

REPORT TO THE Final Accounts and Audit Committee

Report No.7

Date of Meeting	20/11/2006
Title of Report	Progress Against Statement on Internal Control
Link to Corporate Priorities	No links to corporate priorities, however links to corporate aims: 2. To ensure high quality, cost effective services. 4. To safeguard and enhance the assets and resources of North Wiltshire and the wider community.
Public Report	Yes

Summary of Report

To present to the Final Accounts and Audit Committee the report requested at the meeting of 26/9/2006 to show progress against the issues identified in the 2005/2006 Statement on Internal Control.

Officer Recommendations

That the progress report is noted.

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.

Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
NONE	NONE	NONE	NONE	NONE

Contact Officer

Rob Granger Audit Manager 01249 706221
rgranger@northwilts.gov.uk

1. Introduction

- 1.1 As part of the annual Financial Statements produced by the Council for the financial year 2005/2006 a Statement on Internal Control was produced by management to reflect the key control weaknesses identified during the year. At its meeting of 26th September 2006 this committee asked for a progress report against those issues to identify what has been achieved and what still needs to be addressed.

2. Options and Options Appraisal

- 2.1 Option 1: To note the progress report.

- 2.2 Option 2: N/A

3. Background Information

- 3.1 In May 2006 the Council produced its Statement on Internal Control as part of the exercise to complete its annual Financial Statements. The Statement was drafted using the Local Code of Corporate Governance as a base, and included input from the Council's Section 151 Officer, Monitoring Officer and Audit Manager as well as Strategic Managers. The Statement identifies the Control Environment in place to ensure the economic, efficient and effective running of the Council
- 3.2 The exercise identified a number of issues where the Control Environment was weak or that the controls in place were not being adhered to. These control weaknesses were reported in the Statement and actions were identified to remedy or mitigate these weaknesses.
- 3.3 At the request of this committee a progress report has been produced to identify what steps have been taken to address the issues identified in the SIC. This is included as Appendix 1.
- 3.4 As can be seen, of the 10 control weaknesses identified one has been fully addressed and action has been taken to address a further seven. This leaves two control weaknesses where no progress has been made to address the weakness, and further comments have been sought to explain how they will be addressed in the future.

Implications

The Final Accounts and Audit Committee has responsibility for overseeing the compilation of the Statement on Internal Control for 2006/2007, which will require the committee to monitor the progress made against the previous years Statement

Failure to address the control weaknesses identified in the SIC will have an overall impact on the Council's control environment, and could lead to criticism by the Council's External Auditors.

Risk Analysis

A weak control environment increases the risks of inefficiencies, errors and fraud and will have an impact on the overall achievement of the Council's objectives as well as opening the Council up to criticism by outside bodies.

Appendices:	<ul style="list-style-type: none">• Appendix 1 – SIC Progress report
Background Documents Used in the Preparation of this Report:	<ul style="list-style-type: none">• None

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
Report 9 – Council's Audited Accounts 2005/2006	FA&AC	FA24