

ACCOUNTING OFFICER'S STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

As Accounting Officer of LTGDC, I have responsibility for maintaining a sound system of internal control that supports the achievement of agreed aims and objectives. I also have responsibility for safeguarding the public funds and LTGDC's assets for which I am personally responsible in accordance with the responsibilities assigned to me in managing public money.

LTGDC, via the Accounting Officer and the Board, works closely with the sponsor department, the Department for Communities and Local Government. These relationships ensure all parties are kept abreast of issues, statutory requirements, Government policy and overall corporate governance.

Accountability Arrangements

The Secretary of State has delegated the responsibility to me for the management of LTGDC. I am accountable both to the Secretary of State and, in my Accounting Officer role, directly to Parliament.

Arrangements for securing accountability within LTGDC are as follows:

The Board

A Board has been appointed by the Secretary of State in accordance with the Code of Practice for Public Appointments Procedures issued by the Commissioner for Public Appointments. Board members' initial appointments vary between one and three years, and the level of their emoluments is set by the Department for Communities and Local Government.

The Board's responsibilities include:

- Setting the overall strategic direction of LTGDC to ensure that regeneration is achieved, while having regard to the need to ensure the highest standards of regularity propriety and value for money in the use of public funds
- Directing LTGDC in the production of the corporate strategy which will make economic and effective use of public funds
- Representing LTGDC in public, promoting its interests and communicating its aims to external stakeholders
- Making full use of any property or commercial experience, special knowledge or other relevant skills of its members in reaching decisions
- Ensuring LTGDC's activities conform with legislative requirements and fulfilling the collective responsibility of the Board for the conduct of LTGDC's business
- Ensuring that LTGDC achieves maximum value for money from its administrative expenditure. Board members are subject to a Code of Practice which is consistent with the Guidance on Code of Practice for Members of Public Bodies published by the Cabinet Office.

I have regular meetings with the Chairman where all relevant risks and control issues are discussed.

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 LTGDC's policies, aims and objectives
- Evaluate the likelihood of those risks being realised and the impact should they be realised
- Manage them efficiently, effectively and economically.

The system of internal control has been in place in LTGDC for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts and accords with HM Treasury guidance.

Capacity to Handle Risk

As Accounting Officer, I have ultimate responsibility for the risk management process. The responsibility for this process is on an ongoing basis and is included within the terms of reference of the Audit and Risk Committee. The Board has reviewed LTGDC's risk management strategy while the risk register has been regularly reviewed by the Audit and Risk Committee. The risk register is a live document, updated and used by the Executive regularly.

The Risk and Control Framework

The risk and control framework has been developed and includes:

- The identification of risks in relation to the achievement of LTGDC's objectives
- An assessment of their relative likelihood and impact
- LTGDC's response to the risks identified, taking into account its level of tolerance to risk
- The review and reporting of risks, ensuring the risk profile is up to date, to gain assurances that the responses are effective and when further action is necessary.

The framework and the risk register have been evaluated by LTGDC's internal audit team and overseen by the Audit and Risk Committee.

Information Risk Management

It is a requirement to report information risk related incidents to the Information Commissioner's Office. LTGDC has an Information Management Policy, which follows government guidelines on managing information and data. LTGDC is in the process of implementing the Information Management Policy.

LTGDC will monitor and assess its information risk and look to improve the way it is managed, including identifying and addressing any weaknesses in its systems.

The following tables indicate the number of incidents relating to information risk management throughout 2008/09 including incidents surrounding protected personal data.

Summary of protected personal data related incidents formally reported to the Information Commissioner's Office in 2008/09.

Date of incident (month)	N/A
Nature of incident	N/A
Nature of data involved	N/A
Number of people potentially affected	N/A
Notification steps	N/A

Summary of other protected personal data related incidents in 2008/09

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within LTGDC are set out in the table below.

Category	Nature of Incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises	1*
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	0
V	Other	0

* LTGDC did incur one incident of an electronic equipment being stolen from a member of staff outside secured Government premises. However, this electronic equipment was subsequently recovered by the police.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, and the Executive who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

The Internal Audit included reviews on land and property procedures and a review of the new finance system implementation. I look forward to their further assessment of our controls in 2009/10, as part of a process of continuous improvement.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit and Risk Committee. A plan to address any weaknesses and ensure continuous improvement of the system is in place.

Significant Control Issues

With consideration to the above, there are no significant control issues to report on this occasion.



PETER ANDREWS –
Chief Executive and Accounting Officer

