

**WARWICKSHIRE POLICE AUTHORITY**  
**28th June 2010**

**The Annual Governance Statement**

**Report of the Temporary 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 Temporary Chief Executive.

**1. Introduction**

1.1 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.

1.2 In 2008, the need to produce a Statement of Internal Control (SIC) was superseded by the requirement for an Annual Governance Statement (AGS) which has broadened out the assurance from a certification of the propriety of internal systems of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*"

1.3 The Good Governance Framework defines six principles of governance that underpin the AGS:-

- 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.

## **2. The Assurance Gathering Process**

2.1 The AGS 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

2.2 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 appropriate officers of the Authority and the Chief Constable.

2.3 There was a comprehensive review process for gathering assurance about the effectiveness of the system in order to produce the AGS. The review was carried out by a Working Group consisting of:-

- Phil Triggs, representing the Treasurer of the Authority
- Garry Rollason, Audit and Risk Manager for the County Council
- Marie Perry, Assistant Director of Resources (Finance)
- Jeff Carruthers, Financial Planning Manager
- David Weston, Business Intelligence Manager
- Sian Stroud, Senior Solicitor, representing the Monitoring Officer
- Dave Stenning, Policy Officer (Resources)

2.4 Councillor Bob Hicks, as Chair of the Audit Committee, independently oversaw the group’s work in carrying out the review and producing the draft AGS.

2.5 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.

2.6 From this, the Working Group prepared a draft AGS which was presented to the Audit Committee for comment.

### **3. The Annual Governance Statement**

3.1 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

3.2 The Audit Committee, at its meeting on 16<sup>th</sup> June, scrutinised the draft statement and suggested some amendments which have been incorporated into the final draft which is at **Appendix 1**. With these amendments, the Committee agreed to recommend the statement to the Authority for approval.

### **4. Conclusion**

4.1 The Police Authority is recommended to consider the contents of the AGS, to suggest any amendments and to approve it for signature by the Chair and Temporary Chief Executive.

**Oliver Winters**  
**Temporary Chief Executive**

# Warwickshire Police Authority

## Draft Annual Governance Statement

### 1. SCOPE OF RESPONSIBILITIES

The Warwickshire Police Authority [“the Authority”] is responsible for ensuring that it conducts its business 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 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 that 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 to ensure 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 corporate governance framework, 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](http://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, processes, culture and values by which the Authority is directed and controlled and the 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, and to manage them effectively, efficiently and economically.

This governance framework has been in place at the Authority for the year ended 31 March 2010 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” which is set out in the Authority’s local policing plan. The vision is re-affirmed in the three-year policing plan. 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 Authority 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 has also consulted directly with representatives of the business community, young people and the BME 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 vision, mission 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 a Governance Framework which sets out the constitution, aims and objectives for the Authority and its constituent governance streams, committees and panels. This is backed up by an Annual Governance Plan which outlines what action will be taken in the year to maintain, strengthen and enhance governance arrangements.

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

The vision is 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 policing plan with two Members assigned to oversee the content and production of the plan. Implications for governance arrangements would be identified at this stage. The corporate governance framework is designed to show how governance arrangements support the achievement of objectives, primarily by identifying governance roles and responsibilities. In addition the annual governance plan identifies actions for improvements.

#### **C. Measuring the quality of services for users, ensuring they are delivered in accordance with the Authority’s objectives and 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-Chairs, Stream Leads, Chief Executive and Treasurer receive performance figures regularly and discuss these at minuted meetings with the Chief Officers of the Force (“The Steering Group”). 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.

The work of the Authority is 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 arrangement 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 Assurance Group (RAG) scrutinises performance against budgets across the whole Authority on a regular basis and reports to every third meeting of the Authority. There are also independent committees for Audit, Appointments and Remuneration, and Standards and these have responsibilities for overseeing performance within their respective areas of business.

The Authority exercises embedded governance through active participation in a range of Force committees, groups and boards covering such areas as performance management, standards, finance, staff conditions and development, volunteers, diversity and confidence.

