



Full Council
17 September 2018

Report from the Chief Finance Officer

Update Report from the Vice-Chair of the Audit and Standards 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 Tel:020 8937 6528 Email: 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 Standards Advisory Committee (previously the Audit and Audit Advisory Committees) since the last update provided to Full Council on 9th July 2018. The Audit and Audit Advisory Committees were recently merged with the Standards Committee.

2.0 Recommendations

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

3. Detail

3.1. The Committee has met once since the last update was provided to Council – on 26th July 2018. This paper is a brief update on the areas covered in that meeting.

3.2 Audit and Standards Advisory Committee – 26th July 2018

Standards Update

The report updated the Audit and Standards Advisory Committee on gifts and hospitality registered by Members and a recent High Court case on standards.

Audit Items

Emergency Preparedness Update

Following the Emergency Preparedness Task Group Report which was presented to the Audit Advisory Committee in January 2018, it was resolved that an Emergency Preparedness item be added to the Committee's forward plan. This report outlined the progress made against the recommendations in that report, detailed the type and number of incidents in Brent since the writing of the report and provided some information around initiatives and programmes of work under way to enhance our resilience and response arrangements.

Report on i4B Holdings Ltd and First Wave Housing Ltd

The Audit and Standards Advisory Committee was provided with a report from i4B, with a cover report from the Council as i4B's shareholder. As requested by the Committee, a more rounded view of risks was presented, with a clearer delineation between those risks being managed by the Council and those being managed by i4B.

Brent Council Borrowing Strategy 2018/19 - 2020/21

The Audit and Standards Advisory Committee considered the borrowing strategy. The report set out the likely medium to long term borrowing requirement for the Council and confirmed the strategy for future borrowing.

2017/18 Treasury Management Outturn Report

The report updated members on Treasury Management activity and confirmed that the Council complied with its Prudential Indicators for 2017/18.

Internal Audit Annual Report 2017/18

This was the annual report from the Head of Audit and Investigations. It included an opinion on the overall adequacy and effectiveness of the Council's internal controls and presented a summary of the Internal Audit work undertaken during the year.

Counter Fraud Annual Report 2017/18

This report provided an update on the counter fraud work for the period 1st January 2018 to 31st March 2018.

Brent Council Annual Governance Statement 2017/18

The report set out the draft Annual Governance Statement (AGS) for 2017/18 as required by the Accounts and Audit Regulations 2015.

Risk Management Framework Review

This report provided the conclusions of a Risk Management Framework Review and feedback on a new approach that had been piloted with two departments. The final part of this report provided a draft implementation plan to embed and enhance Brent's Risk Management culture.

Statement of Accounts and External Auditor's Report

The Audit and Standards Committee considered issues raised by the external auditors as part of the process of approving the annual statement of accounts.

3.3 Fraud Update

As members are aware, all large, complex organisations will experience various types of fraud. Brent has a clear anti-fraud and corruption strategy which includes a 'zero tolerance' approach to any fraudulent or corrupt activity - this includes being open and transparent when fraud occurs.

The annual counter fraud report referenced earlier in this report includes details of the anti-fraud activity that is undertaken as well as the outcomes. This includes work to combat fraud in areas such as tenancy and social housing, blue badge, direct payments, Council Tax, Business Rates, insurance, concessionary travel and grant applications.

There has been a recent fraud uncovered which includes the fraudulent manipulation of cheques. As the matter is subject to an ongoing police investigation it is not possible to provide any further details, at this stage. Members are, however, asked to note that Internal Audit have already undertaken a review of the controls in this area and, as a result, management action is already under way.

Due to prompt and effective action by investigators and management working with the police and the banks, there will be no financial loss to the Council.

A report will be provided to the next Audit and Standards Advisory Committee on the controls work undertaken.

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