

WARWICKSHIRE POLICE AUTHORITY

30 June 2008

The Annual Governance Statement

Report of the Chief Executive

Summary

This report sets out the conclusions of the review of internal control carried out as part of the overall process that fulfils the Authority's statutory obligations to publish an Annual Governance Statement. It presents a draft Annual Governance Statement, which has been scrutinised by the Audit Committee, for comment and approval by the Authority.

Recommendation

That the Authority approves the Annual Governance Statement for signature by the Chair and Chief Executive.

Introduction

The Accounts and Audit Regulations 2003, as amended, require the Authority to conduct a review, at least once a year, of the effectiveness of its systems of internal control and to publish the findings alongside the Authority's financial statements.

The need to produce a Statement of Internal Control has been superseded by the requirement for an Annual Governance Statement which has broadened out the assurance from a certification of the propriety of internal systems of control to a more general certification that recognises, records and publishes an authority's governance arrangements under the framework defined in CIPFA/SOLACE's publication "Delivering Good Governance in Local Government"

The Good Governance Framework defines six principles of governance that underpin the Annual Governance Statement:

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability.

The Assurance Gathering Process

The Annual Governance Statement describes the outcome of the review of systems of internal control across five main areas as follows:

- Scope of responsibilities
- The purpose of the governance framework
- The governance framework – outline
- Review of effectiveness
- Significant governance issues

The main findings of the review are set out in the section headed The Governance Framework – Outline, which describes from both the authority and force perspective the key elements of the systems and procedures that comprise the governance arrangements that are in place. The findings described in this section are supported by Assurance Statements from the officers of the Authority and the Chief Constable.

Appendix 1 shows the recommended steps for the process of reviewing the Authority's governance arrangements and gathering assurance about the effectiveness of the system in order to produce the Annual Governance Statement. This approach was adopted for the review which has been carried out by a Working Group consisting of:

Cllr John Vereker, Chair of the Audit Committee (Chair of the Group)
Oliver Winters, Deputy County Treasurer, representing the Treasurer of the Authority
Garry Rollason, Audit and Risk Manager for the County Council
Jeff Carruthers, Financial Planning Manager
David Weston, Business Intelligence Manager
Sarah Duxbury, Corporate Legal Services Manager, representing the Monitoring Officer
Tony Brown, Deputy Chief Executive

In carrying out their review, the Working Group

- Considered the approach of the Authority to establishing its principal statutory obligations and organisational objectives
- Considered the approach of the force and the Authority to identifying principal risks to the achievement of those obligations and objectives
- Identified the key control frameworks that the Authority has in place to manage its principal risks
- Obtained assurance from the Chief Constable, Treasurer and Finance Director, Monitoring Officer and Chief Executive on the operation of key control frameworks and on the results of external or internal inspection
- Considered the reports of external and internal auditors
- Evaluated the assurances provided.

Appendix 2 summarises the process of production. From this, the Working Group has prepared a draft Annual Governance Statement which is attached at **Appendix 3**.

The Annual Governance Statement

The guidance on the process for reviewing the Authority's governance arrangements allowed the Working Group a certain amount of discretion in recommending those items to be included in the Statement. However, when considering which items should be regarded as "Significant Governance Issues" members of the Working Group were mindful of criteria previously issued by CIPFA for the Statement of Internal Control as follows:

- The issue has seriously prejudiced or prevented achievement of a principal objective
- The issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business
- The issue has led to a material impact on the accounts
- The Audit Committee, or equivalent, has advised that it should be considered significant for this purpose
- The Head of Internal Audit has reported on it as significant, for this purpose, in the annual opinion on the internal control environment
- The issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation
- The issue has resulted in formal action being taken by the Chief Financial Officer or the Monitoring Officer

