



**NORTHAMPTON**  
BOROUGH COUNCIL

# COUNCIL

## 28<sup>th</sup> September 2009

**Agenda Status: Public**

**Directorate: Finance and Support**

<b>Report Title</b>	<b>ANNUAL GOVERNANCE STATEMENT</b>
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### 1. Summary

To report on 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 note this report on 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 30<sup>th</sup> June. This includes the adoption of the Annual Governance Statement. Post external audit, they need to be represented by the 30<sup>th</sup> September.
- 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 was presented to the Audit Committee, Cabinet and Council in June 2009 prior to external audit. Our external auditors, KPMG, have audited our 2008/09 AGS and have made no material amendments that require the AGS to be represented. The one change made was to a diagram (page 5) that included a reference to an annual report, which we do not currently produce. The updated AGS is attached at Appendix 1.

#### **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

**Report Author and Title:** Report of Chief Executive , Director of Finance and Support and Borough Solicitor. The 2008/09 Annual Governance Statement  
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