

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES

20 JUNE 2007

EXECUTIVE

3 JULY 2007

STATEMENT ON INTERNAL CONTROL

1. PURPOSE OF THE REPORT

- 1.1 This report sets out the proposed Statement on Internal Control to be included within the Council's Annual Accounts for 2006/07.

2. BACKGROUND

- 2.1 Included within the Accounts and Audit Regulations 2003 are requirements related to systems of internal control, and the review and reporting of those systems. As a result, the Council is required each year to publish a Statement on Internal Control (SIC) within the Annual Accounts. The SIC is much broader than just financial control and management, and therefore also encompasses Performance and Risk Management, Corporate Governance, and a general review on the effectiveness of the systems of internal control within the Council. As part of the normal annual audit process Councils are also expected to provide evidence to support the assurances contained within their SICs.

3. THE STATEMENT ON INTERNAL CONTROL

- 3.1 A draft Statement on Internal Control for inclusion in the Council's Final accounts for 2006/07 is attached to this report.

- 3.2 The SIC must include the following:

- A statement on the scope of responsibility of the Council
- A statement on the purpose of the system of internal control and confirmation that the system has been in place during the financial year
- A statement on the internal control environment that sets out the key elements of control upon which the Council relies to ensure the achievement of its objectives and the management of principal risks
- Significant control issues that have arisen through the review process together with an action plan to address these.

- 3.3 The Statement on Internal Control for this Council also has included within it a section that outlines the Corporate Governance arrangements.

4. RECOMMENDATIONS

It is recommended that:

- 4.1 Scrutiny Committee Resources supports the Statement on Internal Control to be included within the Council's Annual Final Accounts for 2006/07.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

None