

## **Statement of Internal Control**

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**Summary:** The Accounting and Audit Regulations 2006 require the Board to review its systems of internal control on an annual basis and to approve a statement of internal control. A revised SIC is presented for consideration by the Board. An internal audit check was undertaken by Herts CC. The internal auditor's report is also presented for approval.

**Purpose of the Report:** To secure Board approval for the revised Statement of Internal Control.

To secure Board approval for the Internal Auditor's Report.

### **Background**

1. A revised Statement of Internal Control is attached as Appendix 1.
2. The Internal Audit Report is attached as Appendix 2.
3. A revised Service Assurance Statement is attached as Appendix 3.
4. A revised Risk Assessment is attached as Appendix 4
5. Previously the Accounting and Audit Regulations 2003 required the financial accounts to include a Statement of Internal Control. However the 2006 regulations no longer require the SIC to be published as part of the accounts. However, the relevant body (i.e. CCB) is required to conduct a review at least once in a year of its system of internal control and the findings of the review ".Shall be considered by a committee of the relevant body, or by members of the relevant body meeting as a whole, and following that consideration, shall approve a statement of internal control, prepared in accordance with proper practices ....."
6. The Statement of Internal Control is based upon the Service Assurance Statement and Risk Assessment, copies of which are attached for approval as Appendices 3 and 4. It is further supported by the report of the internal auditor, a copy of whose report is included as Appendix 2.

## **Conclusions**

1. The report of the internal auditors makes a few, mostly minor recommendations to improve control, and these are agreed by the officers. However the final recommendation, 7.43, is difficult to implement given the uncertainties over a five year span. A medium term forecast will be devised covering a shorter period.

## **Recommendations**

1. To approve the Statement of Internal Control.
2. To approve the revised Service Assurance Statement.
3. To approve the revised Risk Assessment.
4. To accept the Internal Audit Report and recommendations, subject to the comment above.