

**REPORT TO THE FINAL ACCOUNTS & AUDIT COMMITTEE** Report No. 10

<b>Date of Meeting</b>	<b>28 June 2007</b>
<b>Title of Report</b>	<b>Statement on Internal Control 2006/07</b>
Link to Corporate Priorities	All
Public Report	Yes

**Summary of Report**

To present to the Committee the Statement on Internal Control for 2006/2007 for approval. The Statement on Internal Control forms part of the Council's Statement of Accounts.

**Officer Recommendations**

To approve the Statement on Internal Control for 2006/07.

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	Yes	None	None	None

<b>Contact Officer</b>	Sue Pangbourne, Deputy Chief Executive, 01249 706559 spangbourne@northwilts.gov.uk
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## 1. Introduction

- 1.1 The Statement on Internal Control (SIC) is produced annually as part of the Statement of Accounts. Its purpose is to provide an overview of governance matters relating to the systems of internal control, including key internal control risks for the authority.

## 2. Options and Options Appraisal

- 2.1 Option 1: To accept and approve the Statement on Internal Control for 2006/07, as set out in Appendix 1 to this report. This is the preferred option.
- 2.2 Option 2: To suggest amendments to the Statement on Internal Control for 2006/07.

## 3. Background Information

- 3.1 Under the Accounts and Audit regulations 2003 the Council is required to conduct a review of the effectiveness of the systems of internal control at least annually. The Statement on Internal Control represents the end result of the review and is set out as Appendix 1. The SIC forms a part of the Statement of Accounts.
- 3.2 The review is informed by the work of Internal Audit and managers throughout the Council who have responsibility for maintaining the control environment. The review is also informed by work undertaken by the Audit Commission and other external review agencies.
- 3.3 The SIC also draws on the Council's Local Code of Corporate Governance, and any outstanding issues from the Code have been reflected in the Issues set out in the SIC. The revised Local Code of Corporate Governance is set out as Appendix 2.
- 3.4 Appendix 3 sets out an update against the Issues/risks identified in last year's Statement on Internal Control.

## 4 Legal Implications

- 4.1 Under the Accounts and Audit regulations 2003 the Council is required to conduct a review of the effectiveness of the systems of internal control at least annually and to publish a Statement on Internal Control as part of its Statement of Accounts.

## 5 Risk Analysis

- 5.1 Key risks relating to the systems of internal control are highlighted within the Statement on Internal Control, set out in Appendix 1.

<b>Appendices:</b>	<ul style="list-style-type: none"><li>• <b>Appendix 1: Statement on Internal Control 2006/07</b></li><li>• <b>Appendix 2: Updated Local Code of Corporate Governance</b></li><li>• <b>Appendix 3: Update on issues identified in 2005/06 SIC</b></li></ul>
<b>Background Documents Used in the Preparation of this Report:</b>	<ul style="list-style-type: none"><li>• <b>None</b></li></ul>

### Previous Decisions Connected with this Report

<b>Report</b>	<b>Committee &amp; Date</b>	<b>Minute Reference</b>
<b>Progress Against the Statement of Internal Control</b>	Final Accounts & Audit Committee: 20 November 2006	FA36