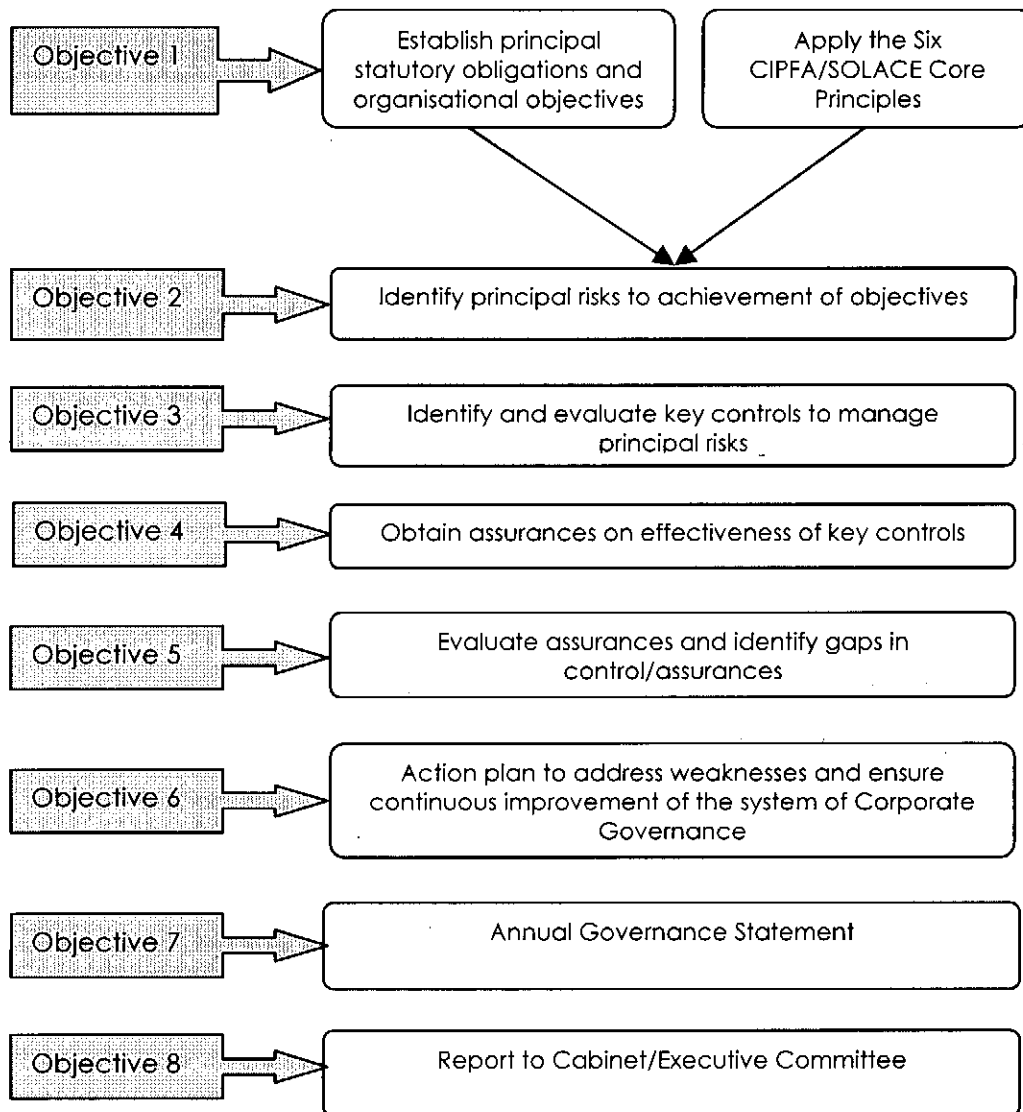
By this process, four areas were identified as significant governance issues. These are described in the draft statement and in an outline action plan at **Appendix 4**. For the moment, the Action Plan simply outlines the main tasks and task owners. Key dates will be added in due course and periodic reports on progress during the year will be made to the Audit Committee. A number of other issues that are being addressed during 2008/09 but are not regarded as significant, are also included in the Statement.

The Audit Committee, at its meeting on 18th June, scrutinised the draft statement and suggested some amendments which have been incorporated into the final draft which is at **Appendix 3**. With these amendments, the Committee agreed to recommend the statement to the Authority for approval.

