	**Audit & Standards Advisory Committee** 30 November 2026
	Report from the Corporate Director of Finance & Resources
	Lead Member – Deputy Leader & Cabinet Member for Finance & Resources (Councillor Gwen Grahl)

Statement of Accounts 2025/26

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	Appendix A - LB Brent Updated Audit Finding Report
Background Papers:	N/A
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel Corporate Director of Finance & Resources Tel: 020 8937 6528 Email: Minesh.Patel@brent.gov.uk

1.0 Purpose of the Report

1.1 This report provides an update on the statement of accounts for the Council and Pension Fund for 2025/26.

2.0 Recommendation(s)

Audit & Standards Advisory Committee is asked:

2.1 To note the recommendation made by the Audit & Standards Advisory Committee in September 2026 to delegate approval of the final Statement of Accounts for 2025/26 to the Chair of the Audit & Standards Committee, and to note that written assurance has been provided that all outstanding matters and adjustments identified by the external auditors have been addressed. Any material amendments arising from the completion of the audit and issuance of the final Audit Findings Report will be circulated to all members of the Audit & Standards Advisory Committee for information.

3.0 Background

3.1 Contribution to the Council Plan, Believe in Brent 2026 – 2030 & Strategic Context

3.1.1 The statement of accounts is the formal audited accounts of the Council. The purpose of the statement of accounts is to give clear information on the Council's overall finances and demonstrate stewardship of public money for the year. Being able to independently demonstrate that the Council's financial affairs are sound, will ensure the Council can achieve its Council Plan priorities and objectives.

3.2 Detail

3.2.2 Since the Statement of Accounts was presented to Members in September 2026, a number of material amendments have been made to the financial statements as the audit has progressed. Whilst these changes do not affect the Council's underlying financial sustainability, cash position, usable reserves, Medium Term Financial Strategy (MTFS), borrowing requirements or approved capital programme, they are material to the presentation and disclosure of the Statement of Accounts. A summary of the key updates made since the version presented to the Committee in September 2026 is included in Appendix C of the Auditor's Findings Report (AFR). As a result, officers are seeking updated delegations in relation to the approval of the final accounts and associated letters of representation once the remaining audit matters have been concluded. At the date of despatch of this report, there remain three key areas subject to ongoing audit review and discussion between management and Grant Thornton detailed below.

3.2.3 The Council and Grant Thornton continue to review the accounting implications of a proposed commercial agreement affecting certain South Kilburn assets. As previously advised to Members, the principal matters under consideration relate to the appropriate accounting treatment, including the timing of impairment recognition, asset classification and whether the circumstances constitute an adjusting post-balance-sheet event. The auditor has previously referred to potential impairment adjustments of approximately £31.4m relating to 2024/25 and £19.6m relating to 2025/26. The final amounts, accounting treatment and allocation between accounting periods remain subject to completion of audit

procedures. Any resulting adjustments would be accounting entries only, reflected through unusable reserves, and would not affect the Council's General Fund balance, usable reserves, MTFS assumptions, treasury management strategy, borrowing requirement or approved capital programme.

3.2.4 During the external audit, the auditors identified issues relating to assets recorded at nil net book value and the supporting asset records held within the Fixed Asset Register. The Council has undertaken a detailed review in response, and discussions remain ongoing with the auditors. Any resulting amendments are expected to be limited to asset records and financial statement disclosures. No impact is currently expected on the carrying value of assets, the Council's Balance Sheet, usable reserves, cash resources, borrowing requirement, or MTFS.

3.2.5 The Council and Grant Thornton are continuing to review the accounting treatment relating to the Council's investment in i4B Holdings Ltd. The outstanding matters relate primarily to the application of accounting standards to the valuation of the Council's interest in the company, including associated financial instrument disclosures. As with the other matters currently under review, any amendments arising would be accounting adjustments within the financial statements and would not impact the Council's usable reserves, cash resources, MTFS, borrowing requirement or overall financial sustainability.

3.2.6 Officers expect these outstanding matters to be resolved on or shortly after 30 November 2026 following completion of the remaining audit procedures and discussions with Grant Thornton. Given the technical nature of the issues and the fact that audit work remains ongoing, Grant Thornton will provide Members with a verbal update at the Committee meeting on the progress made and the status of the remaining audit matters.

3.2.7 Details of audit fees are set out in the Audit Findings Report. The fees as per the original audit plan are £560,500. Further fees of £48,800 have been incurred to reflect extra audit work required in relation to property valuation indexation, financial instruments, debtors and creditors, cash reconciliations, post balance sheet adjustment, and a prior period adjustment. These issues were not included within the original audit fee assumptions and resulted in additional audit procedures being necessary. Officers have worked closely with the auditors throughout the process to resolve issues promptly and minimise the level of additional audit work and associated fees wherever possible. As part of the accounts sign off process, members are asked to agree the additional audit fees.

4.0 Stakeholder and ward member consultation and engagement

4.1 There are no direct considerations arising out of this report.

5.0 Financial Consideration

5.1 There are no direct financial implications arising as result of this report.

6.0 Legal Considerations

6.1 There are no direct legal implications arising as result of this report.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 Not applicable.

8.0 Climate Change and Environmental Considerations

8.1 Not applicable.

9.0 Human Resources/Property Considerations

9.1 Not applicable.

10.0 Communication Considerations

10.1 Not applicable

Report sign off:

Minesh Patel
Corporate Director, Finance and Resources