

Report of: Director of Finance

Meeting of	Date	Agenda Item	Ward(s)
Standards	16 October 2007		

Delete as appropriate	Non Exempt	Non-exempt
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## SUBJECT: STATEMENT OF INTERNAL CONTROL

### 1. Synopsis

- 1.1 Islington is determined to achieve the goals set out in "One Islington". One of the features that underpins that aim is the achievement of a robust internal control framework.
- 1.2 This report sets out the draft statement on internal control for 2006/07 which was approved by Corporate Services Committee on 28th June 2007.

### 2. Recommendation

- 2.1 To note the draft statement on internal control for 2006/07.

### 3. Background

- 3.1 The Accounts and Audit Regulations 2003 require the publication of a Statement of Internal Control with the financial statements.
- 3.2 Although the Statement of Internal Control is published with the financial statement, it is not confined to just financial matters, but is a broad reflection of the whole governance of the Council. It is an important document, in that it demonstrates that Islington is reviewing its governance arrangements, taking steps to improve them and communicating to users and stakeholders how better governance assists in the delivery of better quality services.
- 3.3 Islington's system of internal control reflects its control environment and underpins its organisational structure to achieve and promote continuous improvement.

- 3.4 The Regulations recommend the Statement is approved at a meeting of the Council or delegated committee and that, following approval, it should be signed by the most senior officer and most senior member of the Council.
- 3.5 The sources of information for the preparation of the statement were:  
Performance Improvement Division  
Monitoring Officer  
Corporate and Departmental Risk Registers  
Internal Audit  
External Audit

## **4. Implications**

### **4.1 Financial Implications**

- 4.1.1 A sound system of internal controls is essential to underpin the effective use of resources.

### **4.2 Legal Implications**

- 4.2.1 The Council has a duty to publish a statement on internal control with its financial statement, as set out in Regulation 4 of the Accounts and Audit Regulations 2003.

### **4.3 Equalities Impact Assessment**

- 4.3.1 There are no direct equalities implications.

## **5. Conclusion and reasons for recommendations**

- 5.1 The Statement of Internal Control, attached as Appendix A, indicates the Council's control environment and once approved will form part of the Statement of Accounts.

### **Background Papers:**

Internal Audit Reports, Annual Audit Letter, Risk Registers, Committee Reports

Final Report Clearance

#### **Signed by**

Director of Finance

Date

#### **Received by**

Head of Democratic Services

Date

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