



## AUDIT COMMITTEE REPORT

<b>Report Title</b>	<b>Annual Governance Statement 2012/13 Consultation</b>
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**AGENDA STATUS: PUBLIC**

<b>Audit Committee Meeting Date:</b>	29 July 2013
<b>Policy Document:</b>	No
<b>Directorate:</b>	Finance Directorate, LGSS
<b>Accountable Cabinet Member:</b>	Cllr A Bottwood

### 1. Purpose

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1.1 To present the draft Annual Governance Statement 2012/13 to the Audit Committee and request input to the Statement.

### 2. Recommendations

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2.1 To consider the draft Annual Governance Statement

2.2 To identify areas of concern for inclusion in the Statement

2.3 To identify whether additional comment or content is required on areas considered in the Statement.

### 3. Issues and Choices

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#### 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 is not 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 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.

3.1.4 Audit Committee are requested to

- Consider the draft Annual Governance Statement 2012/13 (attached at Appendix 1);
- Identify any additional areas of concern that the Audit Committee has and which need to be considered for inclusion in the final Annual Governance Statement 2012/13; and
- Identify whether additional comment or content is required on the areas already considered in the Statement.

3.1.5 Following Audit Committee, the draft Annual Governance Statement will receive final consideration by the Chief Finance Officer, the Borough Secretary, Senior Managers, and Internal Audit. It will be reviewed by External Audit and will then be presented back to Audit Committee at its September meeting.

## **3.2 Issues**

3.2.1 As noted within the document, the significant governance issues are detailed in section 6 of the Annual Governance Statement

## **3.3 Choices (Options)**

3.3.1 The Audit Committee may choose to request additional comment or content. Alternatively the Audit Committee may decide that there is no additional comment or content that they wish to make.

3.3.2 The Audit Committee may choose to identify additional areas of concern for consideration for inclusion in the final Annual Governance Statement. Alternatively the Audit Committee may decide that there are no such concerns they wish to raise.

## **4. Implications (including financial implications)**

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### **4.1 Policy**

4.1.1 There are no direct policy implications.

### **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 implications arising from this report.

### **4.4 Equality**

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

### **4.5 Consultees (Internal and External)**

4.5.1 Senior Officers have fed into the draft Annual Governance Statement, and the annual internal audit report information has also been used in the compilation of the draft Annual Governance Statement.

### **4.6 Other Implications**

4.6.1 None

## **5. Background Papers**

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5.1 Appendix 1 – Draft Annual Governance Statement

**Rebecca Smith,  
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