

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

03 April 2007

Report of the Director of Finance

Part 1- Public

Delegated

1 STATEMENT ON INTERNAL CONTROL FOR YEAR ENDED 31 MARCH 2007

This report presents the Statement on Internal Control for the year ended 31 March 2007 to be certified by both the Leader of the Council and the Chief Executive for inclusion in the Council's 2006/07 Statement of Accounts for endorsement.

1.1 Introduction

1.1.1 The Statement on Internal Control (SIC) forms part of the Council's Statement of Accounts. This Committee has responsibility for overseeing the production of the authority's Statement on Internal Control and for recommending its adoption.

1.2 The Statement on Internal Control

1.2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) recommend that the most senior Member (Leader of the Council) and Officer (Chief Executive) of the Council certify the Statement on Internal Control. The purpose of the Statement is to assess and demonstrate that there is a sound system of internal control.

1.2.2 The Use of Resources Assessment that feeds into the Comprehensive Performance Assessment stipulates (CPA) that:

"An appropriate member group has responsibility for review and approval of the SIC and consider it separately from the accounts".

1.2.3 The Statement on Internal Control for the year ended 31 March 2007 is attached at **[ANNEX 1]**.

1.3 Legal Implications

1.3.1 None

1.4 Financial and Value for Money Considerations

1.4.1 None.

1.5 Risk Assessment

1.5.1 The Statement on Internal Control forms part of the Council's Statement of Accounts which is a statutory document. Therefore, failure to prepare and endorse the Statement could lead to qualification of the Accounts and, in turn, adversely affect the Council's CPA rating.

1.6 Recommendations

1.6.1 The Committee is asked to:

- 1) Consider the Statement on Internal Control and propose any alterations deemed appropriate; and
- 2) **Recommend** its adoption to the General Purposes Committee for inclusion in the Statement of Accounts following certification by the Chief Executive and the Leader of the Council.

Background papers:

contact: Paul Worden

Audit Commission - Use of Resources Assessment
CIPFA Guidance on the Statement on Internal Control
Policy Papers held by the Council

Sharon Shelton
Director of Finance