

Brighton & Hove City Council

Audit, Standards & General Purposes Committee

Agenda Item 8

Subject: Informing the Audit Risk Assessment 2024/25

Date of meeting: 24 June 2025

Report of: Chief Finance Officer

Contact Officer: Name: John Hooton
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Ward(s) affected: All

1. Purpose of the report and policy context

- 1.1 Informing the audit risk assessment is an external audit related review (introduced by Grant Thornton last year as part of the 2022/23 audit in response to revised financial reporting standards) which is completed by the council's management ahead of the main audit. The completed document ("Informing the Audit Risk Assessment 2024-25") is attached at Appendix 1.
- 1.2 The purpose of the document is "to contribute towards the effective two-way communication between Brighton & Hove City Council's external auditors and the Audit, Standards & General Purposes Committee". The report sets out audit queries and the 51 management responses covering general enquires of management, fraud, laws and regulations, related parties, going concern and accounting estimates.

2. Recommendations

- 2.1 That Committee notes the audit risk assessment document.
- 2.2 That having considered the audit risk assessment document, Committee indicates which (if any) additional matters it considers should be notified to the external auditor on the basis that they 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. The council's external auditor, Grant Thornton, has outlined a number of inquiries which will allow them to inform the audit process for 2024/25 accounts. Appendix 1 sets out the inquiries raised and the management response 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 Thornton 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 There are no financial implications arising from this report.

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 There are none identified.

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 are primarily for noting unless the Committee has additional issues to raise (as set out under section 2 Recommendations).

Supporting Documentation

Appendices

1. Informing the Audit Risk Assessment 2024-25