

Committee Report



Audit Committee - 13 July 2023

Annual Report of the Audit Committee 2022/23

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Exempt / confidential / not for publication	No
Council Plan reference	Not in Council Plan
Wards affected	All wards

Executive summary

The Chair's Annual Report of the Audit Committee summarises the work undertaken by the Committee for the year 2022-23, in its role to provide assurance on the Council's governance framework.

The report details how the Committee has discharged its responsibilities and also provides an overview of the work of the Committee, enabling Councillors and Officers to reflect on the year's activity, as well as reporting back to the residents of Milton Keynes. The Chair of Audit Committee (former councillor Leo Montague) retired from the Council in May 2023 and the report will therefore be sponsored by the new Chair, Councillor Sam Crooks.

The Report will be submitted to full Council for information, in line with best practice standards.

1. Decision/s to be made

- 1.1 That the Audit Committee recommend that its Annual Report (attached at **Annex A**) be referred to Council for receipt and consideration.
- 1.2 That the Committee note the minor, consequential amendments to the Audit Committee Terms of Reference (attached at **Annex B** [2.5]).
- 1.3 That the Committee note the commencement of a recruitment exercise for a third independent member to replace Mr Farooqui who resigned at the end of the previous Council year and additionally, to:
 - a) offer any feedback on the particular skills or experience that the selection process should focus on; and
 - b) delegate authority to the Head of Democratic Services (in consultation with the Chair and Vice Chairs of the Committee) to make a recommendation to full Council in September 2023 for the co-option of the successful applicant.

2. Why is the decision needed?

- 2.1 Guidance from Chartered Institute of Public Finance Accountants (CIPFA) recommends that annually the Chair provides a review of activities considered by the Audit Committee to demonstrate it has discharged its responsibilities as detailed in its terms of reference.
- 2.2 The report highlights both the standard items of business considered by the Committee (as part of the annual cycle) and key one-off items which have been scrutinised.
- 2.3 The full report detailing the issues considered by the Audit Committee during 2022-23 Council year is attached at Annex A and the Committee Terms of Reference is attached at Annex B for information. There is a minor, consequential amendment to the Terms of Reference, arising from an inconsistency between the Terms of Reference and Council Procedure Rules, relating to quorum.
- 2.4 The Committee is able to co-opt up to three independent members, with skills / experience of governance, risk management, financial reporting or counter fraud, to assist the committee in its work. Due to the resignation of Imtiaz Farooqi, there is one vacancy. CIPFA guidance and emerging government policy supports the appointment of independent members, and it has been agreed with the Chair and Vice Chairs to commence recruitment.

3. Alternatives considered

- 3.1 A range of other options are available to the Committee, including to not agree to recommend the annual report, to Council, or to alter its content.
- 3.2 The committee could also resolve to consider changing its Terms of Reference or to not further progress the recruitment of the vacant post for a co-opted independent member.

4. Implications of the decision

- 4.1 There are no immediate risks and or significant implications for the council arising from this report. There will be minor costs associated with a recruitment exercise for a third independent member and the payment of an ongoing allowance. However, there is budgetary provision for these items.

5. Timetable for implementation

- 5.1 The Annual Report of the Audit committee will be referred to the next Council meeting on 19 July 2023.
- 5.2 A recruitment exercise for vacant independent co-opted member is underway with a view to interviews taking place in early August and Council confirming the appointment at full Council on 13 September 2023.

List of annexes

- Annex A – Annual Report of the Audit Committee
- Annex B – Audit Committee Terms of Reference