

Brighton & Hove City Council

Audit and Standards Committee

Agenda Item 51

Subject: Internal Audit Strategy and Annual Audit Plan 2023/24

Date of meeting: 18th April 2023

Report of: Executive Director, Governance People and Resources

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Ward(s) affected: All

1. Purpose of the report and policy context

- 1.1 The purpose of this report is to provide Members with the Internal Audit Strategy and Annual Audit Plan for 2023/24.
- 1.2 This includes the proposed programme of internal audit and counter-fraud work for the coming year (Appendix 1 and 2).
- 1.3 It also includes the Internal Audit Charter which sets out the purpose, authority, and responsibilities of the Internal Audit function (Appendix 3).

2. Recommendations

- 2.1 That the Committee approves the Internal Audit Strategy and Annual Audit Plan for 2023/24 and notes the Internal Audit Charter.

3. Context and background information

- 3.1 Regulation 5 of The Accounts and Audit Regulations 2015 requires the Council to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control, and governance processes'. In addition, the Public Sector Internal Audit Standards (PSIAS) require "senior management" and "the board" to approve internal audit activity's plans and resource requirements and the Internal Audit Charter.
- 3.2 For Brighton & Hove, "senior management" is the Executive Leadership Team (ELT), and the "board" is the Audit & Standards Committee.
- 3.3 A copy of the Internal Audit Strategy and Annual Audit Plan for 2023/24 is included as Appendix 1 and 2.

- 3.4 The development of the annual plan involves extensive consultation with key stakeholders and horizon scanning is undertaken to ensure audit activity is proactive and future focussed. For 2023/24, the plan composes 1815 days, including 440 days funded directly from the Housing Revenue Account to support Housing related activities.
- 3.5 The strategy, which accompanies the schedule of audits, details the priorities for delivering an effective internal audit and counter fraud service together with details of the quality assurance and performance management arrangements for the coming year.
- 3.6 The Internal Audit Charter (Appendix 3) describes the purpose, authority and responsibilities on internal audit, its statutory basis and the standards which underpin best practice.

4. Analysis and consideration of alternative options

- 4.1 The 2023/24 audit plan will again be delivered in partnership with our colleagues from East Sussex County Council and Surrey County Council as part of Orbis Internal Audit. The service will be 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 for the delivery external IT and other specialist audits if required.

5. Community engagement and consultation

- 5.1 The process of compiling the Internal Audit plan has involved substantial consultations, including with members of ELT, heads of service and other senior management staff.

6. Conclusion

- 6.1 The Internal Audit Strategy and Annual Audit Plan, attached at Appendix 1, sets out proposals for maintaining an adequate and effective system of internal audit for 2023/24.

7. Financial implications

- 7.1 It is expected that the 2023/24 Internal Audit plan will be delivered within the proposed budgetary resources.
- 7.2 The strategy, audit plan and action taken in response to internal audit findings support the robustness and resilience of the Council's practices and procedures and support delivering of the Council's overall objectives.

Name of finance officer consulted: James Hengeveld Date consulted
28/03/2023

8. Legal implications

- 8.1 This report sets out the Council's plan for complying with Regulation 5 of the Accounts and Audit Regulations 2015 which requires the Council to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes.' It is within the delegated powers of the Council's Audit and Standards Committee to approve the Plan.

Name of lawyer consulted: Victoria Simpson Date consulted 27/03/23

9. Equalities implications

- 9.1 There are no direct equalities implications.

10. Sustainability implications

- 10.1 There are no sustainability implications.

11. Other Implications [delete any or all that are not applicable]

- 11.1 There are no other implications.

Supporting Documentation

Appendices

1. Internal Audit Strategy and Annual Audit Plan 2023/24
2. Detailed Annual Audit Plan 2023/24
3. Internal Audit Charter