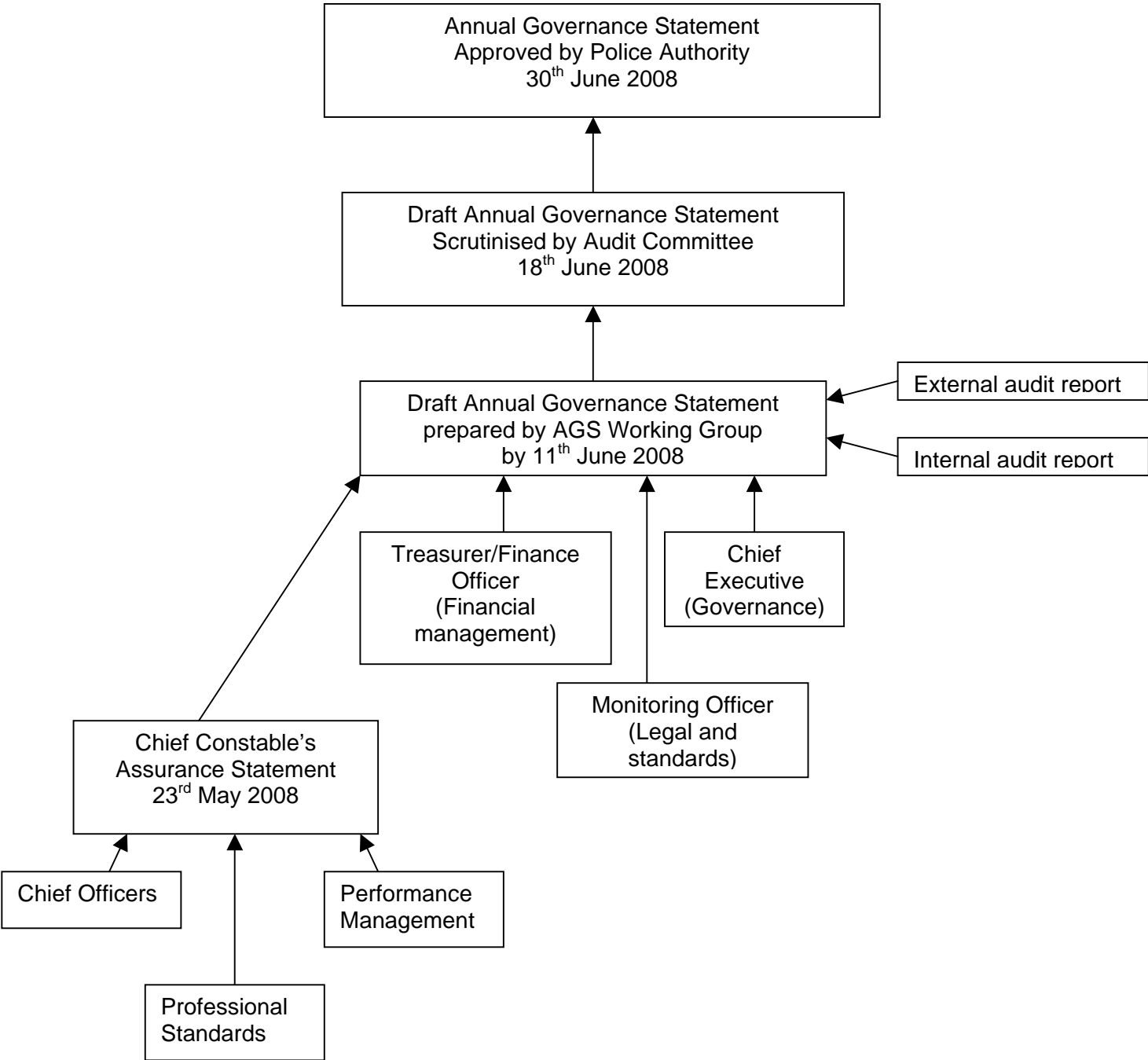
Conclusion

The Police Authority is recommended to consider the contents of the Annual Governance Statement, to suggest any amendments and to approve the Statement for signature by the Chair and Chief Executive.

Appendix 1: Review of Annual Governance Statement and the Assurance Gathering Process



Annual Governance Statement – Production



Warwickshire Police Authority

Draft Annual Governance Statement

1. SCOPE OF RESPONSIBILITIES

The Warwickshire Police Authority [the Authority] is responsible for ensuring 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. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk. In exercising this responsibility the Authority places reliance on the Chief Constable of the Warwickshire Police Force ('the Force') to support the governance and risk management processes and ensuring that the Force's 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.

The Authority has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework: *Delivering Good Governance in Local Government*. A copy of the code is on our website at www.warwickshirepa.gov.uk and can also be obtained from the Authority's offices at Warwickshire Police Authority, 3 Northgate Street, Warwick, CV34 4SP. This statement explains how the Authority has complied with the Framework and also meets the requirements of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

A more detailed Statement of Assurance for the Force signed by the Chief Constable, and Statements from each of the Monitoring Officer, Treasurer and Director of Resources, and the Chief Executive, support this overarching Governance Statement.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values by which the Authority is directed and controlled and its activities through which it accounts to and engages with the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve 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 and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, to manage them effectively, efficiently and economically.

This governance framework has been in place at the Authority for the year ended 31 March 2008 and up to the date of approval of the annual report and statement of accounts.

3. THE GOVERNANCE FRAMEWORK – OUTLINE

This section describes the key elements of the systems and processes that comprise the governance arrangements that have been put in place for the Authority and Force. It explains the overarching structures that have been put in place in both Authority and Force to deal with these systems and processes and how they are linked to each other.

A. Identifying and Communicating the Authority’s vision of its purpose and intended outcomes for citizens and service users.

The Authority and Force have a joint vision, “Protecting our Communities Together”. The vision is set out in the Authority’s local policing plan. The vision will be re-affirmed in the three-year policing plan 2008-2011 which is currently in production. These plans are available to the public on the Authority and Force websites. The vision is also communicated in the Annual Achievement Report and the Council Tax Leaflet.

The vision is informed by an extensive programme of consultation with the public and other stakeholders conducted by the Force and by making use of consultation outcomes from other sources. In particular, Warwickshire County Council’s observatory, citizens’ panel and the “State of Warwickshire” and “Quality of Life” surveys are valuable sources of information. The Authority also consults directly with representatives of the business community.

The vision is underpinned by a mission and set of values which are focused on delivery of the vision in the context of the four levels of harm; death, injury, loss and distress/fear.

In addition to the joint mission, vision and values, the Authority has a Code of Corporate Governance which outlines the systems, processes and culture by which the Authority is directed and through which it accounts to, engages with, and, where appropriate, leads the community. There is also an evolving governance plan which sets out the aims and objectives for the Authority and its constituent governance streams, committees and panels.

B. Reviewing the Authority’s vision and its implications for governance arrangements.

The 150 forward project, a major programme of change with the purpose of developing an acceptable, sustainable and affordable force established a new force vision, mission and values for the year 2007/08.

