

Subject:	Orbis Internal Audit Staffing and Resources		
Date of Meeting:	27 October 2020		
Report of:	Executive Director of Finance and Resources		
Contact Officer:	Mark Dallen (Audit Manager)		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The purpose of this report is to update the Audit Committee on the staffing and resources position for the Orbis Internal Audit (Orbis IA) Service, including details of the qualifications held by staff within the service and the training and development arrangements for ensuring we continue to maintain the highest calibre personnel.

2. RECOMMENDATIONS:

- 2.1 That the Committee note the report and in particular the latest position with regard to resourcing the Internal Audit service, including the professional qualifications held by our staff.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Orbis IA was officially formed on 1 April 2018 out of the existing internal audit teams from East Sussex County Council (ESCC), Surrey County Council (SCC) and Brighton & Hove City Council (BHCC), along with a small number of staff from Horsham District Council (HDC). These HDC staff joined via TUPE transfer following a new agreement for Orbis to provide internal audit services to HDC under an initial 5-year contract. Other existing external income generating clients for Orbis IA include East Sussex Fire Authority, Elmbridge Borough Council and the South Downs National Park Authority.
- 3.2 At the time of establishing Orbis IA, a new organisational structure was implemented with the intention of continuing to provide high quality, localised services to our partner and client organisations, whilst also developing specialist teams in the areas of ICT Audit and Counter Fraud, who provide these services across all partners and clients. Maintaining such specialisms within smaller individual teams prior to integration had become unsustainable, resulting in the increased costs associated with buying in services from external providers. A

copy of the current Orbis IA structure chart is attached to this report as Appendix 1, a structure that, at the time it went live, delivered significant financial savings to the Orbis partner authorities.

- 3.3 Given that ultimately all staff, regardless of where they are positioned within the structure, are willing and able to operate across all partners and clients, we are able to maximise the substantial knowledge, skills and experience available throughout the service for the benefit of all clients. This, along with the creation of specialist teams and the increased resilience offered by a much larger team, represents one of the fundamental benefits of Orbis IA.
- 3.4 Some ongoing challenges have, however, been faced historically by the service associated with recruiting suitable skilled and experienced staff, especially at the Senior/Principal Auditor levels. For this reason, we have in the past supplemented our own internal resources with external contractors, often resulting in higher costs. In order to help address this issue, we have recently successfully appointed five new staff at entry level, with a focus on training and development to effectively 'grow our own'. Where necessary, this includes support for appropriate professional development, including utilising apprenticeship schemes.
- 3.5 The table below summarises the professional qualifications currently held by staff across Orbis IA. As can be seen, there is a clear mix of different qualifications enabling our clients the ability to draw upon the wide range of knowledge, skills and experience available.

Qualification	No. of Staff
Chartered Institute of Internal Auditors (CMIIA)	6
Chartered Institute of Public Finance and Accountancy (CIPFA)	5
Chartered Institute of Management Accounts (CIMA)	1
Institute of Internal Auditors – Practitioner/Certified (PIIA/CIA)	3
Association of Accounting Technicians (AAT)	5
Certificate in Internal Audit and Business Risk (IACert)	2
Accredited Counter Fraud Specialist (ACFS)	3
Institute of Revenues, Rating and Valuation (IRRV)	2
Staff in Professional Training	
Institute of Internal Auditors – Practitioner/Certified (PIIA/CIA)	3
Not Yet Qualified or In Training	4
Total	34

NOTE: In many cases, staff in the team hold more than one qualification or are studying for additional qualifications over and above those currently held.

- 3.6 Finally, at the time of drafting this report, a recruitment process for two vacant Principal Auditor posts had just been completed and it is pleasing to report that in both cases, external appointments have been made (subject to references and

appropriate pre-employment checks). Once these new staff are in post, we will have no further vacancies with the service, something we have not achieved for some considerable time

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The Internal Audit Service is delivered in partnership with our colleagues from East Sussex County Council and Surrey County Council as part of Orbis Internal Audit. The service is delivered predominantly by a sovereign team of staff based at Brighton & Hove City Council supplemented by two specialist teams (ICT and Corporate Fraud) who will undertake audit work across the Orbis partnership. There are also resources in place to allow the delivery external IT and other specialist audits if required.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 None.

6. CONCLUSION

- 6.1 The Committee is asked to note the report.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 There are no direct financial implications arising from the recommendation of this report. The successful recruitment referred to in the report is within the existing budgets set for Orbis Internal Audit and does not amend the Council's contribution to Orbis.

Finance Officer Consulted: James Hengeveld

Date: 15/10/20

Legal Implications:

- 7.2 The council is subject to a requirement to maintain an adequate and effective system of internal audit of their records and control systems. This must evaluate the effectiveness of the authority's risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. The council's internal audit function discharges these legal requirements as well as the additional requirements that the council undertake annual reviews of the effectiveness of its control systems and prepare an annual governance statement.

Lawyer Consulted: Victoria Simpson

Date: 23/9/20

Equalities Implications:

- 7.3 There are no direct equalities implications.

Sustainability Implications:

7.4 There are no direct sustainability implications.

Brexit Implications:

7.5 There are no direct Brexit implications.

Any Other Significant Implications:

7.6 None

SUPPORTING DOCUMENTATION

Appendices:

1. Orbis Internal Audit Integrated Structure.

Background Documents:

1. Internal Audit Strategy and Annual Audit Plan 2020/21.