

**THE RAMSEY INTERNAL DRAINAGE BOARD**  
**STATEMENT ON INTERNAL CONTROL**  
**THE ACCOUNTS AND AUDIT REGULATIONS (ENGLAND) 2003**  
**REGULATION 4**

**1. Scope of Responsibility**

The Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Board also has a duty under the Local Government Act 1999 or other appropriate legislation to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination on economy, efficiency and effectiveness.

In discharging this overall responsibility, the Board is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Board's functions and which includes arrangements for the management of risks.

**2. The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Board's policies, aims and objectives. To evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at The Board for the year ending 31st March 2006 and up to the date of approval of the annual report and accounts, and, except for the details of significant internal control issues at Section 5, accords with proper practice.

**3. The internal control environment**

The Board controls all internal expenditure by ensuring that the Chairman of the Board signs all cheques along with the Clerk and the Financial Officer (who shall be one person and the Chief Executive of the Board) , there are internal meetings between the Chairman of the Board and other members, together with the Clerk and the Financial Officer to inspect and approve accounts prior to adoption by the Board in Annual General Meeting and audit and the Board approves payment of all cheques at its Annual General Meeting, including:-

\* Establishing and monitoring the achievement of the Board's objectives. \*  
The facilitation of policy and decision-making.

- \* Ensuring compliance with established policies, procedures, laws and regulations.
- \* Identifying, assessing and managing the risks to the Board's objectives including how risk management is embedded in the activity of the authority, how leadership is given to the risk management process, how staff are trained or equipped to manage risk in a way appropriate to the Board and its duties.
- \* Ensuring the economical, effective and efficient use of resources and for securing continuous improvement in the way in which its functions are exercised, having regard to the combination of economy, efficiency and effectiveness as required by the Best Value Duty.
- \* The financial management of the Board and the reporting of financial management and
- \* The performance management of the authority and the reporting of performance management.

#### **4. Review of Effectiveness**

The Board has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control.

The review of the effectiveness of the system of internal control is informed by the work of the Clerk and the Financial Officer employed by the Board who has responsibility for the development and maintenance of internal control environment. And also by comments made by external auditors and other review agencies and expectorates in their annual audit letter and other reports.

The Board is audited annually by the Audit Commission to ensure that the Board is checked as to the effectiveness of the system of internal control and the operation of its duties, including some comment on the role of:

- \* The Clerk and the Financial Officer
- \* The Chairman and other Commissioners who have an overview and scrutiny of the operation of the Board.
- \* Internal audit.

We have been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Board, the Clerk and the Financial Officer and other Commissioners responsible for overview and scrutiny, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

#### **5. Significant internal control issues**

Decisions are taken by the Board acting through all its Commissioners, the Chairman of the Board may have delegated authority in important and urgent matters of drainage and any such action taken by the Chairman is subject to ratification at a subsequent Board meeting. Expenditure is sanctioned by the

Chairman of the Board but proposed by the Clerk to the Commissioners, and all expenditure is subject to ratification by the Board in General Meeting.

Dated this 6<sup>th</sup> day of July 2006

Signature of Chairman P H Wagstaffe

Signature of Clerk John A R Crisp