

Agenda item No. 7

Title: **Statement on Internal Control (draft)**

Portfolio holder: **Cllr Carbin – Finance & Policy Portfolio Holder**

Reporting officer: **Ian Jamieson – Head of Finance**

Purpose

To present the draft 2006/07 annual Statement on Internal Control for review.

Background

The Statement on Internal Control forms part of the statement of accounts. It is a statement describing the control environment in operation for the year of the accounts. The format is accordance with best practice as set out by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The review of the control environment is informed by the work of internal audit, external audit, risk management and the Head of Finance.

The draft statement has been reviewed by the Head of Finance, Corporate Management Team and will be considered by the Chief Executive and Leader.

Key Issues

Members review the statement and consider the accuracy and fairness of representation of the control environment and the significant control issues.

Effect on strategies and codes

These are contained in the statement.

Risk management implications

These are contained in the statement.

Finance and performance implications

These are contained in the statement.

Legal and human rights implications

There are no direct legal or human rights implications.

Next steps

The Head of Finance will update the statement and agree it with the Chief Executive, Leader and Finance Portfolio holder. This will then be presented to the June Audit Committee for approval.

The Head of Finance will develop an action plan to deal with the significant control issues and report regularly on progress to the Audit Committee.

Recommendations

The Audit Committee review the draft Statement on Internal Control and identify any changes to the control environment and/or significant risks.

Background Papers

Background papers are held in Finance, room F33.