

KENT COUNTY COUNCIL

DIRECTOR OF LAW AND GOVERNANCE'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 and 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 of Law and Governance I have responsibility for maintaining a system of risk management; suitable governance arrangements; and of sound internal controls; within Legal & Democratic Services 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 that they represent the best use of resources. Roles and responsibilities are clearly defined and communicated with clear delegation arrangements.

The risk management system identifies principal 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 the risk of failure to achieve objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

As Monitoring Officer, I have a key role in the enforcement of the ethical framework. This involves the application by the Council of a Code of Member Conduct through the Standards Committee in order to promote and maintain high standards of conduct. Responsibilities include investigating complaints and reporting to the Standards Committee for them to take appropriate action, including suspension.

I am also responsible for ensuring the lawfulness of the Council's decision-making process, and continue to oversee *vires* issues. This extends to advice on whether decisions taken by the Executive are within council policy or are "key" decisions. If the Executive acts outside council policy, I refer the matter to the Scrutiny Committee, which has powers to challenge such decisions and refer them to full Council for a final decision.

I have statutory responsibility for receiving a record of decisions and reasons from the Executive and making them available (unless confidential) for public inspection.

As Monitoring Officer, I have access to every part of the Council's organisation, and to reports, decisions, records and background papers.

I am also responsible for reviewing the effectiveness of the system of internal controls in place in Legal & Democratic Services during 2007/08. My review has taken into account the following:

- (i) Outcomes from risk assessment and evaluation

- (ii) Self-assessments of key service areas within the Unit
- (iii) Internal audit reports and results of follow ups regarding implementation of recommendations
- (iv) Outcomes from reviews of services by other bodies including, Inspectorates, external auditors, etc
- (v) Linkage between business planning and the management of risk

Legal Services is distinct from most other sections of the Council because:

- (i) It operates as an in-house consultancy (with external clients) and so its job is to advise and support its clients on deals that they want to do, rather than do deals itself. The matters that Legal Services does in its own name are limited to those necessary for running the business (e.g. buying a digital dictation system)
- (ii) The vast majority of the higher graded staff in Legal Services are professionally qualified solicitors and barristers who are well trained and regulated by their professional body and
- (iii) It has obtained (and maintains) all the management quality standards that are appropriate to its business.

We have in place the following specific procedures:

- (i) In accordance with the requirements of LEXCEL and ISO:9001-2000 we have in place a Quality Manual that specifies risk assessments in respect of files opened for clients and other procedures to ensure that matters are progressed properly. The Quality Manual also specifies a rolling programme of internal audits of compliance with the set procedures.
- (ii) A regular programme of seeking views of clients through client questionnaires
- (iii) A detailed time-recording system which shows us where we are throughout the year with regard to income earned.
- (iv) Budget managers meet with the Legal Services' accountant as often as necessary to ensure that budget forecasts fit the expected reality.
- (v) Business plan approved by members
- (vi) We are a practice regulated by the Law Society

We are therefore thoroughly controlled and regulated.

Improvements have already been made to controls in certain areas during the year as follows:

- (vii) The Quality Manual has been revised to fit new quality audit requirements and to simplify it
- (viii) We regularly and frequently review our procedures in order to build in improvements in process and outcomes

- (ix) we have put in place a committee management system (to enhance and improve on the previous one which was no longer fit for purpose)

I have not identified any areas where key internal controls still need to be enhanced. If and when I identify any these they will be addressed.

I am satisfied that a sound system of internal control has been in place throughout the financial year and is ongoing.

Signed – Geoff Wilde

Director of Law and Governance

Date 13 March 2008