

Appendices



Item No.

**NORTHAMPTON**  
BOROUGH COUNCIL

## AUDIT COMMITTEE REPORT

Report Title

ANNUAL GOVERNANCE STATEMENT

AGENDA STATUS:

PUBLIC

<b>Audit Committee Meeting Date:</b>	24 June 2008
<b>Policy Document:</b>	No
<b>Directorate:</b>	Governance & Improvement – Finance & Asset Management
<b>Accountable Cabinet Member:</b>	Councillor Malcolm Mildren

### 1. Purpose

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- 1.1 To present the 2007/08 Annual Governance Statement to the Audit Committee.

### 2. Recommendations

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- 2.1 That the Audit Committee review the 2007/08 Annual Governance Statement and indicate whether there are any concerns arising that need to be brought to the attention of the committee.
- 2.2 That the Audit Committee recommend Cabinet to adopt the Annual Governance Statement, subject to any comments arising from 2.1 above.

### 3. Issues and Choices

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#### 3.1 Report Background

- 3.1.1 The Accounts and Audit Regulations (A&AR) 2003, as amended by the A&AR 2006, require the Council to formally approve the Statement of Accounts by 30<sup>th</sup> June. This includes the adoption of the Annual Governance Statement.

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 putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

3.1.2 The 2007/08 Annual Governance Statement is attached at Appendix 1.

### **3.2 Issues**

3.2.1 As noted within the document, the control weaknesses are detailed in paragraph 5.

### **3.3 Choices (Options)**

3.3.1 N/A

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

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### **4.1 Policy**

4.1.1 N/A

### **4.2 Resources and Risk**

4.2.1 There are no direct implications in relation to the annual governance statement. Actions should be taken to address any issues identified as necessary.

4.2.2 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 In accordance with the A&AR, the AGS should be approved with the statement of accounts, prior to audit, by the 30<sup>th</sup> June.

### **4.4 Equality**

4.4.1 N/A

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

4.5.1 The production of the AGS has involved an internal group, Management Board, Internal Audit, liaison with Members and Corporate Managers.

### **4.6 Other Implications**

4.6.1 N/A

## **5. Background Papers**

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5.1 2007/08 Statement of Accounts and AGS working file

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