

STATEMENT ON INTERNAL CONTROL

LEAD OFFICER: Sue Borwick, Head of Finance & Business Development

REPORT AUTHOR: Hilary Mitchell, Head of Policy & Performance

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

Recommendation: That the Statement on Internal Control is approved.
--

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. This requirement is still included in The Accounts and Audit (Amendment) (England) Regulations 2006, effective from 1st April 2006. The Council is responsible for ensuring that its financial management is adequate and effective. The system of internal control should enable 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, or a Committee with delegated authority, 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 S.151 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 the Council's system of internal control. This review has been undertaken by Corporate Team, in conjunction with Internal Audit, 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. Other issues arising from compilation of the Statement on Internal Control are included in a separate action plan.
- 2.2 The Statement is attached as Appendix A.

3. RECOMMENDATION

- 3.1 It is recommended that the Statement on Internal Control is approved.

List of Appendices

Appendix A - Statement on Internal Control 2004/05

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 2005/06"
External audit report "Annual Audit and Inspection Letter 2004/05" and action plan.

List of Consultees:

Corporate Team
Audit and Fraud Prevention Manager