Framework for the Internal Control Environment

Appendix 2

Internal Control Framework

High Level Strategies and Controls

- Council Plan
- South Lakeland Local Plan
- Community Engagement Strategy
- Commissioning Framework
- Council Constitution:
  - Financial Procedure Rules
  - Code of Conduct for Members & Officers

Performance and Risk Management

- Performance Management Framework
- Partnership Protocols and Agreements
- Service/Delivery/Activity Plans
- Project management process
- Risk management & registers

Controls over Finance

- Medium Term Financial Plan
- Revenue & Capital Budgets
- Financial Management Reporting
- Procurement Strategy

Controls over Behaviour

- Local Code of Governance
- Anti-Bribery, Fraud and Corruption Policy
- Anti-Money Laundering Policy
- Anti-Tax Evasion Policy
- Information Governance Framework
- Freedom of Information Policy
- Health and Safety Policy
- Surveillance Guidance
- Human Resources Policies
  - Whistleblowing Policy
- Customer Access Policy
- Equality and Diversity
- Accessibility Policy
- Data Protection Policy

Controls over Assets

- Corporate Property Strategy
- Land and Property Management Plans

Annual Governance Statement

- published with the Statement of Accounts
- approved by Leader and Chief Executive

Independent review by Audit Committee

Overview and Scrutiny Committee

- Monitors residual risk and management
- Monitors risk profile
- Receives risk monitoring reports
- Performance Indicators & Performance Plan

Monitoring Officer

- Monitors compliance with Constitution, standards and legislation

Section 151 Officer

- Monitors compliance with internal/external financial regulatory framework

Draft Annual Governance Statement

- Internal Control environment reviewed by Finance, Strategy, Performance, Innovation and Commissioning and Human Resources, Internal Audit
- Review by Governance and Accountability officer group
- Governance best practice reviewed

Performance Management

- Embedded system
- Operates throughout
- Internal & external
- Action orientated
- National/local KPI's
- Periodic progress

Internal Audit

- Internal Audit's opinion expressed in reports to audit committee
- Operates under terms of reference
- Rolling strategic & annual plans, Member approved
- Risk based plan

External Audit

- Annual plan
- Annual letter
- Audit opinion
- Value for Money

Assurance by Managers

- Operational
- Control & risk self-assessment questionnaires completed with feedback from senior Managers

Risk Management

- Strategic
- Embedded in
- Effectiveness
- Project appraisal

Other sources of assurance

- Fraud reports and
- Reports by inspectors
- Post implementation reviews of projects