

Brighton & Hove City Council

Audit, Standards & General Purposes Committee

Agenda Item 7

Subject: External Audit Plan 2024/25

Date of meeting: 24 June 2025

Report of: External Auditor, Grant Thornton UK LLP

Contact Officer: Name: John Hooton
Email: john.hooton@brighton-hove.gov.uk

Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 Grant Thornton's audit plan sets out an overview of the planning scope and timing of the council's statutory external audit for the financial year ending 31 March 2025. The audit plan ("BHCC External Audit Plan 2024-25") is attached at Appendix 1. The audit plan sets out, for example, the significant risks identified ahead of the main audit work (pages 13-18), levels of materiality for the financial statements (page 20-22) and the proposed audit fees for 2024/25 (page 37)
- 1.2 The external auditors are responsible for forming and expressing an opinion on the council's financial statements and for considering whether there are sufficient arrangements in place at the council for securing economy, efficiency, and effectiveness in its use of resources (Value for Money arrangements).

2. Recommendations

- 2.1 That Committee agrees to note the external audit plan document, having considered whether to notify the external auditor if there are any additional matters that it considers may also impact on the planned audit work and context for the financial year ending 31 March 2025.

3. Context and background information

- 3.1 External audit is an annual statutory requirement for local authorities. Appendix 1 sets out the background and context of the external auditors audit plan for 2024/25 in detail.

4. Analysis and consideration of alternative options

- 4.1 Along with every other council in England, the council elected to join the sector-wide procurement of external audit and is therefore bound by the terms negotiated by Public Sector Audit Appointments Ltd (PSAA). Under this arrangement, Grant Thornton¹ are the appointed external auditor for

Brighton & Hove City Council. The authority has recourse to PSAA, who perform a contract monitoring role, if it is dissatisfied with the performance of the external auditor in the delivery of the contract.

5. Community engagement and consultation

5.1 Not applicable.

6. Financial implications

6.1 The proposed audit fee (subject to the normal review and moderation by Public Sector Audit Appointments, PSAA) is £450,108, an increase in the scale fee of 3.8% from 2023/24 as set out on page 37 of Appendix 1, and in accordance with the sector-wide re-procurement of external audit by Public Sector Audit Appointments Ltd, a public sector body set up by the Local Government Association to undertake the procurement on behalf of local government. This has been funded from the General Fund revenue budget and creates a pressure of £0.283m within 2024/25, resulting primarily from significant increase in audit fees from 2023/24 as previously reported to committee. This increase has been built permanently into the general fund revenue budget from 2025/26 onwards.

6.2 The current contract runs for 5 years.

Name of finance officer consulted: Haley Woollard

Date consulted: 06/06/25

7. Legal implications

7.1 The Local Audit and Accountability Act 2014 makes it a requirement that the council's external auditors consider whether the council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (securing value for money). This committee is the appropriate body for the consideration of this report by elected members of the council.

Name of lawyer consulted: Victoria Simpson Date consulted 10/06/2025

8. Risk implications

8.1 A significant backlog within local government external audit prompted the implementation of statutory backstop dates for published accounts, with the intention of clearing of the audit backlog. The statutory backstop for the publication of 2024/25 accounts is 27 February 2026. A delay in the external audit process and/or any inability for the external auditors to obtain sufficient evidence that the council's accounts represent a true and fair view by the backstop date could impact on the audit opinion of the 2024/25 accounts.

9. Equalities implications

9.1 There are none identified.

10. Sustainability implications

10.1 There are none identified.

11. Conclusion

11.1 This report and appendix 1 outlines the external auditor's plan for auditing the authority's 2024/25 accounts. The report is for noting unless the Committee has additional issues to raise (as set out under section 2 Recommendations).

Supporting Documentation

1. Appendices

1. BHCC External Audit Plan 2024-25

