

Brighton & Hove City Council

Audit and Standards Committee

Agenda Item 25

Subject: Internal Audit and Counter Fraud Quarter 2 Progress Report 2022/23

Date of meeting: 29th November 2022

Report of: Executive Director Governance, People and Resources

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

1.1 The purpose of this report is to provide Members with an update on all internal audit and counter fraud activity completed during quarter 2 (2022/23), including a summary of all key audit findings. The report also includes an update on the performance of the Internal Audit service during the period.

2. Recommendations

2.1 That the Committee note the report.

3. Context and background information

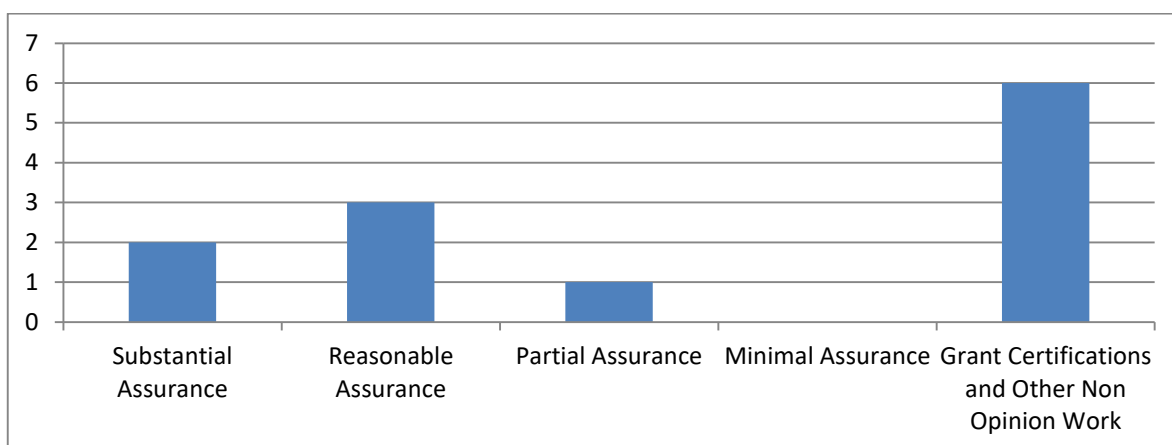
3.1 The current annual plan for internal audit is contained within the Internal Audit Strategy and Annual Plan 2022/23 which was approved by the Audit and Standards Committee on 19 April 2022.

3.2 This report provides an update on progress against that plan and includes a narrative summary of all audits that have been finalised during the quarter as well as details of counter fraud and other activity delivered during the period.

4. Analysis and consideration of alternative options

4.1 Full details of both the audit and non-audit work delivered during quarter 2 are detailed in Appendix 1, together with our progress against our performance targets.

- 4.2 The opinions given are summarised in the chart below. There was one partial assurance, three reasonable assurance and two substantial assurance reports finalised during the quarter. In addition, there were six grant certifications, which have been included under the category “Grant Certifications and Non Opinion work”. It is worth highlighting that there has been additional demand this year on Internal Audit to complete certification work for grant funding provided to the Council to support residents and local businesses from the impact of the Covid-19 pandemic.



5. Community engagement and consultation

- 5.1 The annual report has been informed by internal audit and counter fraud work carried out during the year which has included extensive engagement with officers and members.

6. Conclusion

- 6.1 The Committee is asked to note the report and consider any further actions required in response to the issues raised.

7. Financial implications

- 7.1 It is expected that the Internal Audit and Corporate Fraud Plan 2022/23 will be delivered within existing budgetary resources. Progress against the plan and action taken in line with actions support the robustness and resilience of the council’s practices and procedures in support of the council’s overall financial position.

Name of finance officer consulted: James Hengeveld Date consulted 04/11/22:

8. Legal implications

- 8.1 The Accounts and Audit Regulations 2015 require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk

management, control and governance processes, taking into account Public Sector Internal Audit Standards.

- 8.2 The Council's Audit and Standards Committee has delegated authority to 'carry out independent scrutiny and examination of the Council's financial and non-financial processes, procedures and practices to the extent that they affect the Council's control environment and exposure to risk, with a view to providing assurance on the adequacy and effectiveness of [amongst other things] the work of internal and external audit'. It is therefore one of this Committee's key responsibilities to review the activities planned and completed by the Council's internal audit function, and to consider the service's performance.

Name of lawyer consulted: Victoria Simpson Date consulted 01.11.22

9. Equalities implications

- 9.1 There are no direct equalities implications.

10. Sustainability implications

- 10.1 There are no sustainability implications.

11. Other Implications

- 11.1 There are no other implications.

Supporting Documentation

1. Appendices

1. Internal Audit and Counter Fraud Quarter 2 Progress Report.