The Authority's participation in the Force Executive Board, Force Management Group and the Business Improvement Board illustrates the embedded governance arrangements and provides additional opportunities for scrutiny of performance, particularly in relation to projects, risk, audit, inspection and review activities. The Resources Assurance Group was formed jointly with the Force to oversee the development of the Force budget and medium term financial plan. This was backed up by a series of budget seminars attended by members of the Force and Authority.

The Authority as a whole scrutinises budget performance regularly and in particular, monitors progress on driving out savings and improving efficiency.

The Authority is monitoring progress on the ongoing Financial Management Arrangements Project, which is reviewing financial procedures to improve alignment between managerial and financial decision making and developing a revised control framework within the Force.

The Authority and Force have agreed similar embedded governance arrangements for 150Plus, the Force's ambitious programme to achieve future financial balance. Members of the Authority are on the Programme's Board and will track savings carefully and regularly.

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. Protective Services leads attend the four performance boards held by the Directorate and the Chair and Vice Chair attend the CONTEST Gold Group. Authority leads also attend key gold groups such as the Bulldog Bash and Westbere.

***The aims and objectives of the Force are developed with the Police Authority in consultation with our partners and are contained in the Policing Plan. The Force produces a monthly tactical assessment that identifies the present threats and risks to our communities. Strategic Assessments produced by the Protective Services Directorate identify the key risks and threats to the communities of Warwickshire. The Strategic Assessments are commissioned and agreed by the Force Executive Board (FEB) and are refreshed annually. In response to findings of the strategic assessment, a control strategy is produced and is widely available within the Force including on bear connections, the force intranet.***

The Corporate Performance Framework is 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 scrutinising 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 Authority's Governance Framework and the Schemes of Delegation which form part of the Authority's Constitution.

The Constitution contains details of the arrangements for scrutinising and challenging Force activities. The Governance Framework and Schemes of Delegation explain clearly 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.

The Governance Framework, underpinned by the Schemes of Delegation, also sets out the roles and responsibilities of Members. There is a members' allowances scheme which is reviewed periodically by an independent remuneration panel. The roles and responsibilities of senior police officers are set out in legislation and by the Authority in their job descriptions.

The Constitution also includes standing orders, along with arrangements for corporate governance and the management and delivery of functions. The Constitution is updated regularly and is available for Authority Members and the public to see on the website.

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. Urgent decisions are noted on future agendas of the Police Authority.

The Authority's approach to performance management is sound and well-documented in the governance framework. This approach is regularly reviewed in the context of a changing delivery landscape. This may include taking account of the CAA process and our contribution to joint partnership delivery via the LAA. It also reflects the scrutiny of the Force's delivery of the Policing Pledge.

The Authority recognises that in some cases, flexibility must be shown in governance arrangements. The arrangements for the governance of the Westbere operation demonstrate this.

**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.

The Authority adopted a revised and updated code of conduct for members in May 2008. Members were offered training in the new code. The Authority's Standards Committee is the Authority's main means of publicly monitoring members conduct.

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. Members of the Authority demonstrate their proactive approaches to standards issues through the declaration of prejudicial interest at Authority meetings and through use of registers of interests and gifts and hospitality. Members are reminded regularly of their duty to disclose such interests, and the Standards Committee has the authority to scrutinise these registers.

The Authority's constitution, which is available on-line, includes the Members' code of conduct. The Authority approved an updated anti-fraud and anti-corruption policy in May 2008. A broader whistle-blowing policy is also in place.

All members have voluntarily submitted to police vetting, some to an advanced level of vetting to allow governance of more sensitive operations. The Authority has arrangements for vetting all potential members prior to their appointment.

The Authority approved an updated code of conduct for Authority staff 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 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.

Within the Force, there are two formal codes of conduct; one for police officers and one for police staff. Both codes define the standards of personal behavior expected. The Police Officer and staff codes stress the importance of honesty, integrity, fairness, impartiality, politeness and tolerance. The Officer code also sets out requirements in terms of use of force; performance and execution of duties and other general conduct expectations. The Authority's Professional Standards Committee oversees complaints made against the Force, re-enforced by members "dip-sampling" individual cases.

