

KENT COUNTY COUNCIL
COMMUNITIES DIRECTORATE

**Managing Director's Statement on Internal Controls, Governance and Risk
Management Processes for Year Ended 31 March 2008**

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In discharging this accountability, members and senior officers are responsible for putting in place proper risk management processes and internal controls to ensure the proper stewardship of the resources at its disposal.

As Director responsible for Communities, I have responsibility for maintaining a system of risk management; suitable governance arrangements and of sound internal controls, to support the achievement of Corporate and Directorate objectives.

The Governance arrangements in place ensure that services are measured in terms of the quality of services for users, are delivered in accordance with the authority's objectives and for ensuring they represent the best use of resources. Roles and responsibilities are clearly defined with clear delegation arrangements.

The risk management system identifies principle risks and the existing internal controls in place to manage the risks. It puts action in place to test key controls and if appropriate new controls are introduced in order to manage them more efficiently, effectively and economically. The system of internal controls is designed to manage, rather than eliminate, risk and to minimize impact, it can therefore only provide reasonable and not absolute assurance of effectiveness.

I am also responsible for reviewing the effectiveness of the system of internal controls in place during 2007/08. This has taken into account the following factors:

- Outcomes from risk assessment and evaluation
- Self-assessments of key service areas within the Directorate.
- Internal audit reports and results of follow-ups regarding implementation of recommendations
- Outcomes from reviews of services by other bodies including Inspectorates, and external auditors
- Linkage between business planning and the management of risk

Improvements have been made, during 2007/08, to controls in the following areas:

Strategic project control and assurance of value for money. The capital programme is a good reflection of Communities priorities; realistic timescales are in place; and project board models of governance are being applied. Lessons have been learned from the Internal Audit post implementation review of capital projects and are being built into current practice. The principle of applying value for money analysis to policy development has been established and put in practice.

Use of single systems: Improvements have been put in place to standardise the budget monitoring system. Information held on the Enterprise property database has been reviewed and a process for progressively cleansing and updating is being established

Linkage between objectives and risk management. As well as an overarching Directorate risk register, all service units now have risk registers, which relate to operational objectives. Controls have been mapped and new actions identified as appropriate

Business continuity planning. BCP is well established in the Community Safety and Regulatory Service divisions and in the past 6 months other units have undertaken some initial BC assessment.

I have also identified certain areas where key internal controls will be enhanced in 2008/09. In some cases they represent a continuing drive for improvement following progress in 2007/08:

Business continuity. It will be a matter of priority that business continuity plans are fully in place for all units and that a programme of testing underway, starting in October.

Single systems. A focus on this will continue in order that the single system approach being taken in the Directorate towards financial information is extended into operational management information

Risk management. The good progress made in 2007/08 on identifying risks and controls at service unit level will followed up in to ensure cost-effective monitoring of these controls. Integration of risk management principles into the planning for all major projects and developments will be promoted.

Criminal Records Bureau checks for volunteers. Following an internal audit report in 2007/08, which gave minimal assurance of control in part of the Directorate, measures have already been put in place to rectify weaknesses. These improvements will be reviewed in 2008/09.

In May and June 2008 the Authority will receive reports and recommendations arising from recent external inspections. Should any recommendations indicate weakness in governance arrangements or internal control in the Directorate these will also be addressed during 2008/09.

Amanda Honey
Managing Director
April 2008

