

MANAGING DIRECTORS / DIRECTORS STATEMENTS

KENT COUNTY COUNCIL

MANAGING DIRECTOR'S/ 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 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, governance arrangements and internal controls to ensure the proper stewardship of the resources at its disposal.

As a Managing Director / Director I have responsibility for maintaining a system of risk management; suitable governance arrangements; and of sound internal controls; within my Directorate 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.

I am also responsible for reviewing the effectiveness of the system of internal controls in place 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 department
- (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

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

- Enhancement of systems and processes to support managers in Criminal Records Bureau checks for newly recruited staff. Development of a pan-KCC policy on CRB checks.

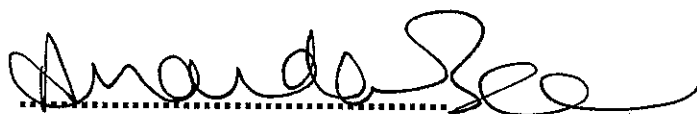
- Introduction of a business process to ensure that an officer register of interests is kept up to date
- Delivery of Phase 2 of an Equal Pay Review for Kent Scheme staff
- The introduction and trial of manager and employee self-service on Oracle HR to strengthen the accuracy and currency of personnel data
- Move from paper-based to electronic HR and payroll processes to enhance security and accuracy of data input and capture
- Development of a database and internal reporting of Job Evaluation outcomes to ensure consistency across KCC
- Introduction of risk assessment of dismissal decisions to minimize liability to KCC
- Equality Impact Assessments carried out on policies and procedures to ensure compliance (validated by Level 3 of Equality Standard)

and I have also identified certain areas where key internal controls still need to be enhanced. These are as follows: -

- Baseline diversity information for current staff to strengthen workforce monitoring
- Improvement to processes and systems used in the payment of employee expenses
- Improvement to the management process for the payment of overtime

Action plans to introduce these improvements have been developed and I am satisfied that these steps will enhance the system of internal controls and will be monitoring to ensure their implementation and operation. I am also satisfied that except for these matters a sound system of internal control has been in place throughout the financial year and is ongoing.

Signed



Director

Amanda Beer

Date

.....^{15th} May 2008

Summary of new action being taken to address any weaknesses

- Data cleansing of officers expenses and strengthen controls to ensure correct payment
- Review arrangements for the payment of overtime, including developments of self service, to minimise potential for incorrect payments.

Overall conclusion

Regular, ongoing communication has been vital in developing strategies to achieve continuous improvement in our service, and to address those areas of risk where Personnel and Development has a significant impact.

The Personnel and Development Risk register is used to support business planning and delivery.

An audit carried out by PWC identified that strong risk management practices are in place.

We will continue this, as well as identify measures to monitor and evaluate the effectiveness through the risk management process..

Amanda Beer
Director of Personnel and Development

May 2008

