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STATUTORY INSTRUMENTS

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**2015 No. 234**

**The Accounts and Audit Regulations 2015**

**PART 2**

**Internal control**

**Review of internal control system**

- 6.—**(1) A relevant authority must, each financial year—
- (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
  - (b) prepare an annual governance statement;
- (2) If the relevant authority referred to in paragraph (1) is a Category 1 authority, following the review, it must—
- (a) consider the findings of the review required by paragraph (1)(a)—
    - (i) by a committee; or
    - (ii) by members of the authority meeting as a whole; and
  - (b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of—
    - (i) a committee; or
    - (ii) members of the authority meeting as a whole.
- (3) If the relevant authority referred to in paragraph (1) is a Category 2 authority, following the review it must—
- (a) consider the findings of the review by members of the authority meeting as a whole; and
  - (b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of members of the authority meeting as a whole.
- (4) The annual governance statement, referred to in paragraph (1)(b) must be—
- (a) approved in advance of the relevant authority approving the statement of accounts in accordance with regulations 9(2)(b) or 12(2)(b) (as the case may be); and
  - (b) prepared in accordance with proper practices in relation to accounts<sup>(1)</sup>.

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<sup>(1)</sup> See section 21 of the Local Government Act 2003 (c.26) for the definition of “proper practices in relation to accounts”.