



Full Council
22 January 2018

Report from the Director of Resources

For Information

Wards Affected: All

Report from the Vice-Chair of the Audit Advisory Committee

Wards Affected:	All
Key or Non-Key Decision:	Non-key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	0
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Conrad Hall, Chief Finance Officer 020 8937 6528 conrad.hall@brent.gov.uk

1.0 Purpose of the Report

1.1 This report provides a summary of the activities carried out by the Council's Audit and Audit Advisory Committees since the meeting of Full Council on 18th September 2017.

2.0 Recommendations

2.1 Full Council is asked to note the contents of the report.

3.0 Detail

3.1 The committee has met three times since the last update was provided to Council – on 20th September, 5th December 2017 and 10 January 2018. The January meeting fell after reporting deadlines for Council, and so that meeting will be covered in the next update report to Council. This paper is a brief update on the areas covered in the September and December meetings.

3.2 Brent remains committed to open and transparent governance, and welcomes external scrutiny, which is why it has ensured that the Committee continues to have two independent members. As previously noted, under s102(1) of the

Local Government Act 1972, the independent members were formerly unable to vote. By reconstituting however, almost all the business under the Audit Advisory Committee, which operates under different legislation, can be voted upon by the independent members. They thus continue to have an equal voting status to elected councillors.

- 3.3 Going forward, the Committee will continue in its key role of reviewing corporate governance, the effectiveness of internal control, the management of risks and scrutinising key financial information such as the accounts and lending and borrowing. Additional meetings of the Committee will be added to the work plan for 2018/19 to accommodate the increasing workload. The key items that the committee have considered at its two recent meetings are set out in the paragraphs below.

3.4 **Audit Advisory Committee - 20th September 2017**

Update on mobilisation and initial operation of I4B Holdings Ltd

The Committee received an update from the Board of I4B Holdings Ltd on the progress it had made in mobilising the company and delivery against its business plan.

Review of the Member Learning and Development Programme

An update on member learning and development sessions delivered for members since May 2016, as well as the Member induction programme to be delivered following the May 2018 Local Elections.

External Audit Progress Report

The Committee was updated on the auditing activities undertaken by KPMG in the period June 2017 to September 2017.

Statement of Accounts 2016/17 and External Auditor's Report
(This was considered under the remit of the Audit Committee)

The Audit Committee:

- considered the key issues and recommendations;
- considered the corrected audit differences;
- approved the statement of accounts, and
- approved the letter of representation to KPMG.

2017/18 Mid-Year Treasury Report

Members were updated on recent treasury management activity.

Public Sector Audit Appointments Consultation on Auditor Appointment from 2018/19

Full Council decided in January 2017 to accept the invitation of Public Sector Audit Appointments Ltd (PSAA) to opt into a sector-led option for the appointment of auditors for five years from 2018/19. The paper outlined the proposal for Brent Council and the Chief Finance Officer's planned response to the consultation. (Subsequently the appointment of Grant Thornton as the council's new external auditors has been conformed.)

Capital Programme Update

This update was requested by the Audit Advisory Committee in June and updated the committee on the delivery of the Capital Programme and the changes that have been made to improve performance, forecasting and governance.

Internal Audit and Counter Fraud Progress Report for the period 1 April - 31 August 2017

The report provided an update on the progress against the internal audit plan for the period 1 April 2016 to 31 August 2017 and a summary of counter-fraud work for the first quarter of 2017/18.

Public Sector Internal Audit Standards (PSIAS) Action Plan

The paper informed Members of the result of a self-assessment of the Internal Audit service against the Public Sector Internal Audit Standards (PSIAS).

Fire Servicing, Maintenance and Responsive Repairs of Fire Installations (Brent Housing Partnership) - Follow up of Implementation of Recommendations

This was an update on the status of the implementation of the recommendations in a 2015/16 internal audit report on 'Fire Servicing, Maintenance and Responsive Repairs of Fire Installations'. It confirmed that the recommendations relating specifically to fire safety had been implemented.

3.5 Audit Advisory Committee - 5th December 2017

External Audit Progress Report

The report summarised the auditing activities undertaken by KPMG in the period September 2017 to December 2017 and provided an overview of actions to be completed by the next meeting of the Audit Committee.

Annual Audit Letter 2016-2017

The Annual Audit Letter summarised the outcome from KPMG's audit work in relation to the 2016/17 audit year.

Brent Housing Partnership / Housing Management Transformation

The paper provided an update on the progress of the BHP / Housing Management Transformation. This was intended to assist the committee in taking on the functions carried out by BHP's Audit Committee by providing them with background to key current issues in housing management.

Brent Housing Partnership - Summary of Audits Reports Issued 1 April 2016 to 31 August 2017

The report provided a summary of internal audit reports issued to the Brent Housing Partnership Audit Committee during the period 1 April 2016 to 31 August 2017.

Anti-Fraud and Bribery Policy 2017

The paper informed Members and got approval of the new Anti-Fraud and Bribery Policy. The policy had been brought up to date to reflect the fraud risks, legislation and working practices currently applicable in Brent.

Anti-Money Laundering Policy 2017

The report informed Members and got approval to implement a new Anti-Money Laundering Policy. This policy sets out effective measures to ensure Brent is compliant with relevant legislation.

Paddington Cemetery Groundworks

The purpose of this report was to set out the findings from an investigation into the circumstances for procuring works to conduct landscaping at Paddington Cemetery.

3.6 Internal Audit Annual Plan 2018/19

Preparations are underway to produce a full, risk-based annual audit plan for 2018/19. The Audit Advisory Committee will receive the draft plan on 20th March 2018. Committee members have been asked for any areas they think could be added to the plan i.e. areas of potential risk where they feel independent assurance from the Internal Audit team would be valuable. This request for suggested input has been extended to all members via the weekly members' bulletin.

4.0 Financial Implications

4.1 There are no financial implications arising from this report.

5.0 Legal Implications

5.1 There are no legal implications arising from this report.

6.0 Equality Implications

6.1 There are no diversity implications arising from this report.

7.0 Consultation with Ward Members and Stakeholders

7.1 Not applicable

8.0 Staffing/Accommodation Implications (if appropriate)

8.1 There are no staffing and accommodation implications arising from this report.

Report sign off:

Conrad Hall
Chief Finance Officer