

# AUDIT COMMITTEE AGENDA

**TUESDAY 29 SEPTEMBER 2009**  
**7.30pm**

ROOM 2  
CIVIC OFFICES  
CENTRAL MILTON KEYNES

<http://cmis.milton-keynes.gov.uk/CmisWebPublic>

Membership: Councillor White (Chair)  
Councillors Bint, Burke, Dransfield, Gerrella, Tunney and Williams

Independent Members: Mr C Fogden and Mr A Peck

If you have any enquires about this agenda please contact Lesley Sung, Senior Committee Manager, Tel: 01908 252325 or E-mail: [Lesley.sung@milton-keynes.gov.uk](mailto:Lesley.sung@milton-keynes.gov.uk)

## **TERMS OF REFERENCE**

**(Approved by Council on 23 May 2006 and amended 11 July 2006)**

### **1. Constitution**

- 1.1 The Committee will be a fully constituted committee and act independently of the Authority's Executive and scrutiny functions.
- 1.2 It will meet at least 4 times per year.
- 1.3 The Committee will maintain the technical capability to discharge the Audit Committee responsibilities of the Council.
- 1.4 The Committee will have a policy on matters that will be considered in public and those considered in private.
- 1.5 The business of the Committee will be conducted apolitically.

### **2. Statement of Purpose**

- 2.1 To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakness of the control environment and to oversee the financial reporting process.
- 2.1 To review matter relating to internal audit, external audit, risk management, governance, assurance statements, anti-fraud and anti corruption arrangements as well as any other function to meet the Council's Audit Committee requirements.
- 2.2 To enhance and promote the profile, status and authority of the internal audit function and to demonstrate its independence.
- 2.3 To contribute towards making the authority, its committees and departments more responsive to the audit function.
- 2.4 To review compliance with the relevant standards, codes of practice and corporate governance policies.
- 2.5 To act within the Council's Constitution.

### **3 Core Functions**

#### **3.1 Audit Activity**

- 3.1.1 To consider Internal Audit's strategic and annual plans including monitoring performance against those plans.
- 3.1.2 To consider the Annual Report and opinion of the Head of Audit and a summary of internal audit activity and the level of assurance it can give over the Council's corporate governance arrangements.
- 3.1.3 To consider summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary
- 3.1.4 To consider reports dealing with the management and performance of the Internal Audit function
- 3.1.5 To consider reports from Internal Audit on agreed recommendations not implemented within reasonable timescales

- 3.1.6 To consider the External Auditor's Annual Inspection Letter, relevant reports and the reports of those charged with governance
- 3.1.7 To consider specific reports as agreed with the external auditor to ensure agreed action is taken within reasonable timescales.
- 3.1.8 To comment on the scope and depth of the external audit work and to ensure it gives value for money
- 3.1.9 To liaise with the Audit Commission over the appointment of the Council's external auditor
- 3.1.10 To consider the reports of inspection agencies relevant to the Council
- 3.1.11 To suggest work for Internal and External Audit.
- 3.2 Regulatory Framework
  - 3.2.1 To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations, codes of conduct etc.
  - 3.2.2 To review any issue referred to it by the Chief Executive or Corporate Director or any Committee of the Council.
  - 3.2.3 To monitor the effective development and operation of risk management and corporate governance throughout the Council.
  - 3.2.4 To monitor council policies on "raising concerns at work" and anti-fraud and anti-corruption policies including the Council's complaints process
  - 3.2.5 To oversee the production of the Council's Annual Governance Statement and recommend its adoption
  - 3.2.6 To consider the arrangements for corporate governance and to agree necessary actions to ensure compliance with best practice.
  - 3.2.7 To consider the Council's compliance with its own and published standards and controls.
- 3.3 Accounts
  - 3.3.1 To review the annual statement of accounts.
  - 3.3.2 Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council
  - 3.3.3 To consider the external auditor's report to those charged with the governance issues arising from the audit of the accounts.
- 3.4 Risk Management
  - 3.4.1 To consider the effectiveness of the Council's risk management arrangements
  - 3.4.2 To seek assurances that action is being taken on risk related issues
  - 3.4.3 To be satisfied that the Council's assurance statements, including the Statement of Internal Control, properly reflect the risk environment and any actions required to improve it.

## AGENDA

### 1. Welcome and Introductions

### 2. Apologies for Absence

### 3. Disclosure of Interests

Members to disclose any personal or prejudicial interests they may have in the business to be transacted and officers to declare any interest in contracts to be considered by the Committee.

### 4. Public Involvement

#### (a) Deputations and Petitions

No deputations have been received for this meeting and any petitions received will be reported at the meeting.

#### (b) Questions from Members of the Public

To receive questions from members of the public.

### 5. Appointment of Second Vice-Chair

To appoint a second Vice-Chair of the Committee for the Council year 2009/10.

### 6. Statement of Accounts 2008-09

To consider Item 6 (**Pages 6 to 36**)

### 7. Revenue and Capital Budget Monitoring Report – To End July 2009 (Period 4)

To consider Item 7 (**Pages 37 to 109**)

### 8. Overview and Scrutiny Budget Review Group

At its meeting on 13 August 2009, the Overview and Scrutiny Management Committee (Minute MC16 refers), considered the Terms of Reference for a Budget Review Group and requested the views of this Committee on the draft Terms of Reference.

A copy of the draft Terms of Reference are attached at Item 8 (**Page 110**)

Agendas and reports for the majority of the Council's public meetings can be accessed via the Internet at: <http://cmis.milton-keynes.gov.uk/cmiswebpublic/>

**Health and Safety**

Please take a few moments to familiarise yourself with the nearest available fire exit, indicated by the fire evacuation signs. In the event of a continuous alarm sounding during the meeting you must evacuate the building immediately and follow all instructions provided by the fire evacuation officer who will identify him/herself should the alarm sound. You will be assisted to the nearest designated assembly point until it is safe to return to the building.

Any persons unable to use the stairs will be assisted to the nearest safe refuge. The yellow call point alarm will be sounded to alert the fire service as to your presence.

**Mobile Phones**

Please ensure that your mobile phone is switched to silent or is switched off completely during the meeting.

**Comments, Complaints and Compliments**

Milton Keynes Council welcomes comments, complaints and compliments from members of the public in order to make its services as efficient and effective as possible. We would appreciate any suggestions regarding the usefulness of the paperwork for this meeting, or the conduct of the meeting you have attended.

**Please detach the slip below and return to the Committee Manager.**

-----

**Meeting Attended:      Audit Committee**

**Date of Meeting:        29 September 2009**

Comments:.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....