**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. A comprehensive review of financial management is underway through the Financial Management Arrangements Project, which the Authority monitors closely through attendance at FMA Project Steering Group

meetings. Financial Standing Orders were updated in 2009/10. The review is also looking at schemes of delegation within the Force, finance policies, financial reporting, procurement and delivery of professional services and facilities. Successful completion of the review is a key issue for the Force and the Authority and progress is being monitored through the risk register and the Project Steering Group.

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. Contract standing orders were amended in February 2010 and are currently under full review.

The entire Constitution has been reviewed on a rolling programme since 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 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. Member workshops ensure that risks are reviewed and re-scored twice a year, in conjunction with quarterly reviews of the highest risks.

The Force has a framework for managing risks. The Corporate Risk Management Group monitors corporate risk but each part of the organisation is required to identify, evaluate and manage risks relating to their own business area. There is a close working relationship between the Force and Authority on risk management, to identify and manage shared risks.

#### **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 written 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 Committee undertakes regular reviews of its functions using the CIPFA guide to ensure that it continues to meet the expectations contained in the guidance. Training and briefing sessions are organised for Audit Committee Members from time to time.

#### **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 a three-year and an annual internal audit plan. The Authority has introduced a risk-based approach to its internal audit arrangements in order to comply with the CIPFA Code of Practice. A three-year risk-based audit plan was developed during 2008/09 and is in place. The plan is re-assessed each year. In past years, the Authority has agreed increases in audit capacity in order to support the delivery of the plan and to ensure that sufficient audit coverage is maintained.

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 (APACE) and the Police Authority Treasurer's Society (PATs).

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.

Risk management systems are in place, including systems of internal control, which are continually reviewed and developed. The relevant directorate or business area identifies any risk of non-compliance on the tactical risk register which then prompts action to control the risk. The internal audit plan is risk based.

Audit activity, both internal and external, is programmed and reports are considered by senior managers. Areas for improvement are highlighted and action plans put in place to address these.

#### **I. Whistle blowing and arrangements 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 enables 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 corruption policy described earlier includes arrangements for confidential reporting. The Authority also has a whistle blowing policy which includes 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.

The Authority handles any complaints about chief officers. A review of the Authority's complaints procedures for Chief Officers was started in 2009/10, although completion has been delayed pending the issue of legislation

Any complaints against the Authority are dealt with under its complaints procedure which is published on the Authority's website within the Constitution and is also accessible through a separate button on the site's home page. Complaints may also be made to the Monitoring Officer. Complaints regarding allegations of financial impropriety can be made through the channels identified in the anti-fraud and corruption strategy.

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

Of the seventeen Members, nine are County Councillors appointed by Warwickshire County Council and the other eight are independent Members appointed by reference to their skills and competences. 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 and briefing sessions for Members.

The Authority identifies Members' ongoing training and development needs through annual one-to-one discussions conducted by the Chair. One Member has lead responsibility for training. Governance Stream Leads have taken an increasing role in identifying and prioritising training and development needs. A specific budget was identified for member training. Work is continuing to develop training programmes within the strategy. One aspect of this will be the tailoring of the induction process to meet the needs of new Members joining the Authority.

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. The Authority supports the Force's learning and development programme for its workforce. One Authority Member has a lead responsibility for overseeing Force learning 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.

#### **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. Work is continuing on the implementation of the strategy and further

development of co-ordinated approaches to consultation. A revised strategy was introduced in May 2010.

The Authority makes full use of consultation conducted by partner 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 (IAGs) 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 and Consultation Panel.

The Authority is working on ways to ensure that all aspects of the community have their views heard and this is being addressed in the implementation of the revised strategy.

The Authority and Force have produced 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 authority has set in motion a self-audit of its processes to ensure compliance with human rights legislation.

The Force engages with the community through a variety of methods, for example public meetings, telephone surveys, focus groups and 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 is an active participant in its locality forum 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.

#### **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 local, regional and national levels and also take part in a number of collaborative arrangements.

