

## Opinion on the System of Internal Financial Control

As the Council's 'Responsible Finance Officer' it is my duty to ensure that an effective system of internal financial control is maintained and operated within Huntingdonshire District Council.

A system of internal financial control can only ever provide reasonable, rather than absolute, assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a reasonable period of time.

The system is based on a framework of regular management information, the code of financial management, administrative procedures which often involve internal checks, management supervision and a system of delegation and accountability. Development and maintenance of these systems is undertaken by managers within the Council.

In particular, the system includes:

- A Code of Financial Management approved by the Council;
- A comprehensive financial planning and budgeting system;
- The setting of targets to measure financial and other performance;
- The preparation of regular financial reports which indicate actual and expected expenditure against the budgets; and
- Formal project management disciplines.

The Council's responsibilities under Regulation 6 of the Accounts and Audit Regulations 2003, to maintain an adequate and effective system of internal audit, are delegated to me. The internal audit service uses a risk-based approach, is delivered in accordance with the CIPFA Code of Practice for Internal Audit in Local Government, and is delivered by a mixture of directly employed staff and external contractors. The service is managed by the Audit Manager, who reports, through the Head of Financial Services, to me.

The Corporate Governance Panel has responsibility for the oversight of internal audit, including approval of its terms of reference and commenting upon its annual audit plan. An annual report containing the Audit Manager's opinion on the adequacy and effectiveness of the system of internal financial control is presented to the Panel and to the Chief Officers Management Team.

My opinion of the effectiveness of the system of internal financial control is informed by:

- the work of managers within the Council;
- the work of the internal auditors as described above; and
- the comments of external auditors in their annual letter and other reports.

***In my opinion, the systems of control are adequate and no significant weaknesses have been identified during the year, or since the balance sheet date.***



Director of Commerce & Technology

Date 26/6/05