

Appendices: 1



NORTHAMPTON
BOROUGH COUNCIL

Item No.

9

AUDIT COMMITTEE REPORT

Report Title

Annual Governance Statement 2010/11

AGENDA STATUS:

PUBLIC

Audit Committee Meeting Date:	26 th September 2011
Policy Document:	No
Directorate:	Finance and Support
Accountable Cabinet Member:	Cllr Alan Bottwood

1. Purpose

- 1.1 To present the Annual Governance Statement 2010/11 to the Audit Committee and request approval of the Statement.

2. Recommendations

- 2.1 To consider and approve the Annual Governance Statement;

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Outline Annual Governance Statement was brought to Audit Committee on 25th July 2011 and the Committee was asked to identify areas of concern for inclusion in the Statement and to review the outline Statement and identify if additional comment or content is required on the areas considered in the Statement. The Committee did not propose any changes at that stage.
- 3.1.2 Following Audit Committee, the Outline Annual Governance Statement was considered by Internal Audit; proposed responses to the significant governance issues have been amended and agreed by the lead officers in those areas and the report has been passed to the Council's Monitoring Officer. The Statement attached at Appendix 1 incorporates all changes requested at the time of publication.

- 3.1.3 The Council must publish an Annual Governance Statement. For 2010/11, this statement must accompany the Statement of Accounts, but does not need to be included in the Statement of Accounts.
- 3.1.4 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.
- 3.1.5 In many organisations the system (and statement) of internal control is often seen as an audit or finance function. The responsibility properly 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.
- 3.1.6 Audit Committee are requested to Consider and approve the Annual Governance Statement 2010/11 (attached at Appendix 1)

3.2 Issues

- 3.2.1 The significant governance issues are detailed in section 6 of the document at Appendix 1.

3.3 Choices (Options)

- 3.3.1 None

4. Implications (including financial implications)

4.1 Policy

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

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 None at this stage.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Protecting and enhancing the reputation of Northampton Borough Council.

4.7 Other Implications

4.7.1 Not applicable

5. Background Papers

Appendix 1 –Annual Governance Statement 2010/11

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