

STATEMENT ON INTERNAL CONTROL

EXECUTIVE MEMBER: Cllr Elaine Woodburn, Leader
LEAD OFFICER: Dr. John Stanforth, Chief Executive
REPORT AUTHOR: Dr. John Stanforth

Summary: The Accounts and Audit Regulations 2003 require a statement on Internal Control to be published with the financial statements.

Recommendation: That the action plan is approved, and the statement recommended to Council.
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Impact on delivering Copeland 2020 objectives: The internal control environment establishes and monitors the achievement of the Council's objectives.

Impact on other statutory objectives (e.g. crime & disorder, LA21): The Council objectives monitored by the internal control environment include those with LA21 implications.

Financial and human resource implications: The system of internal control safeguards the sound financial management of the authority.

Project & Risk Management: The system of internal control includes arrangements for the management of risk.

Key Decision Status

- **Financial:** None
- **Ward:** None

Other Ward Implications: None

1. INTRODUCTION

- 1.1 The Accounts and Audit Regulations 2003 came into force on 1st April 2003. They established requirements related to systems of internal control, and the review and reporting of those systems. The Council is responsible for ensuring that its financial management is adequate and effective. The system of internal control should facilitate the effective exercise of the Council's functions, and that includes arrangements for the management of risk.
- 1.2 The Statement on Internal Control needs to be approved by Council, and published with the financial statements. Council needs to satisfy itself that it has obtained relevant and reliable evidence to support the disclosures made in the statement, and should in particular consider the reviews of the Chief Finance Officer and the Monitoring Officer on issues covered by the statutory responsibilities. Following approval by Council the statement should be signed by the Chief Executive and the Leader of the Council.

2. STATEMENT ON INTERNAL CONTROL

- 2.1 The Regulations require a review to be conducted at least once a year of the effectiveness of its system of internal control. This review has been undertaken by Internal Audit in conjunction

with Corporate Team, following the guidance on the process published by CIPFA. Action plans have been developed in response to the internal audit report on Corporate Governance, the external audit Annual Audit and Inspection Letter and to various external inspection reports. These have previously been considered by Members and are referred to in the Background Papers listed at the end of this report. Other issues arising from compilation of the Statement on Internal Control are included here in a separate action plan.

2.2 The Statement and supplementary action plan are attached as Appendices A and B.

3. CONCLUSIONS

3.1 It is recommended that the action plan is approved and the Statement on Internal Control is recommended to Council.

List of Appendices

[Appendix A - Statement on Internal Control 2004/05](#)

[Appendix B – Supplementary Action Plan](#)

List of Background Documents:

CIPFA Publication “The Statement on Internal Control in Local Government – Meeting the requirements of the Accounts and Audit Regulations 2003”
Internal audit report “Corporate Governance 2004/05”
External audit report “Annual Audit and Inspection Letter 2003/04” and action plan.
Benefits Fraud Inspectorate report 2005 and action plan
Cumbria Strategic Waste Partnership – Joint Municipal Waste Management Strategy
Crime and Disorder Strategy
Improving Customer Services Action Plan
Draft Cumbria Safer Communities Action Plan

List of Consultees:

Corporate Team
Audit and Fraud Prevention Manager