

**Meeting:** Coast to Capital Audit and Risk Committee Meeting  
**Date:** Thursday 29 September 2021  
**Report Title:** Audit Update  
**Report by:** Nicholas Darwin  
**Item No:** 4  
**Part:** A

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## Recommendation:

The Committee is asked to:

- **Note** the status of the Audit Plan 2020/21
- **Agree** that the Procurement Audit will be the only Audit undertaken in 21/22.
- **Note** the proposed process to develop a new Audit Plan for 22/23.

### 1. Context

At the June Audit and Risk Committee, an update was given in relation to the 2021/22 Audit plan, in light of the organisational restructure which has created an Internal Audit resource gap.

The 21/22 Business Plan, which was published in July 2021, also makes no explicit provision for future internal audits. The team has therefore been working to identify what audits were scheduled to be undertaken in the 21/22 financial year, alongside how we would resource this function to ensure we can develop the 22/23 Audit Plan.

The Committee should also note that any project audits in relation to LGF, GPF and GBF investments is the responsibility of the appropriate management teams.

### 2. Audit Plan

In light of the organisational restructure and changes reflected within the 21/22 business plan, it should be noted that there is no final **Audit Plan 2021/22**. With no scheduled Audits, aside from the year end accounts, for this financial year. In addition to this, and as highlighted at the June meeting, there is no longer an internal resource to undertake internal audit.

In November 2020 the Audit and Risk Committee agreed that the Procurement Audit (as detailed at Annex A) would be postponed and undertaken within 12 months of the Procurement Policy being published. This would see the Procurement Audit taking place in the 21/22 financial year subject to resources, and it is recommended

that this is the only Audit carried out this year, until we can ascertain what is necessary for the business at this time.

### **3. Next Steps**

Given that there is no internal resource to undertake the Procurement Audit or any future audits, a conversation has been had with the Accountable Body to include their Audit team, to ascertain whether we are able to utilise their internal audit resources to assist with the delivery of our own Internal Audit process.

The scope of work was outlined, to include both provision to be made for undertaking audits, alongside supporting the development and scoping of Audits within an Audit Plan for the 22/23 financial year. A further discussion is required to understand the potential scale of audit, which will combine a review of risk areas that require audit attention. This will enable the Accountable Body to dictate potential costs, and it is hoped that this would be achievable by amendment to the existing Accountable Body contract.

It is therefore recommended that the Programme Manager will work with the Accountable Body to review the top company risks and start discussions required to determine the scale of audit, with a final recommendation being brought back to the Committee once we have ascertained costs of this work. Following this, we will also be able to bring forward a draft Audit Plan for 22/23, and possibly 23/24, to Audit and Risk Committee in 2022.

Discussions have also been held with the Programme Manager, Corporate Manager and the Governance Officer regarding the delivery of Internal Audit services. It was agreed that the Governance Officer would be responsible for reporting Audit updates to the Committee until a permanent solution has been found.

### **4. Diversity Statement**

There are no diversity considerations to raise.

### **5. Legal Statement**

This paper has been reviewed by Brighton and Hove City Council in their role as the Accountable Body.

### **6. Financial Statement**

There are no financial implications to consider.

### **Annexes:**

#### **Annex A: Procurement Audit Scope**



## Procurement Audit Scope

The purpose of this audit is to review Coast to Capital's compliance with policies and procedures relating to the procurement of services and goods. This review should first consider and understand Coast to Capital's position as a private company that is also responsible for public funds. This will be an internal review but a procurement expert should be consulted within the process of this review.

The scope and timetable has been detailed below.

## Audit Scope

- Review all relevant policies and procedures to ensure that they meet necessary regulations and applicable laws, including the tackling of modern slavery.
- Ensure all relevant policies and procedures are straight forward and sensibly set out and followed correctly and as intended.
- Ensure that completed procurements meet set policies and procedures and this can be evidenced.
- Review how value for money, sustainability and social value is assessed throughout procurement including the use of local employers.

## Timetable

Audit Committee to approve scope	29 <sup>th</sup> September 2021
Audit process including review of documents and staff interviews	
Final report made available	23 <sup>rd</sup> November 2021