The vision will be reviewed annually as part of the rolling three-year policing plan. Constitutionally, the Chief Constable drafts the policing plan for approval by the Police Authority. However, the Authority plays an active part in the development of the plan with, routinely, two Members assigned to oversee the content and production of the plan.

C. Measuring the quality of services for users, for ensuring they are delivered in accordance with the Authority’s objectives and for ensuring that they represent the best use of resources.

The performance of the Force is monitored and scrutinised on a regular basis by the Authority.

The Chair, Vice-Chair and Chief Executive receive performance figures every week and discuss these at minuted meetings with the Chief Officers of the Force. Every second week, Governance Stream Leads join these discussions. Budget performance is also discussed at these meetings. Formal performance reports are presented to each Police Authority meeting. Detailed finance reports are presented at every third meeting of the Authority.

When the Authority substantially re-organised its governance structure in May 2007, one of the key drivers was to improve the quality and depth of performance management. A decision was taken to disband the Performance Management Group and instead to make performance management the clear responsibility of all Members. To facilitate this, the work of the Authority was divided into three governance streams which reflect the management structure of the Force. Each of the governance streams reports in turn to a full Police Authority meeting and this has not only improved the organisation of the Authority's business, but has also allowed for more focused scrutiny of the Force's performance.

The Resources Panel scrutinises performance against budgets across the whole Authority on a regular basis and reports to every third meeting of the Authority.

The Authority's active membership of the Force Executive Board and the Business Improvement Board illustrates the Authority's embedded governance arrangements and provides additional opportunities for scrutiny of performance, particularly in relation to projects, risk, audit, inspection and review activities.

Five Authority Members have been appointed District Partnership Leads. Among their key governance accountabilities is the task of scrutinising the policing performance in their District. Additionally, five other Members act as District scrutineers. Their role is to scrutinise the crime reduction, Local Area Agreement and Local Strategic Plan performance in the District.

The Authority intends to produce a performance management framework to codify all these activities during 2008.

The aims and objectives of the Force are developed with the Police Authority and in consultation with our partners and are contained in the Policing Plan. To ensure the Force delivers against the policing objectives the Force has a formal meeting structure that takes the core decisions of the Force.

On an operational basis the Force undertakes a fortnightly tactical assessment that identifies the present threats and risks to the communities of Warwickshire. The findings from these assessments form a Control Strategy for the Force.

During 2007/08, the Corporate Performance Framework was embedded throughout the Force. This framework aligns each function in the Force to the corporate vision and identifies the key strategic objectives and service delivery measures for each function. Each measure has a relevant target to enable monitoring. Performance against these targets is monitored at the Force Management Group (FMG).

D. Defining and documenting the roles and responsibilities of the Authority and Force and senior members and officers within each, setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinizing Force activity.

The functions and responsibilities of the Authority are set out in the Articles to the Constitution. These functions and responsibilities are discharged by the Authority itself except where the performance of functions is delegated to a Committee, Lead Member or Officer. Details of these arrangements are set out in the Scheme of Delegation which forms part of the Authority's Constitution.

The Constitution also includes standing orders, and arrangements for corporate governance and the management and delivery of functions.

Until 2007/08, constitutional documents were grouped into a Members' Handbook. Most of these documents have been substantially re-written during 2007/08 to take account of the major re-organisation of the Authority's governance structure in May 2007.

All papers to be considered by members are scrutinised by the Chief Executive, Monitoring Officer and Treasurer as appropriate for compliance purposes and all decisions made by the Authority are recorded in minutes of meetings and urgent decisions are noted on future agendas of the Police Authority.

The roles and responsibilities of members are underpinned by a scheme of delegation. There is a members' allowances scheme which is reviewed annually. The roles and responsibilities of senior police officers are set out in legislation and by the Authority in their job descriptions.

The constitution contains details of the arrangements for scrutinising and challenging Force activities. Schemes of delegation clearly explain the purpose and governance accountabilities of the Authority and its committees, panels, lead Members and officers. The structure of Police Authority meetings ensures a focused approach to scrutiny and challenge of police performance.

E. Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members, officers and staff.

The authority takes a serious and proactive view of securing ethical standards and standards of behaviour and conduct for Members, officers and staff.

A new Model Code of Conduct for Members was adopted May 2007. Training was offered to Members on the new code. A revised version of the model code, more closely aligned to the needs of the Police Authority, has been adopted by the Authority in May 2008.

All new Members of the Authority are inducted into the work of the Authority including training on the code of conduct. New Members are required to sign a statement agreeing to abide by the terms of the code of conduct. Formal Training is supplemented by guidance issued from time to time by the Standards Board for England and by the Association of Police Authorities.

At each meeting of the Authority, its committees and panels, there is a standing item on the agenda reminding members to declare any interests in relation to the business being discussed and decisions to be taken.

All new Members have been provided with a copy of the members' handbook which includes reference to compliance with the code of conduct. The Authority's constitution, which supersedes the handbook, will be available to members on-line.

During the year, the Authority commissioned a review of the anti-fraud and anti-corruption policy which includes a protocol for bringing such matters to attention. An updated version of the policy was approved by the Authority in May 2008. A broader whistle-blowing policy is under development.

