



**NORTHAMPTON**  
BOROUGH COUNCIL

<b>Committee:</b>	<b>COUNCIL</b>
<b>Directorate:</b>	<b>Governance and Resources</b>
<b>Corporate Director:</b>	<b>Isabell Procter</b>
<b>Portfolio Holder:</b>	<b>Cllr M. Mildren</b>
<b>Date:</b>	<b>28 June 2007</b>

<b>Report Title</b>	<b>STATEMENT ON INTERNAL CONTROL</b>
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<b>Key Decision</b>	<b>NO</b>
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## 1. PURPOSE

- 1.1 To present the 2006/07 Statement On Internal Control to Council.

## 2. RECOMMENDATIONS

- 2.1 That Council consider any comments on the statement of internal control arising from the Audit Committee and Cabinet considerations.
- 2.2 That Council review the 2006/07 statement on internal control..
- 2.3 That Council adopt the statement of internal control subject to any comments arising from 2.1 and 2.2 above.

### **3. ISSUES AND OPTIONS**

3.1 The Accounts and Audit Regulations 2003 require the Council to formally approve the Statement of Accounts by 30<sup>th</sup> June. This includes the adoption of the Statement on Internal Control.

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.

### **5. Resource Implications (including Financial Implications)**

5.1 There are no direct implications in relation to the statement on internal control.

### **6. Risk and Opportunity Issues**

6.1 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.

## 7. Consultees (Internal and External)

<b>Internal</b>	Management Board, Corporate Managers and Internal Audit.
<b>External</b>	N/A

## 8. Compliance Issues

### A: How Proposals Deliver Priority Outcomes

<b>Recovery Plan</b>
N/A
<b>Corporate Plan</b>
N/A

### B: Other Implications

<b>Other Strategies</b>
None

## 9. Background Papers

Title	Description	Source
<b>2006/07 Statement of Accounts</b>		

Name	Signature	Date	Ext.
<b>Author &amp; Director Isabell Procter</b>	Isabell Procter	24.06.07	
<b>Monitoring Officer or Deputy (Key decision only)</b>			
<b>Section 151 Officer or Deputy (Key decision only)</b>	Isabell Procter	24.06.07	