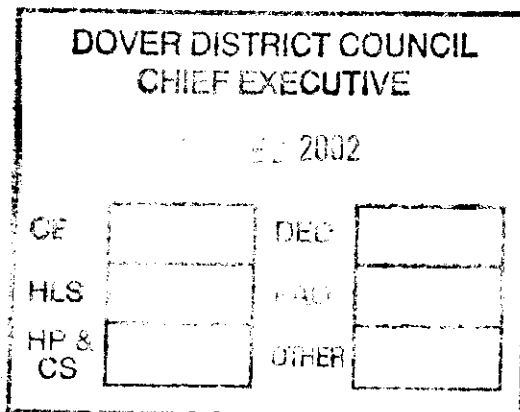


Mr J P Moir  
Chief Executive  
Dover District Council



Contact: Stephen Bennett  
Direct Dial: 01304 872107  
e-mail: fin@dover.gov.uk  
Our Ref: SB/MIS  
Your Ref:  
Date: 28 February 2002

Dear Mr Moir

### Consultation on proposed management structures

I would refer to our previous correspondence on this subject and the further opportunity for discussion provided at a meeting with Paul Wyles, Jim Horne, Yvonne Harris and Harvey Rudd on 27 February 2002. At that meeting, I was given sight of the supplementary report to be submitted to Council on 7 March, which seeks to clarify the position of the section 151 officer and monitoring officer. The purpose of this letter is to clarify the points discussed at that meeting so that they can be taken into consideration as part of the consultation process.

#### 1. Prime structure

To my mind, the report still does not address potential alternatives to the proposals and come to a reasoned conclusion. For instance, if there is to be a Strategic Director (Resources) why is there no consideration of vesting the section 151 responsibilities in that post, since by its own admission the report agrees that finance is seen as a major corporate resource. I do feel that the Council should be quite clear in its reasoning for not adopting this approach if that is the conclusion that is reached.

Given the above conclusion, it would equally be workable to have a Strategic Director responsible for corporate services, which does not have any directional responsibility over the section 151 officer, thus leaving the proposed levels as set out in the report, but altering the line management proposal.

#### 2. Section 151 role

A consensus was reached at the meeting that it was unavoidable that financial and probity audit could not be divorced from the section 151 function. Consequently, any proposal to transfer immediate management responsibility for the audit section away from this post would have the effect of dividing audit work into units of (a) financial stewardship and probity audit, and (b) performance review audit. Immediately following approval of the new structure, the audit section would remain under the auspices of the section 151 officer until a full and proper detailed report is prepared to consider working structures for the future.

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I am not aware of any instances where line management responsibility for the audit function has been allocated to a functional director, other than a finance director. In those instances where the general audit function is not directly the responsibility of the section 151 officer, it reports directly to the Head of Paid Service, as at Ashford for example. This Council would be setting a precedent by transferring anything more than the performance review function to a strategic director who does not hold the section 151 responsibility.

As indicated by both the Council and the District Auditor, the position of the section 151 officer needs to be closely defined. It must therefore be quite clear that the section 151 officer has unambiguous and unfettered authority to organise and supervise the finance unit in a manner designed to enable the section 151 responsibilities to be satisfied. In practice, there would of course be liaison with the strategic director and I would hope there would be no conflict, but clearly this is an important distinction that all external advisors have indicated needs to be totally transparent.

3. Secondary structure

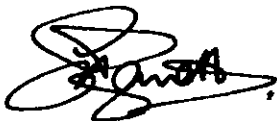
We agreed at the meeting that although the structure and division of functions within the proposed new management team, as proposed in the report, must be regarded as substantially settled, some final details would need to be the subject of future consideration and approval.

4. Job descriptions

We also concluded that the job descriptions, as presented with the report, can only be regarded as substantially settled, but could be subject to some minor changes of content. There are a number of points within the draft job description for the section 151 officer which need to be clarified, for instance, the indication that strategic issues will occupy less than 50% of this officer's time is clearly well wide of the mark. The adoption of the report should therefore recognise that firm job descriptions will follow as a consequence of more detailed structures being agreed.

I am grateful for the opportunity to comment on the proposals. I do believe it is vital that the Council sets a robust structure that will enable it to deal with the very real challenges of the immediate future, particularly in managing the budget position in the next few years.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Bennett', with a stylized flourish underneath.

**Stephen Bennett**  
Chief Finance Officer