Members of the Authority have demonstrated their proactive approaches to standards issues in 2007/08 through the declaration of prejudicial interest at Authority meetings and the voluntary referral of issues to the Standards Committee.

In addition, registers of interests and gifts and hospitality are in place, Members are reminded regularly of their duty to disclose such interests, and the registers are scrutinised by the Standards Committee.

All members have voluntarily submitted to police vetting and the Authority has arrangements for vetting all potential members prior to their appointment.

During the year, the Authority also commissioned a code of conduct for its staff and an updated code was approved by the Authority in May 2008. Registers are in place for Authority staff to record interests and gifts and hospitality and all staff have submitted to police vetting. The Treasurer and Monitoring Officer are also subject to professional codes of conduct.

The Force subscribes to the police service's Statement of Common Purpose and Values, the purpose of which includes the requirement to act fairly with integrity, common sense and sound judgment.

There are two formal codes of conduct, one for police officers and one for police staff. Both codes define the standards of personal behaviour expected.

The Police Officer code also stresses the importance of honesty, integrity, fairness, impartiality, politeness and tolerance. It also sets out requirements in terms of use of force; performance and execution of duties and other general conduct expectations.

The Police Staff Code of Practice has only recently been finalised and the opportunity will be taken during 2008/9 to reinforce and embed both codes of practice within the Force.

F. Reviewing and updating standing orders, standing financial instructions, a scheme of delegation, contract/procurement regulations, and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks.

The Authority's Constitution sets out how the Authority operates, how decisions are made and the procedures followed to ensure that these are efficient, transparent and accountable to local people.

Responsibilities for decision-making and the roles of individual Members, Committees, Panels and officers are defined in the constitution. The scheme of delegation specifies the functions of the Authority and its constituent parts.

Standing Orders set out the mechanism by which the Authority regulates the conduct of its formal meetings. The Authority has also adopted Financial and Contract Standing Orders, compliance with the latter having been the subject of considerable scrutiny in 2007/08. Subsequent to the 150 forward programme it has been necessary to consider standing orders in the context of the new Force, whilst Contract Standing Orders have been reviewed the work to review Financial Standing Orders and develop supporting financial procedures will continue during 2008/09.

The Authority and the Chief Constable are jointly responsible for ensuring that the supply of goods, services (including consultancy and sponsorship) and works are procured in the most cost effective manner to meet the operational policing needs of the Force. The individual responsibilities are defined in standing orders and schemes of delegation. In the control of procurement, the Force has a legal duty to implement Contract Standing Orders governing the tendering and award of contracts for the supply of goods, services and works and to comply with European Union (EU) Procurement Directives for the supply of goods, services and works. On a day to day basis the adherence to Contract Standing Orders and the provision of support and advice in procurement is provided through the Contracts and Purchasing Department working closely with its legal advisers.

The entire Constitution has been reviewed on a rolling programme from May 2007 in order to ensure that the Authority's arrangements align fully with the revised governance structure.

Almost all of the Constitution's elements have been updated and re-approved by the Authority. The remainder will be completed during the Summer of 2008.

The Authority adopted a risk management policy and framework in September 2007. Strategic risks are monitored and updated regularly and a complete review of risks is undertaken annually.

The Force has a framework for managing risks. Corporate risk is monitored by the Business Improvement Board but each part of the organisation is required to assess risk activity and, where appropriate, register it at corporate or tactical level.

G. Undertaking the core functions of an audit committee, as defined in CIPFA's Audit Committee – Practical Guidance for Local Authorities.

The Audit Committee operates to agreed terms of reference which define its core functions, roles and responsibilities. The terms of reference, and scheme of delegation are part of the Constitution.

The Authority has recently agreed to change the Committee's name (from Audit Panel to Audit Committee) to more accurately reflect its function and at the same time reviewed the Committee's membership to align it more closely with CIPFA's guidance. The Committee will undertake an audit of its functions using the CIPFA guide during 2008/09 to ensure that it continues to meet the expectations contained in the guidance.

H. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

The key roles in ensuring compliance with relevant laws and regulations are performed by the Authority's Monitoring Officer and Treasurer. Both officers have a duty to report to the Authority any actual, or intended, actions that might lead to a breach of statutory requirements or locally determined policies and procedures.

The Monitoring Officer ensures that reports to the Authority and its committees and panels are checked by lawyers where appropriate for compliance with legislation and with the Authority's policies and procedures.

The Treasurer has delegated authority for ensuring there are arrangements in place for the proper administration of financial affairs and that expenditure is lawful.

The Authority is responsible for maintaining an adequate internal audit service. A summary of audit work is reported to the Audit Committee which has responsibility for monitoring implementation of audit recommendations. External audit and external inspection outcomes contribute to the review of the Authority's compliance with its policies and procedures.

The Audit Committee approves an annual internal audit plan. In March 2008, the Authority agreed to a recommendation by the Audit Committee that a risk-based approach be adopted in principle in order to comply with the CIPFA Code of Practice; work be carried out in 2008/09 to develop a risk-based audit plan; the number of audit days be increased to allow this additional work to be undertaken.

