

# Brighton & Hove City Council

## Audit, Standards and General Purposes Committee

## Agenda Item 39

**Subject:** CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government

**Date of meeting:** 25<sup>th</sup> November 2025

**Report of:** Director of Finance and Property (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 update the Committee on the new Code of Practice for the Governance of Internal Audit in UK Local Government (the Code) and to report on the results of Brighton and Hove City Council's self-assessment against it, along with any actions arising.

1.2 CIPFA has developed the Code in order to support authorities in establishing their internal audit arrangements and providing oversight and support for internal audit. The Code is designed to work alongside the new Global Internal Audit Standards (GIAS), which were reported to Audit, Standards and General Purposes Committee in September 2025

### 2. Recommendations

2.1 That Committee considers the contents of this report and Appendix 1, and to approve the following:

- (i) The results of the self-assessment against the new Code;
- (ii) The action plan developed in response to that self assessment.

### 3. Context and background information

3.1 The statutory basis for Internal Audit in local government is provided in the Accounts and Audit Regulations 2015, which require a local authority to "*undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes*", taking into account relevant professional standards

- 3.2 With effect from 1 April 2025, these Standards are GIAS (and the Application Note: GIAS in UK Public Sector), which include essential conditions for the governance of internal audit. The Code of Practice has therefore been developed to provide a framework for how these conditions can be met within the specific context of UK local government, including roles and responsibilities of the audit committee, senior management and those charged with governance towards internal audit.
- 3.3 CIPFA highlights that effective arrangements for the governance of internal audit, as well as effective internal audit, are vital parts of an authority's governance arrangements and therefore require local authorities to explain how they comply with the Code within their annual governance statements.

#### **4. Analysis and consideration of alternative options**

- 4.1 A full copy of the self-assessment against the new Code is attached to this report as Appendix 1 and includes details of any potential actions arising from it. As can be seen, the organisation is generally conforming with the majority of the Code with the exception of two areas, neither of which are considered significant and both of which can be addressed relatively quickly and easily.
- 4.2 These actions relate to the following areas:
- The need for the Council to explain how it complies with the new Code with its Annual Governance Statement (AGS). Given the April 2025 implementation date, this will be addressed with the 2025/26 AGS;
  - The need for the relevant audit committee to include its conclusions as to the effectiveness of Internal Audit as part of its own annual report to those charged with governance.
- 4.3 In both cases, management will be working with the audit committee to implement the necessary actions by the end of 2025/26 with a report coming to the Audit, Standards and General Purposes Committee in June 2026 reporting on the effectiveness of the Internal Audit function.

#### **5. Community engagement and consultation**

- 5.1 There is no requirement for community engagement and or consultation regarding this item.

#### **6. Financial implications**

- 6.1 There are no direct financial implications arising from this report. The self-assessment has been completed in order to help support strong and effective organisational governance in line with best practice.

Name of finance officer consulted: John Hooton  
29/10/25:

Date consulted

#### **7. Legal implications**

- 7.1 There are no direct legal implications arising from this report. The self-assessment has been completed in order to help support strong and effective organisational governance in line with best practice: an area of activity which it is within this Committee's delegated powers to scrutinise.

Name of lawyer consulted: Victoria Simpson      Date consulted 28/10/25

## **8. Risk implications**

- 8.1 There are no direct risk implications arising from this report. The self-assessment has been completed in order to help support strong and effective organisational governance in line with best practice.

## **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.

## **12. Conclusion**

- 12.1 The Committee is recommended to consider the contents of this report and appendices and to approve the results of the assessment against the Code and the action plan in response to this.

## **Supporting Documentation**

### **Appendices**

1. CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government Self-Assessment

