

Statement on Internal Financial Control

Responsibility for System of Internal Financial Control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department/Office. This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General/Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

Financial Control Environment

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability,
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned,
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action,
- there is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that:

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts,
- a risk management system operates within the Department/Office,
- there are systems aimed at ensuring the security of the ICT systems,
- there are appropriate capital investment control guidelines and formal project management disciplines,

The Department is compliant with all relevant guidelines regarding procurement and is complying with all circulars relating to the mandatory use of framework agreements and contracts².

Internal Audit

I confirm that the Department/Office has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department/Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Accounting Officer
Department of Illustrative
Purposes
March 2014

² Any exceptions to this statement should be indicated here. Suggested format: "with the exception of X contracts to the value of €X". Details should be provided as to why the contracts were not in compliance and the steps being taken to remedy the situation. It should also be noted whether these contracts were included on the 40/02 return.