The Authority is assisted in the process of environmental scanning for potential legislative impacts by the Association of Police Authorities which disseminates information and advice to all police authorities. This is supplemented by the Chief Executive and Treasurer being members respectively of the Association of Police Authority Chief Executives and the Police Authority Treasurer's Society.

On a day-to-day basis the Chief Constable is responsible for ensuring the Force complies with the law and operates to high standards of professional conduct.

The Force subscribes to the National Policing Improvement Agency (NPIA) digest, which identifies future legislation. The digest is considered by the Business Intelligence team and included in an Environmental Scanning report circulated on a monthly basis to senior managers. Issues of particular impact are extracted and more detailed briefs provided.

The Force also uses the services of the Association of Chief Police Officers (ACPO), which provides a professional view on all national policing matters, continuously developing the highest professional knowledge and standards of performance.

I. Whistle blowing and for receiving and investigating complaints from the public and handling citizen and other redress.

Public confidence in the police service is of great importance to Chief Officers and to the Police Authority. An effective and efficient local system for the recording and handling of complaints contributes to improving trust and confidence.

The Force's Independent Confidential Reporting Line was introduced in February 2007 to enable officers and staff to report any integrity issues. There is an ongoing marketing campaign in support of this initiative. The existence of the Line was publicised in a message in every employee's payslip.

The Authority's revised anti-fraud and anti-corruption policy described earlier includes arrangements for confidential reporting. The Authority is currently updating its whistleblowing policy which will contain a process for Members and officers to register concerns.

Members of the public can make complaints about individual members of the Force (both officers and staff) via the Police Force complaints procedure which is published on the Force and Authority websites. The Professional Standards Department has central responsibility for the management of local procedures and for recording, handling and reporting such complaints across the Force. More serious complaints may be investigated by the Independent Police Complaints Commission (IPCC), which is the body with overall responsibility for the police complaints system in England and Wales. The IPCC has responsibility for increasing public confidence in the system and aims to make complaints investigations more open, timely, proportionate and fair.

Complaints about chief police officers are handled by the Authority. The Authority's complaints procedures are currently under review and will be re-published in 2008/09.

Complaints about the Authority are dealt with under the Authority's complaints procedure which is published on the Authority's website within the Constitution and as a separate button on the site's home page. Complaints may be made to the Monitoring Officer.

J. Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.

Members of the Authority currently derive from three sources. Of the seventeen Members, nine are County Councillors appointed by Warwickshire County Council, five are independent Members appointed by reference to their skills and competences, and three are local magistrates. From October 2008, there will be eight independent Members (at least one of whom must be a magistrate) and there will be no separate category of magistrate members. On entry to the Authority, each Member has a discussion with the Chair and Chief Executive to establish their skills and interests. Induction training is also

provided to Members to familiarise them with the work of the Authority. Importantly, new Members are trained in the Code of Conduct and must sign a statement agreeing to comply with the terms of the Code. The Authority holds regular budget seminars and either organises or collaborates with other partners to provide specific training for Members.

The Authority identifies Members' ongoing training and development needs through annual one-to-one discussions conducted by the Chair. One member has specific responsibility for training and development and is in the process of developing a training and development plan for approval by the Authority in the Summer of 2008. As part of this, it is intended that Governance Stream Leads should take an increasing role in identifying and prioritising training and development needs. A specific budget has been identified for member training. The recruitment of a number of new members in October 2008 necessitates an overhaul of the Authority's member induction programme and this is underway.

The training needs of the Authority's officers are identified through personal development reviews and discussions with the Chief Executive.

Members and officers routinely attend conferences and seminars on issues of relevance to their roles. Recent examples include a seminar on agreeing the annual accounts and on the annual governance statement attended by the Chair of the Audit Committee and an officer of the Authority.

The Authority supports the Force's training and development programme for officers. One Authority Member has a lead responsibility for overseeing Force training and development arrangements.

The Authority and the Force are committed to reviewing individual performance and development needs in a fair, regular and structured way. This is achieved through the Performance Development Review (PDR) process, with reference to the standards in the Integrated Competency Framework. In 2007/08 a review of the PDR system took place and the new, revised system is being launched in 2008/09.

K. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

One of the Authority's key functions is to make arrangements for obtaining the views of local people about the policing in their area. The Authority has a strategy for Consultation and Community Engagement which is due to be reviewed in 2008. This review will take account of changes in the local environment including the impact of Partner and Communities Together (PACT) and locality meetings and their future evolution, with key partners, into community forums.

The Authority makes full use of consultation conducted by other organisations including the County and District Councils, the Force and Crime and Disorder Reduction Partnerships (CDRPs). In this way, a broad picture of community views is established without duplication of effort or cost. The Authority also takes steps to consult with the business community and with minority groups. The Independent Advisory Groups are an important means of engagement for both the Force and the Authority.

Regular monitoring of consultation and engagement arrangements takes place at meetings of the Community Engagement Panel

The Authority recognises that more could be done to ensure that all aspects of the community have their views heard and this is being addressed in the review of the strategy.

