

STANDARDS COMMITTEE

7 October 2004

CABINET

15 October 2004

FINAL ACCOUNTS COMMITTEE

3 November 2004

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### **Statement on Internal Control in Local Government**

#### **Purpose of report**

1. To ask the Committee to approve the proposed Statement on Internal Control for publication in accordance with the Accounts and Audit Regulations 2003.

#### **Background**

2. The Accounts and Audit Regulations came into force on 1 April 2003. These require the Council (amongst other things) to ensure that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of the Council's functions, and includes arrangements for the management of risk.
3. The Council is required to conduct a review at least once a year of the effectiveness of its system of internal control and must include a statement on internal control.
4. The Chartered Institute of Public Finance and Accountancy (CIPFA) has produced guidance on how these requirements can be met. A copy of the guidance can be provided on request.

#### **Process**

5. The Council has established an officers' working group to oversee the discharge of these requirements. This group has met once so far to review the content of the Council's Statement on Internal Control for 2003/04. Further work and meetings will take place during the year as

part of the review process.

6. A copy of the draft Statement on Internal Control is attached at Appendix A. The draft is based on the guidance from CIPFA and has been approved by the Audit Commission. The Standards Committee and the Cabinet have also noted its content.
7. The Council will continue to work closely with the Audit Commission in meeting its obligations under these regulations.
8. Subject to the Committee's approval, the Statement will be signed by the Chief Executive and the Leader and will then be published.

### **Recommendation**

9. The Committee is asked to note the new requirements and to approve the content of the Council's Statement on Internal Control for 2003/04 as attached at Appendix A.

**STEPHEN GERRARD**  
**MONITORING OFFICER**

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Unpublished documents relied upon in the production of this report: None

Environmental impact of the recommendations contained in this report: None