timetable, and what lessons had been learned to prevent future delays. Matt Dean confirmed he was confident of meeting the targets at this stage, with the next few weeks expected to confirm whether any risk to the September timetable existed. Minesh Patel confirmed that the previous two years' delays had primarily related to weaknesses in asset records and valuations and an improvement programme had since been implemented, along with additional finance team resource. He confirmed that the Council was on track for sign-off, with further detail to follow in the September 23rd Audit Findings Report.

- Following on from this, members asked whether all recommendations from previous external audit findings reports had been implemented, and whether any remained outstanding. Matt Dean confirmed this would be addressed recommendation-by-recommendation in the Audit Findings Report planned to be brought at the next meeting in September.

- Regarding material changes in the accounts, members asked what had materially changed since Grant Thornton's previous findings on recurring savings and medium-term financial planning, and whether every department now had a fully costed, deliverable savings plan supporting the MTFS. Matt Dean advised that the 2025-26 Value for Money conclusion was still in progress (the previous findings having related to the 2024-25 audit), with further detail to follow in the Auditor's Annual Report alongside the September Audit Findings Report. Ravinder Jasar added that the Council's Quarter 1 financial forecast report, published alongside Cabinet papers on the day of the meeting, set out the current position on the savings programme.

- Moving on, members asked whether the Council's 5% contingency fund remained sufficient given rising demand-led pressures and ongoing uncertainty. Minesh Patel confirmed that a higher level of reserves would always be supported, but that the current position, reviewed annually as part of the budget process, felt appropriate at this time although this was subject to change dependent on perceived risk and the Council's circumstances.

- A question was posed to Grant Thornton, enquiring whether the approximately 50 outstanding sample items (of around 274 tested) were concentrated in a particular department. Matt Dean confirmed he did not have this detail to hand and was not aware of any specific bottlenecks but would come back to the Committee.

- Members queried whether the scope of the external audit had changed this year in a way that might risk delay. Matt Dean confirmed there had been no scope change; IFRS16 was now in its second year of implementation and no longer a new consideration, and while a change in the code moving asset valuations (in intervening years) to an indices-based approach was being introduced, the Council appeared to have managed this reasonably well so far, making this a comparatively stable year.

The Chair noted that, procedurally, the accounts were unlikely to be signed at the September meeting itself, but that approval was hoped for, with delegation to the Chair limited to final sign-off signatures once the audit had concluded. It was **RESOLVED** to note the report, with members encouraged to review the draft accounts and raise queries with Ravinder Jasar in advance of the September meeting.

10. **Audit & Standards Advisory Committee Forward Plan & Work Programme 2026-27**

It was noted that one amendment was required to the Forward Plan: the item relating to approval of the Statement of Accounts, shown against November, should be shown against the September meeting. Members were reminded that the September meeting was expected to be a lengthy agenda and were asked to prepare accordingly.

11. **Any other urgent business**

There were no items of urgent business raised for consideration at the meeting.

The meeting closed at 7.20 pm

DAVID EWART
Independent Chair