Force and Authority are working towards combined equality schemes which will offer a more inclusive and coherent approach to working with diverse and hard to reach groups. Work continues to develop and refine equality impact assessments for the Authority's policies and procedures.

The Force engages with the community through a variety of methods, for example public meetings, telephone surveys focus groups including working in schools. The Force's 33 Safer Neighbourhood Teams (SNT) working in partnership with our communities aim to improve the quality of life for local people. Each SNT holds its own regular Partner and Communities Together (PACT) meetings at which problems and issues identified by the local community are discussed. Each Safer Neighbourhood Team has its own website pages where updates on action to tackle local priorities are communicated, together with details of local events, surgeries and other useful information. Members of the local community can access local crime information and provide feedback to teams or contact them directly. The Force employs a Safer Neighbourhood Marketing and Communication Officer to ensure communication opportunities with local communities and partners are maximised. In 2008/09, more resources will be invested to further embed Safer Neighbourhood local policing and work will continue to widen the scope of PACTs into community forums.

L. incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the Authority's overall governance arrangements.

The Authority and Force are active participants in partnerships at both local and national levels and also take part in a number of collaborative arrangements.

Two of the three Governance Stream Leads have specific responsibility for partnerships; one for Warwickshire and local partnerships and the other for external partnerships. In addition, the Authority has appointed five Members to be District Partnership Leads. Their first responsibility is to ensure that the contribution of the Authority to Local Area Agreement (LAA), Local Strategic Partnership (LSP) and CDRP planning and scrutiny in each District is consistent with the policy of the Authority.

The performance of these arrangements is scrutinised by five other Members who have been appointed District Scrutineers by the Authority.

The Authority is preparing a partnership framework document to underpin partnership working and to provide assurance to the Authority about governance arrangements and value for money. This is due to be approved by the Authority during 2008.

An example of the active questioning of partnerships and collaborations is the Authority's decision to withdraw from the regional Central Motorway Patrol Group with effect from April 2007 when presented with evidence that this partnership was no longer providing best value for money for Warwickshire.

The Force participates actively in a number of partnership and collaborative arrangements, ranging from executive and advisory partnerships, practical working arrangements, through to contractual agreements.

The advent of Local Area Agreements (LAA) has seen a significant uplift in the Force's partnership activity:

- The Chief Constable is on the Public Service Board, which establishes strategy, performance measures and targets, finance and allocates the pooled budget across the six Blocks of the LAA;

- A Police Authority member, in his capacity as County Council portfolio holder for Community Protection, chairs the Warwickshire Safer Communities Partnership (WSCP) and the Deputy Chief Constable is the vice-chair. The Deputy Chief Constable also leads the “Safer” block of the LAA;
- The Force Head of Community Safety sits on the executive of the Children and Young People’s Block;
- One of the Assistant Chief Constables chairs the Crime and Disorder Management Group, which is one of the officer working groups supporting the WSCP;
- One member of the Police Authority and the Borough / District Commanders sit on each of the Crime and Disorder Reduction Partnerships (CDRPs).
- The Director of Protective Services sits on the Violence Reduction Strategy Steering Group

4. REVIEW OF EFFECTIVENESS

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including:

- the system of internal audit;
- the system of internal control.

Review of the framework has been informed by the work of internal auditors, and the officers within the Authority who have responsibility for the development and maintenance of the governance environment. Comments made by the external Auditors and other review agencies have also informed this review.

The Working Group comprising the Chair of the Audit Committee, and representatives of the Chief Executive, Treasurer, Monitoring Officer, Chief Constable and head of internal audit, with responsibility for drafting this Annual Governance Statement have considered the governance framework and the system of internal controls as necessary and vital concomitants to producing such a statement including scrutiny of the process by which the Chief Constable’s Assurance Statement was produced.

The Group has involvement in and oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework. In producing this statement full regard has been made to the Authority’s Risk Register. The maintenance and review of the effectiveness of the governance framework also extends to others within the Authority. The Authority itself maintains overall control of its governance framework and has been involved, for example, in amending as necessary the Authority’s Constitution, considering reports on Risk Management activities, as well as challenging the Force’s performance in connection with external audit and HMIC inspection reports. The Audit Committee has carried out extensive work in performing its terms of reference which are set out in the Constitution. This has included the consideration of external audit reports, e.g. on the Police Use of Resources Evaluation, reviewing the effectiveness of internal audit, and challenging the Force on performance against the performance indicators set by the Authority. Internal Audit have carried out a programme of work approved by the Audit Committee. The Audit Committee as a part of its regular business, reviews the effectiveness of internal audit on an annual basis. The Committee, in assuring itself that there was an adequate internal audit service recently reviewed the plan for 2008/09 and recommended to the Authority that auditors should undertake work leading to devising a plan for a full risk-based audit plan.

