



Full Council
26 November 2018

Report from the Chief Finance Officer

Update Report from the Vice-Chair of the Audit and Standards Advisory Committee

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| 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: | None |
| 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 in September 2018.

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 17th October 2018. This paper is a brief update on the areas covered in that meeting.

3.2 **Audit and Standards Advisory Committee – 17th October 2018**

Annual Audit Letter 2017/18 17 – 26

The Council's former external auditors, KPMG, produced a report following completion of the audit of accounts and an Annual Audit Letter. The letter is intended to identify any changes to the accounts, unadjusted misstatements or material weaknesses in controls identified during the audit work. It also provided the findings from the value for money conclusion for the year. KPMG confirmed that they could not formally conclude the Audit as an objection to the accounts still needed to be resolved.

2018/19 Mid-Year Treasury Report

The report updated Members on recent treasury activity.

External Audit Progress Report

The paper provided the Audit and Standards Advisory Committee with a report on the progress in delivering Grant Thornton's (GT) responsibilities as the Council's new external auditors. It also included a summary of emerging national issues and developments that may be relevant to Brent as a local authority.

GT provided a table showing a level of reserves, which showed the Council against other Boroughs. This led the Committee to discuss the level of the Council reserves. GT commented that as the Council had a planned capital programme that generated revenue this was taking the Council closer to self-sufficiency, which was in line with the Government's vision for local authorities, but will result in a fall of earmarked but not general reserves.

Referring to the size of Brent's general reserves, it was pointed out that £12.3 million (compared to an average for London Boroughs of £19.6 million) was sufficient for an authority with Brent's size and risks.

Internal Audit Progress Report for the period April - August 2018

The report provided an update on progress against the Internal Audit Plan for the period 1 April 2018 to 31 August 2018.

Counter Fraud Quarterly Progress Report 2018/19

The report provided an update on the counter fraud work undertaken in the period 1 April 2018 to 30 September 2018 (Quarters 1 and 2).

This report included reference to a recent fraud involving deliberate misdirection of financial transactions. Since the Committee meeting, the perpetrator has pled guilty to four charges of fraud and will be sentenced on 28th November. There will be no financial loss to the council.

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