



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

29 JUNE 2009

Agenda Status: Public

Directorate: Finance and Support

Report Title	ANNUAL GOVERNANCE STATEMENT
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1. Summary

To present the 2008/09 Annual Governance Statement to Council.

2. Recommendations

- 2.1 That Council consider any comments on the annual governance statement arising from the Audit Committee and Cabinet considerations.
- 2.2 That Council review the 2008/09 Annual Governance Statement.
- 2.3 That Council adopt the Annual Governance Statement subject to any comments arising from 2.1 and 2.2 above.

3. Report Background

- 3.1 The Accounts and Audit Regulations (A&AR) 2003, amended by the A&AR 2006, require the Council to formally approve the Statement of Accounts by 30th June. This includes the adoption of the Annual Governance Statement.
- 3.2 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.
- 3.3 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.

The Annual Governance Statement is attached at Appendix 1. It will be audited by KPMG, our external auditors and be re-approved post audit, in September 2008.

4. Implications (including financial implications)

4.1 Resources and Risk

There are no direct implications in relation to the Annual Governance Statement.

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.

4.2 Legal

None

4.3 Other Implications

None

5. Background Papers

AGS working file

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