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|--------------------------|---|--|---------------------|
| <b>Subject:</b>          | <b>Progress on due diligence implications for audit and corporate fraud joining Orbis</b> |  |                     |
| <b>Date of Meeting:</b>  | <b>8 March 2016</b>   |  |                     |
| <b>Report of:</b>        | <b>Acting Director of Finance and Resources</b>   |  |                     |
| <b>Contact Officer:</b>  | <b>Name:</b>  | <b>Graham Liddell</b>                      | <b>Tel: 29-1323</b> |
|                          | <b>Email:</b>   | <b>Graham.Liddell@brighton-hove.gov.uk</b> |                     |
| <b>Ward(s) affected:</b> | <b>All</b>  |  |                     |

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

- 1.1 This report sets out the progress made in carrying out due diligence for assessing the effectiveness of internal audit at Brighton & Hove City Council provided through Orbis.

**2. RECOMMENDATIONS:**

- 2.1 That the Committee notes the progress made in carrying out due diligence for internal audit joining Orbis.
- 2.2 That the Committee notes its wider role in considering the arrangements for due diligence for wider support functions joining Orbis.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 At the Policy & Resources Committee on Thursday 3 December it was agreed that a number of the council's support functions, including internal audit and corporate fraud, will join the Orbis partnership. Orbis is a newly created partnership with East Sussex County Council and Surrey County Council which provides support functions to councils.
- 3.2 Following agreement at the Policy & Resources Committee, the council started a period of due diligence, which is the process where we work out the detail of the how the partnership will work in practice. At the Audit & Standards Committee on 12 January 2016, members of the committee asked the Head of Internal Audit to report on the progress on the due diligence for assessing the effectiveness of internal audit delivered through Orbis.
- 3.3 A progress report for the wider Orbis project will be taken to the Policy and Resources Committee in April 2016.

**4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The Audit & Standards Committee has specific responsibility in respect of the effectiveness of Internal Audit. Appendix 1 sets out the progress made in

assessing the implications for Internal Audit joining Orbis. This concludes that the work carried out indicates that an effective internal audit function can be delivered through Orbis. A further update will be reported to the June Audit & Standards Committee.

- 4.2 The Audit & Standards Committee also has a role in considering the arrangements for due diligence for the wider Orbis project and this will also be reported to the June committee meeting.

## 5. **COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 None

## 6. **CONCLUSION**

- 6.1 An effective internal audit function can be delivered through Orbis. Further due diligence work is required and this will be reported to the June Audit & Standards Committee.
- 6.2 The Audit & Standards Committee also has a role in considering the arrangements for due diligence for the wider Orbis project and this will also be reported to the June committee meeting.

## 7. **FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 There are no direct financial implications arising from this report. Appendix 1 sets out the potential impact of delivering 28% savings through the Orbis route.

*Finance Officer Consulted: James Hengeveld*

*Date: 23/02/16*

### Legal Implications:

- 7.2 There are no legal implications to note at this stage in relation to this report for noting.

*Lawyer Consulted: Elizabeth Culbert*

*Date: 24/02/16*

### Equalities Implications:

- 7.3 Not applicable.

### Sustainability Implications:

- 7.4 Not applicable.

### Any Other Significant Implications:

- 7.5 None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Due Diligence Review

### **Documents in Members' Rooms**

1. None

### **Background Documents**

1. None

