

STATEMENT ON INTERNAL CONTROL FRAMEWORK

INTERNAL CONTROL FRAMEWORK

- Memorandum of Association, Articles of Association and Scheme of Delegation
- Revised Corporate Governance Arrangements
- Business Plan 2007-2010.
- Performance Management.
- Annual budget and budgetary control.
- Risk Management Policy and Framework.
- Codes of conduct (Board Members/Officers).
- Internal Audit
- External Audit

ANNUAL GOVERNANCE STATEMENT
 Approved by Board, signed by the Chairman and Chief Executive and (published with the statement of accounts).

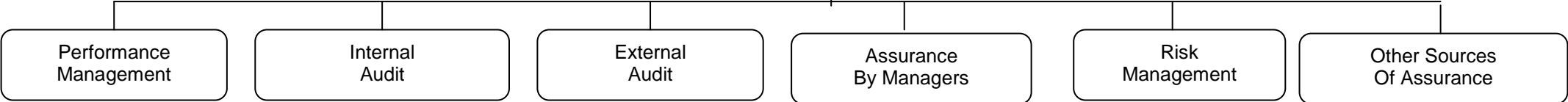
Company Service Planning and Risk Management Framework.

Independent reviews by Management Team and the Governance, Standards & Audit Committee to examine draft AGS and supporting evidence and recommend approval via Board.

Management Team, Board, and Governance, Standards & Audit Committee (GSA)

IA Team with responsibility for reviewing controls, drafting AGS, evaluating assurances and supporting evidence.

- Monitors residual risk and management.
- Monitors risk profiles.
- Considers risk relating to new projects and initiatives.
- Receives risk monitoring reports.



Performance Management

- Embedded system throughout organisation (pplus).
- Internal & external reviews.
- Action orientated.
- Nat./local KPI's
- Periodic progress reports (MT, Board Business, Investment & Performance Committee).

Internal Audit

- Head of Internal Audit opinion expressed in annual reports to Board/GSA
- Operates under terms of reference.
- Strategic & annual plans, Board/GSA approved
- Risk-based plan.

External Audit

- Annual Audited Accounts
- Strategic & annual plans, Board/GSA approved

Assurance By Managers

- Annual management assurance (MT).
- Periodic reports.
- Cascaded through all employees.

Risk Management

- Embedded in policies & planning
- Effectiveness evaluated
- Annual approval of Risk Registers via the Board
- Results analysed by IA and support Strategic Risk Register.

Other Sources Of Assurance

- Council's CPA judgment of Housing Service.
- Reports by inspectors.
- Tenant Surveys
- NRF Programme.
- Ombudsman reports.
- IIP Accreditation
- ESLG