Brighton & Hove City Council

Audit, Standards and General Purposes Committee

Agenda Item 37

Subject: **Internal Audit and Counter Fraud Quarter 1 Progress Report 2026/27**

Date of meeting: **24th November 2026**

Report of: **Director of Property and Finance (S151)**

Contact Officer: **Carolyn Sheehan (Audit Manager)**
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Ward(s) affected: **All**

For general release

1. Purpose of the report and policy context

1.1 This report provides Members with an update on all internal audit and counter fraud activity completed during quarter 1 (2026/27), 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 the Committee note the report and consider the findings from Internal Audit activities in accordance with the Committee's terms of reference.

3. Context and background information

3.1 The current annual plan for internal audit is included within the Internal Audit Strategy and Annual Plan 2026/27 report which was approved by the Audit, Standards and General Purposes Committee on 21st April 2026.

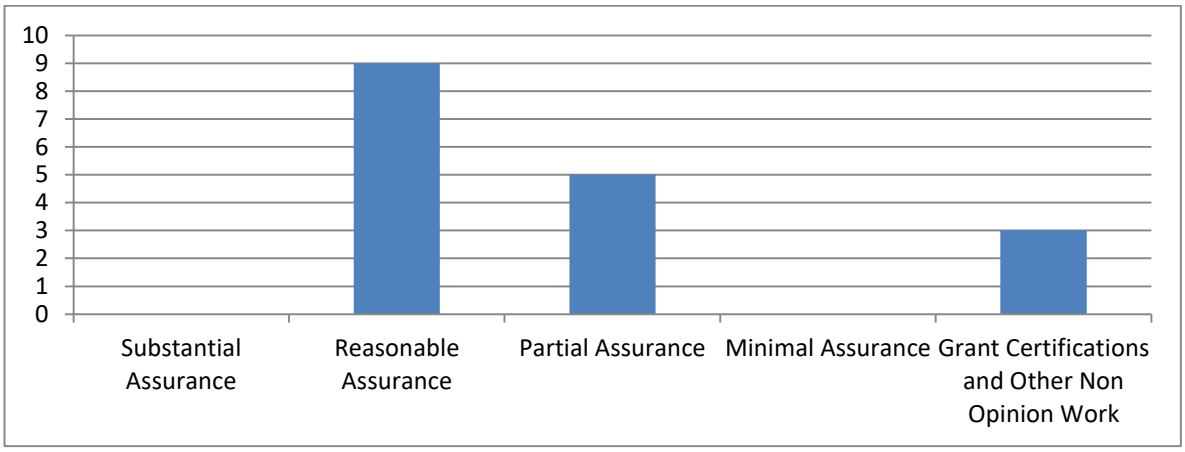
4. Analysis and consideration of alternative options

4.1 Full details of both the internal audit and counter fraud work delivered during quarter 1 are detailed in Appendix 1, together with our progress against our performance targets.

4.2 Following on from the 2025/26 annual audit opinion of Partial Assurance, we continue to take the opportunity to discuss current and emerging audit opinions with senior management. We are committed to working closely with management to help support the necessary improvement.

4.3 The audit reports finalised in quarter 1 are summarised in the chart below, with nine reasonable assurance and five partial assurance opinions. This

includes the review of six schools. In addition, there were two non-opinion reports and one grant, which have been included under the category “Grant Certifications and Non-Opinion work.”



4.4 Section 5 of the attached report, Appendix 1, shows the performance of the service in quarter 1. Delivery of the audit plan is showing as green with 27.1% of the audit plan delivered against a target of 21.25% Although the figures look very positive, they are boosted by the amount of work carried over from the 2025/26 audit plan that has been completed in quarter 1. Following the change in partnership arrangements, the service is stabilizing and is carrying several vacancies that present resource challenges which could impact annual performance.

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 included extensive engagement with officers.

6. Financial implications

6.1 It is expected that the Internal Audit Annual Plan 2026/27 will be delivered within existing budgetary resources. Progress against the plan and action taken in line with actions supports the robustness and resilience of the Council’s practices and procedures in support of the Council’s overall financial position.

Name of finance officer consulted: Haley Woollard
Date consulted: 09/09/2026

7. Legal implications

7.1 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 Global 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 07/09/2026

8. Risk implications

8.1 The Council's Internal Audit Strategy and Plan is based on a combination of management's assessment of risk (including that set out within the departmental and strategic risk registers) and our own risk assessment of the Council's major systems and other auditable areas. Issues arising from individual audit reports, summarised in quarterly progress reports to this Committee, have been presented to management and action plans have been formally agreed to mitigate risks. It is a management responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and outcomes achieved.

9. Equalities implications

9.1 There are no direct equalities implications.

10. Sustainability implications

10.1 There are no sustainability implications.

11. Conclusion

11.1 The Committee is asked to note the report.

Supporting Documentation

Appendices

1. Internal Audit and Counter Fraud Quarter 1 Progress Report 2026/27