



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	ANNUAL GOVERNANCE STATEMENT
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	24 September 2012
Policy Document:	No
Directorate:	Resources
Accountable Cabinet Member:	Cllr A Bottwood

1. Purpose

1.1 To present the amended Annual Governance Statement 2011/12 to the Audit Committee.

2. Recommendations

2.1 To approve the Annual Governance Statement 2011/12 for publication alongside the Statement of Accounts.

3. Issues and Choices

3.1 Report Background

3.1.1 The Council must publish an Annual Governance Statement. For 2010/11 onwards, this statement must accompany the Statement of Accounts, but does not to be included in the Statement of Accounts

3.1.2 The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims, and objectives. It can therefore only provide reasonable and not absolute assurance.

3.1.3 In many organisations the system (and statement) of internal control is often seen as an audit or finance function. The responsibility for this lies with both officers and Members. In summary:

- The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to value for money.
- In discharging this overall responsibility, the Council (elected Members and officers) is responsible for ensuring there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

3.2 Issues

3.2.1 The significant governance issues are detailed in section 6 of the Annual Governance Statement.

3.3 Choices (Options)

3.3.1 Audit Committee are requested to consider the amended Annual Governance Statement 2011/12 (attached at **Appendix 1**).

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no specific policy issues arising from this report.

4.2 Resources and Risk

4.2.1 The system on internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims, and objectives. It can therefore only provide reasonable and not absolute assurance.

4.3 Legal

4.3.1 There are no specific legal issues arising from this report.

4.4 Equality

4.4.1 There are no specific equalities issues arising from this report.

4.5 Consultees (Internal and External)

4.5.1 Audit Committee were consulted in July 2012. In addition, Heads of Service, Directors, and the Chief Executive have provided returns that have been taken into account in developing the Annual Governance Statement 2011/12.

4.6 Other Implications

4.6.1 There are no other issues arising from this report.

5. Background Papers

5.1 Annual Governance Statement 2011/12 Consultation report to Audit Committee 23 July 2012.

5.2 Appendix 1 – Annual Governance Statement 2011/12

**Rebecca Smith,
Assistant Head of Finance,
01604 838147**