One of the three Governance Stream Leads has specific responsibility for Warwickshire and local partnerships and another has responsibility for regional and national 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 Authority's partnership strategy, introduced in 2009-10, underpins our work with partners and provides assurance to the Authority about governance arrangements and value for money. Work is underway to implement the strategy by updating our list of partnerships and then following through with an assessment and evaluation process targeted initially at our most important partnerships. Coupled with this work is the ongoing development of partnerships at local, regional and national levels.

In 2008, regional APA policy networks were formed for Strategic Policing, Corporate and Business, People and Citizen Focus. Authority Members and officers are active participants in

these regional arrangements. The mechanisms and working arrangements are in place for these groups and the operating mechanisms are continuing to develop. Regional partnership activity has also developed further in the governance of the counter-terrorism unit and franchising arrangements for serious crime.

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 Chair of the Police Authority and the Chief Constable attend 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 their capacity as County Council portfolio holder for Community Protection, currently 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 attends 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;
- An authority member attends the Safeguarding Children and Vulnerable Adults Partnership Boards;
- A member of the Authority attends the County Council's Overview and Scrutiny Board;
- One member of the Police Authority and the Borough / District Commanders currently sit on each of the Crime and Disorder Reduction Partnerships (CDRPs);
- The Director of Protective Services attends 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 with responsibility for drafting this Annual Governance Statement, comprising the Chair of the Audit Committee, and representatives of the Chief Executive, Chief Constable, Treasurer, Assistant Director of Resources (Finance), Monitoring Officer and Head of Internal Audit, have considered the governance framework and the system of internal controls as necessary and vital elements in producing the statement including scrutiny of the process by which the various assurance statements were 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 risk registers. The maintenance and review of the effectiveness of the governance framework extends to the whole 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. It has also considered reports on the control of overtime and equal pay.

Internal Audit has carried out a programme of work approved by the Audit Committee. The annual programme of work formed part of a fully risk-based three year audit plan approved by the Committee in 2008. The Audit Committee reviews the effectiveness of internal audit on an annual basis. A review by internal audit of corporate governance concluded that there was *“a basically sound system of internal control.”*

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. Areas for improvement in internal control are reported by Internal Audit to management whose responsibility it is to consider them and act appropriately. The results of internal audit reviews are reported to the Audit Committee and plans are put in place to ensure continuous improvement.

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 2009/10. In his annual report to the Audit Committee, the Chief Risk and Assurance Manager states that *“I have formed the view that the Authority's control environment provides moderate assurance that the significant risks facing the Authority are being addressed”*. Moderate assurance means that there is a basically sound system of internal control. 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. We have been advised on the implications of the result of the review of effectiveness of the governance framework by the Audit Committee and plans to address areas for improvement and ensure continuous improvement of the system are in place.

**5. REVIEW OF SIGNIFICANT GOVERNANCE ISSUES IDENTIFIED IN 2009**

In last year's Annual Governance Statement, the following significant governance issues were identified:-

<b>Issues</b>	<b>Progress</b>
Implementation of the updated partnership strategy coupled with the further development of partnerships at local, regional and national levels. This includes assessing and evaluating partnerships and using the outcome of that process to set priorities for managing risk associated with existing partnerships as well as identifying areas for development.	The PA has carried out a review of its partnership responsibilities and has implemented a new partnership strategy. Specifically the role of district leads in CDRPs has been made more explicit in terms of role and feedback to the PA. The Authority's risk registers include an evaluation of the risks of existing partnerships and the mitigating controls.

