

FINANCE, AUDIT AND RISK COMMITTEE

8 JANUARY 2025

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: INTERNAL AUDIT REPORT – REVIEW OF FINANCE, AUDIT AND RISK COMMITTEE

REPORT OF: *SERVICE DIRECTOR- RESOURCES*

EXECUTIVE MEMBER: *NON-EXECUTIVE*

COUNCIL SUSTAINABILITY

1. EXECUTIVE SUMMARY

As part of the 2024/25 Audit Plan, the Committee approved that there should be an Internal Audit review of the effectiveness of the Committee. The audit work has been completed and the report is attached as Appendix A. The audit report details the process that was followed and recommendations on improvements.

2. RECOMMENDATION

- 2.1. That the Committee comment on and note the Internal Audit report as attached at Appendix A.

3. REASON FOR RECOMMENDATION

- 3.1. To allow the Committee to discuss the findings of the Internal Audit report, and contribute to the actions to improve the effectiveness of the Committee.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Internal Audit reports are sent to members of the Committee as part of standard practice. The report could just have been communicated in that way, but that would not have enabled discussion of the findings.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

Members of the Committee were asked to contribute to the audit process.

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 Finance, Audit and Risk Committee set the Internal Audit Plan for the year, As has regularly been the case, the Audit Plan included this audit to look at the effectiveness of the Committee.

8. RELEVANT CONSIDERATIONS

- 8.1. The audit was carried out by BDO on behalf of the Shared Internal Audit Service. The audit report is attached at Appendix A and this details the process that was followed, the findings of the audit and the management response to those findings. The management responses include consideration by the Committee.

9. LEGAL IMPLICATIONS

- 9.1. *The FAR Committee's Terms of Reference include "to consider and approve the Annual Audit Plan" (Constitution paragraph 10.1.5 (I)). The Committee also has a general role in relation to ensuring good governance, and the effectiveness of the Committee contributes towards good governance.*

10. FINANCIAL IMPLICATIONS

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

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2. *The effectiveness of the Committee contributes towards good governance, which is linked to risk management processes.*

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 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 Whilst requests from the Committee for further training and support would have HR implications, it is not expected to be significant.

16. APPENDICES

16.1 Appendix A: Audit Report on FAR effectiveness

17. CONTACT OFFICERS

17.1 Ian Couper, Service Director: Resources ian.couper@north-herts.gov.uk; ext 4243

18. BACKGROUND PAPERS

18.1 *Audit plan for 2024-25* <https://democracy.north-herts.gov.uk/documents/s24485/NHC%20FAR%20Committee%20-%202024-25%20Internal%20Audit%20Plan%20Report%20issued%2028.02.24.pdf>