

FINANCE, AUDIT AND RISK COMMITTEE
12 JULY 2021

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: SIAS REVIEW OF THE EFFECTIVENESS OF THE FINANCE, AUDIT AND RISK COMMITTEE 2020-21

REPORT OF THE SERVICE DIRECTOR: RESOURCES

EXECUTIVE MEMBER: Non-Executive function

COUNCIL PRIORITY: BE A MORE WELCOMING, INCLUSIVE AND EFFICIENT COUNCIL

1. EXECUTIVE SUMMARY

Each year, the Council's Internal Auditor (provided through the Shared Internal Audit Service-SIAS) carry out a review of the effectiveness of the Finance, Audit and Risk Committee. This is in line with best practise. The review (attached at Appendix A) concludes that the Committee is compliant and effective. The review raises some matters for the Council and the Committee to consider.

2. RECOMMENDATIONS

- 2.1. That the Committee note and comment on the SIAS Review of the Effectiveness of the Finance, Audit and Risk Committee 2020-21

3. REASONS FOR RECOMMENDATIONS

- 3.1. To allow the Committee to consider the conclusions reached by the review and comment on the recommendations made.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None, it is considered appropriate that the Committee are able to note and comment on the SIAS Review.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

None

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1. The 2021/22 SIAS Audit Plan includes carrying out a review of the effectiveness of the Finance, Audit and Risk Committee. This review is carried out each year in line with best practice (as per paragraphs 1.1 and 1.2 of Appendix A).

8. RELEVANT CONSIDERATIONS

- 8.1. The SIAS Review is attached as Appendix A. Section 2 provides details of the review that has been carried out. Section 3 confirms that “the FAR Committee is compliant with the CIPFA best practice guidance and is therefore an effective scrutiny body for financial, audit, risk and internal control functions”.
- 8.2. Section 4 details areas where the Committee could improve further. The recommendation about an Independent Member (paragraph 4.3) is being taken forward. Whilst it is best practice to have an Independent Member there are legal issues that need to be resolved in relation to having an Independent Member on a Committee that regulates finance (e.g. approval of the Statement of Accounts and Annual Governance Statement).

9. LEGAL IMPLICATIONS

- 9.1. Whilst not specifically referenced in the Committees Terms of Reference (Constitution paragraph 10.1.5) the Committee do have responsibility for “the oversight and approval of Financial, Audit and Risk Management matters”. The effectiveness of the Committee is in itself an important factor in the oversight of these matters.
- 9.2. The Council's Finance, Audit and Risk Committee is defined by the Local Government Act 2000 and its purpose is to give assurance to elected members and the public about the governance, financial reporting and performance of the Council. The appointment of independent members on the committee will assist and promote good governance and scrutiny of the committee

10. FINANCIAL IMPLICATIONS

- 10.1. There are no direct financial implications arising from this report.

11. RISK IMPLICATIONS

- 11.1. An effective Finance, Audit and Risk Committee means that appropriate oversight is taking place and therefore risk is being effectively managed.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. . There are no known equalities implications arising from this report

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no direct HR implications arising from this report.

16. APPENDICES

- 16.1 Appendix A: SIAS Review of the effectiveness of the Finance, Audit and Risk Committee

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

- 18.1 None