<p>Consultation and Community Engagement – continued implementation of the strategy and further development of co-ordinated approaches. This includes developing a full programme of consultation and community engagement for the year, developing the Authority website and considering the introduction of a regular newsletter to local politicians and organisations.</p>	<p>The PA has successfully implemented the strategy, undertaking a Citizen’s wave survey on policing priorities 2009-12 and consulting with specific communities (e.g. business community and young people). In 2010/11 BME communities and older people will be prioritised. The strategy will be updated in 2010/11 in light of the Force’s Community Engagement Strategy, resulting in a combined strategy.</p>
<p>The Members’ training and development processes will be further developed during the year. Aspects of this include the induction process for new Members which will be tailored for the intake of new Members this year, completing the roll-out of a full programme of training and development and carrying out a PDR programme for Authority officers.</p>	<p>The work of developing members’ training is still on-going. All authority officers have been subject to the PDR process. In November 2009 a training session on Governance was delivered to members.</p>
<p>Underpin members’ awareness and visibility of Corporate Governance arrangements. This includes developing the members’ area on the Authority website, producing a new handbook for members and considering associated training and development needs.</p>	<p>Due to resource constraints, work on the website and members’ handbook has not progressed as well as planned. These tasks will carry over into 2010-11. The work of developing members’ training is still on-going and a new programme was agreed by the police authority at its meeting on 19<sup>th</sup> April 2010.</p>
<p>The Financial Management Arrangements Project will review the principles, roles, responsibilities, procedures, systems and information, which underpins the management of the Authority and Force’s finances. The project will aim to align managerial and financial decision-making and develop a revised control framework which supports flexibility and freedoms yet recognises accountability and responsibility. The objective is to improve the link between resource management and performance to bring about informed resource allocation. A key element of this will be the production of updated financial standing orders within the context of an overarching accountability framework.</p>	<p>The authority has continued to maintain close monitoring on the FMAP, through attendance at the project’s working group by the resources stream leader and a vice chair. Updated financial standing orders have been produced and contract standing orders have been amended and are now subject to full review.</p>
<p>Implementation of a strategy to address the base budget shortfall through innovation and challenge, achieving ongoing savings of £1.5m per year for each of the next three years in order to achieve a sustainable budget level by 2012 whilst improving protection. The Resources Strategy Assurance Group will monitor the strategy and the medium term financial plan.</p>	<p>The Resources Assurance Group maintained close monitoring of the medium term financial plan through regular meetings and reports. Members attend budget planning seminars.</p> <p>The 150plus project is now the main vehicle for financial sustainability (see below)</p>

**6. SIGNIFICANT GOVERNANCE ISSUES**

The following have been identified as significant governance issues for the Authority. In most cases, plans are already in place that will address the issues described in this statement. For the remainder, actions will be considered as part of a review of the Authority's business and governance planning processes.

Financial Sustainability – the Medium Term Financial Plan approved by the authority on 22<sup>nd</sup> February 2010 identified the 150plus programme, allied to a reducing call on reserves, as the main means of addressing funding constraints whilst ensuring the continued delivery of improved policing for Warwickshire and proper governance of the people process. This will require the Authority to test and approve the diversion of resources to agreed priority operations. Allied to this, the Financial Management Arrangements Project (FMAP) has the aim of improving financial accountability and control. A key governance issue for the authority will be the close scrutiny of the Force’s progress throughout the life of both 150Plus and FMAP, allied to the continuation of close monitoring of financial performance through such vehicles as the Resources Assurance Group.



Equality and Diversity Issues – as part of the action plans flowing from the combined equalities scheme and the human rights act, the authority will carry out equality impact assessments of all its functions and policies.

HMIC/Audit Commission Inspection – in March 2010 the authority was subject to an inspection by the HMIC and Audit Commission. As part of an extensive programme of preparation the Authority carried out a thorough self-assessment against the national template for inspections, backed up by suitable evidence. The self-assessment, together with an extensive series of interviews with staff and members and other stakeholders, allied to a full examination of documents and observation of formal meetings formed the basis upon which the inspectors came to their conclusions. The Authority has drafted an action plan in response to the HMIC/Audit Commission report.

Consultation and Community Engagement - the Police Authority (Community Engagement and Membership) Regulations 2010 address, amongst other things, the issue of how police authorities engage with the public. The regulations place a number of new obligations on police authorities regarding whom they consult and engage with (e.g. business community, young people, hard to reach groups). The Community Engagement and Consultation Panel will be working to review these regulations and see how the new obligations can be met in practice.

In collaboration with the APA Regional Strategic Policing Group, the authority will be developing appropriate governance arrangements for the franchising approach (Operation Viper) to tackling cross border serious and organised crime.

Signed:

	
Ian Francis	Oliver Winters
Chair of Warwickshire Police Authority	Temporary Chief Executive of Warwickshire Police Authority
28 <sup>th</sup> June 2010	28 <sup>th</sup> June 2010

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