The Audit Committee has concluded that the opinion in the annual report on internal audit work can be relied upon as a key source of evidence. The effectiveness of the system of internal audit includes the effectiveness of the Audit Committee (to the extent that its work relates to internal audit) as well as the performance of internal audit. Deficiencies in internal control are reported by Internal Audit to management whose responsibility is to consider them and act

appropriately. The results of internal audit reviews were reported to the Audit Committee and plans to address weaknesses and ensure continuous improvement are in place.

The Authority continues to demonstrate adequate and effective controls. Whilst the programme of internal (and external) audit work has identified the need to make certain improvements, overall there are no significant adverse control issues arising for 2007/08. Officers remain vigilant about the need to continue to apply effective controls and the Audit Committee members will continue to monitor performance on this.

In scrutinising this Annual Governance Statement the Audit Committee have reviewed the work of the Annual Governance Statement Working Group. In carrying out the review the Committee has been advised by the Chief Executive, Monitoring Officer and Treasurer and have noted in particular actions relating to the further enhancement and development of the governance framework. The Committee has made arrangements to be advised of and to monitor the further development of the governance framework.

We have been advised on the implications of the result of the review of effectiveness of the governance framework by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

5. SIGNIFICANT GOVERNANCE ISSUES

The Authority proposes, over the coming year to take steps to address areas (as set out below) where its governance arrangements can be improved and enhanced. The Authority is satisfied that these steps will address the need for improvements that have been identified in the review of the Authority's effectiveness. The implementation of these steps will be the subject of a formal action plan and progress will be monitored by the Audit Committee.

Significant issues

Completing and Embedding 150 Forward

During 2007/08, the major programme of reorganisation has resulted in a significant re-structuring of the Force. The impetus needs to be maintained to bring the re-structuring to a conclusion in 2008/09. At the same time, while in most cases, procedures and internal governance arrangements have been modified and updated as changes to the structure have been implemented, it is acknowledged that some gaps exist in procedures and these need to be addressed.

Financial Management

The external audit report for 2006/07 highlighted the need for the Force and Authority to continue to develop a medium-term financial strategy and annual budget, including a reserves and balances strategy, that supports the implementation of an acceptable, affordable and sustainable force. The focus in 2008/09 will include a sustained emphasis on performance, affordability and value for money, a review of financial/budget management arrangements and a long-term view of managing reserves. An additional significant issue for the Force and Authority will potentially arise once the outcome of the appeal against capping of the precept is known.

Consultation and Community Engagement

The Authority's strategy for consultation and community engagement is due for review in 2008. This will give the Authority an opportunity to consider its arrangements in the context of its own structural changes, the introduction of PACT and locality meetings and the embedding of new locality arrangements with partners. At the same time, the Force has recognised the need to enhance its internal and external consultation procedures. The Force and Authority will work together to identify areas for improvement.

Partnerships

The Force and Authority have a number of robust partnerships and collaborative arrangements and a track record of reacting when these arrangements need to be amended or terminated. During this year, the Authority and the Force will work to further develop partnership activity and underpin the approach to partnership arrangements with a formal partnership framework. The framework will address issues of governance and strengthen the definition of the purpose and outcomes of partnerships.

In addition to the above, as a result of this year's review a number of other areas have been identified where we wish to continue to improve our controls and performance, although we do not judge these to be significant governance issues. The Audit Committee will monitor progress in these areas.

Other issues

Further development and consolidation of risk management processes.

Review and development of continuity and contingency planning arrangements.

Continuing to develop Authority Members' awareness of ethical standards issues through training, reminders and increasing the profile of the Standards Committee. Reviewing arrangements for assessing our corporate governance standards.

Completing and implementing a new whistleblowing policy for Authority Members and staff.

Formalising and enhancing training and development arrangements for Members into a new training and development plan.

Completing the updating of the Authority's constitution and ensuring that Members and the public have full access to key Authority policies and procedures. Implementing a review process for key policies and procedures.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Philip Blundell	Eric Wood
Chair of Warwickshire Police Authority	Chief Executive of Warwickshire Police Authority
30 th June 2008	30 th June 2008

On behalf of the members and senior officers of the Warwickshire Police Authority and Warwickshire Police Force.

Warwickshire Police Authority -Annual Governance Statement Action Plan – 2008/2009

	Issue	Detail	Owner	Review date	Completion date
1	Completing and Embedding 150 Forward	Embedding revised governance arrangements	Corporate Development		
		Identifying and resolving any gaps in policies or procedures	Corporate Development		
2	Financial Management	Sustained emphasis on performance, affordability and value for money	Treasurer and Director of Resources		
		Review of financial/budget management arrangements	Treasurer and Director of Resources		
		Review of long-term arrangements for managing reserves	Treasurer and Director of Resources		
		Response to result of capping appeal	Treasurer, Chief Executive and Director of Resources		
3	Consultation and Community Engagement	Review of Authority strategy for consultation and community engagement	Chief Executive		
		Force review of consultation and community engagement arrangements	Corporate Development		
4	Partnerships	Force and Authority to work together to develop partnership activity	Corporate Development and Directorates as appropriate		
		Authority to review partnership framework	Chief Executive		
		Authority to review partnership governance arrangements	Chief Executive		