

Subject:	Internal Audit Annual Report and Opinion 2020/21		
Date of Meeting:	29 June 2021		
Report of:	Acting Chief Finance Officer		
Contact Officer:	Mark Dallen (Audit Manager)	07795 336145	
	Name: Russell Banks (Chief Internal Auditor)	Tel: 07824 362739	
	Email: mark.dallen@brighton-hove.gov.uk		
	russell.banks@eastsussex.gov.uk		
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The purpose of this report is to give an opinion on the adequacy of Brighton & Hove City Council's control environment as a contribution to the proper, economic, efficient and effective use of resources. The report covers the audit work completed in the year from 1 April 2020 to 31 March 2021 in accordance with the Internal Audit Strategy for 2020/21.
- 1.2 The report also includes a summary of the results of internal audit work for the year along with a narrative summary of those audits finalised since the last progress report to this Committee in March 2021.

2. RECOMMENDATIONS:

- 2.1 That the Committee note that, whilst no assurance can ever be absolute, based on the internal audit work completed in the year, reasonable assurance has been provided on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control for the year ended 31 March 2021.
- 2.2 That the Committee note the assurances and improvement actions detailed on audits finalised since the last progress report to this Committee in March 2021.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that authorities 'must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'. Annually, the Chief Internal Auditor is required to provide an overall opinion on the Council's internal control environment, risk management

arrangements and governance framework to support the Annual Governance Statement.

- 3.2 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.
- 3.3 The overall annual audit opinion, and the evidence that underpins it, is further explained in the full Internal Audit Service's Annual Report and Opinion which forms Annexe A of this report.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The requirement to have an internal audit function is set out in the Accounts and Audit Regulations (England) 2015.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The annual report has been informed by internal audit and corporate fraud work carried out during the year which has included extensive engagement with officers and members.

6. CONCLUSION

- 6.1 The Chief Internal Auditor has concluded that reasonable assurance can be provided on the overall adequacy and effectiveness of the council's framework of governance, risk management and control for the year-ended 31 March 2021.
- 6.2 The Council has set out in the annual governance statement how it plans to address the areas for improvement. This statement is part of a separate agenda item on this meeting's agenda.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 There are no direct financial implications arising from this report. Sound corporate governance, risk management and control are essential to the financial health and reputation of the council.

Finance Officer Consulted: James Hengeveld

Date: 08/06/21

Legal Implications:

- 7.2 *The Accounts and Audit Regulations (England) 2015 require that the findings of the effectiveness review be considered by Council or one of its committees. The Audit and Standards Committee is the designated committee for this purpose.*

Lawyer Consulted:

Victoria Simpson

Date: 9/6/21

Equalities Implications:

7.3 There are no equalities implications arising from this Report

Sustainability Implications:

7.4 There are no sustainability implications arising from this Report

Any other significant implications:

7.5 None

SUPPORTING DOCUMENTATION

Appendices:

A: Internal Audit Annual Report & Opinion

B: Internal Audit Performance Indicators

C: Summary of Opinions for Internal Audit Reports Issued During 2020/21

D: Internal Audit work completed in Quarter 4 2020/2021

Background Documents

1. Revised Annual Internal Audit Plan (October) 2020/21

