

Brighton & Hove City Council

Audit, Standards and General Purposes Committee

Agenda Item 36

Subject: Internal Audit and Counter Fraud Quarter 2 Progress Report 2024/25

Date of meeting: 28th January 2025

Report of: Director of Property and Finance (S151)

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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 (2024/25), 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 Committee notes the report.

3. Context and background information

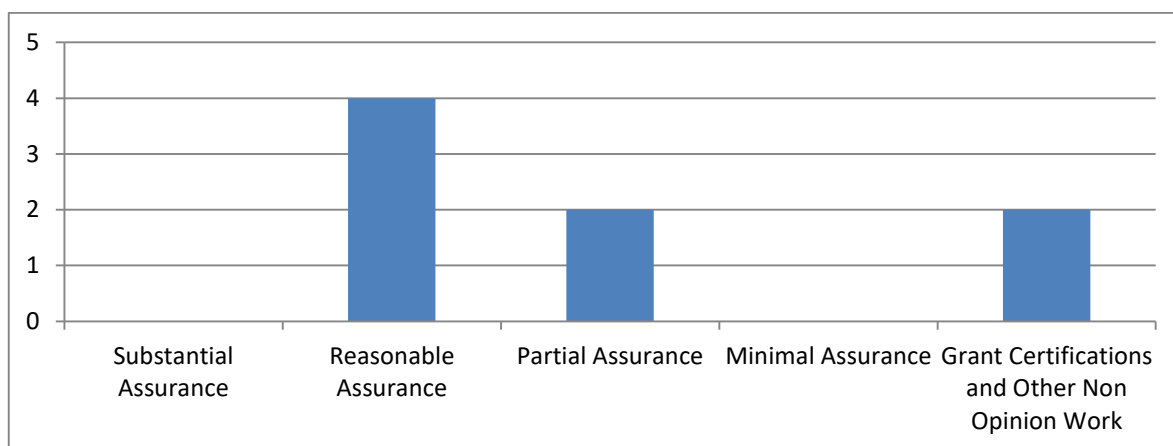
- 3.1 The current annual plan for internal audit is included within the Internal Audit Strategy and Annual Plan 2024/25 which was approved by the Audit and Standards Committee on 16th April 2024.

4. Analysis and consideration of alternative options

- 4.1 Full details of both the audit and counter fraud work delivered during quarter 2 are detailed in Appendix 1, together with our progress against our performance targets.
- 4.2 During quarter 2 there were two reports issued with an opinion of Partial Assurance, Fleet Management and Direct Payments.
- 4.3 Direct Payments received an audit opinion of Minimal Assurance in June 2020, and three consecutive follow up audits could only provide Partial

Assurance. For the latest Direct Payments review a full audit was conducted that has again resulted in Partial Assurance with findings repeated from previous reviews.

- 4.4 A follow up review will be completed for all partial assurance reports to assess progress in implementing agreed actions.
- 4.5 Following on from the 2023/24 annual audit opinion of Partial Assurance, we continue to take the opportunity to discuss current and emerging audit opinions with senior management, who have clearly recognised the importance of strengthening the control environment and are committed to taking all necessary action to address the issues arising. We will continue to work closely with management to help support the necessary improvement.
- 4.6 The audit opinions finalised in quarter 2 are summarised in the chart below, with four reasonable assurance reports and two partial assurance reports. In addition, there were two grant certifications, which have been included under the category “Grant Certifications and Non-Opinion work.”



5. Community engagement and consultation

- 5.1 The quarterly progress report has been informed by internal audit and counter fraud work completed during the quarter which has included extensive engagement with officers.

6. Conclusion

- 6.1 The Committee is asked to note the report

7. Financial implications

- 7.1 It is expected that the Internal Audit Annual Plan 2024/25 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 internal controls, practices and procedures which in turn support the council's overall governance and financial position.

Finance officer consulted: Nigel Manvell Date: 13/12/24

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. Reviewing the work planned and completed by the Council's internal audit function is a key part of the Audit, Standards and General Purposes Committee's delegated functions.

Name of lawyer consulted: Victoria Simpson Date consulted 18/12/24

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 2024-25

