

STATEMENT ON INTERNAL CONTROL

As Accountable Officer for the General Register Office for Scotland I have the responsibility for maintaining a sound system of internal control that supports the achievement of our organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve these 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 the principal risks to the achievement of our policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process is integral to our business planning and progress monitoring regime and has been in place for the year ended 31 March 2004. The supervision of the regime is undertaken by the managers of business areas within our organisation.

The Management and Business Plan (GROSPan - 2003-04) is the key document used in our organisation for setting objectives and monitoring progress throughout the year. GROSPan forms the basis for all subordinate planning and objective setting, and is available to all staff on our Intranet. Our business planning and review is based on:-

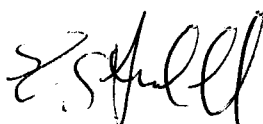
- setting objectives and targets at appropriate levels to measure performance;
- agreeing an annual budget with the Departmental Strategy and Planning Group (DSPG – our senior management group) and regularly reviewing income and expenditure with business area managers;
- regularly reviewing progress, performance, risk and financial status at DSPG and subordinate business area board levels; and
- where appropriate, using formal project management disciplines, including risk management, to manage capital investments and other major areas of work.

Risk management is a fundamental part of our office-wide programme management regime and follows the principles set out for risk management in the Scottish Public Finance Manual.

Our Audit Committee meets at least three times each year and considers reports from Corporate Services Division (on budgets and financial control), Internal Audit and External Audit. The Audit Committee has also started to review key risks selected from our corporate risk register.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the managers of business areas within our organisation, as well as recommendations received from the external auditors.

I am satisfied that during the year the system of internal control was effective in helping us meet our organisation's policies, aims and objectives.



Eddie Turnbull
Accountable Officer
30th November 2004