

**Joint Report of the Treasurer and Chief Constable  
To the Chair and Members of the  
Audit and Internal Control Panel  
14<sup>th</sup> June 2011**

**Executive and Presenting Officer: Michael Porter, Treasurer  
Ann Hall ACO (F&C)**

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Status: For Information**

**The Annual Governance Statement  
Service Unit Assurance Questionnaire  
Summary of Responses**

**1. Purpose of this Report**

- 1.1 This report is intended to provide a summary of the responses from the survey of Service Unit Managers, undertaken as part of the process of establishing the assurance framework in support of the Annual Governance Statement

**2. Recommendations**

Members are asked to

- 2.1 Note this report, and that improvements will be promoted through the Corporate Governance Framework.

**3. Reasons**

- 3.1 At its meeting on 11<sup>th</sup> December 2007 the Police Authority Executive received and agreed a report in relation to the requirements to produce an Annual Governance Statement. Members were advised that the methodology to be used was to follow the CIPFA "Rough Guide" in this case - "The Annual Governance Statement – meeting the requirements of the Account and Audit Regulations 2003 – Incorporating Account and Audit (Amendment)(England) Regulations 2006 "

- 3.2 To facilitate the production of the Annual Governance Statement the Authority has developed a process where Annual Service Unit Assurance Assessments are completed by Service Unit Managers within the Force to confirm that the governance arrangements within the Service Unit are compliant with the internal control framework and evidence the declarations within the Annual Governance Statement
- 3.3 Members will recall that at their meeting in February 2011 a copy of the survey to be circulated to Service Unit Managers was provided for information and comment.
- 3.4 For the first time during 2010/11 Internal Audit undertook a sample review of the returns from Service Unit Managers and the evidence that they collated to support their returns. The results of this audit were reported to Members at their April meeting.
- 3.5 The audit was designed to assess the controls in place to manage whether there was effective governance and compliance with the Code of Corporate Governance and to provide a view on the risk of failure to comply with the provisions of the Code of Corporate Governance and the relevant Acts/Orders/Regulations.
- 3.6 The report concluded that "Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective."

### Summary of Responses

- 3.7 While there have been changes in the questionnaire over the 5 years summarised below which effect direct comparison year on year this is not the case for 2010/11 and 2009/10 as no changes were made to the questionnaire. Members may find the following a helpful overview of the direction of travel in relation to managers perception of internal control arrangements.

Table 1

	2010/11	2009/10	2008/09	2007/08	2006/07
<b>Status</b>	%	%	%	%	%
Yes	88.9	84.5	84.2	73.8	62.2
Partial	8.7	11.8	11.8	18.8	29.4
No	0.0	0.5	1.0	0.6	1.3
Not Applicable	2.4	3.2	3.0	6.8	7.1
<b>Total</b>	100	100	100	100	100

For 2010/2011 1% is roughly equivalent to 4 BCU/SUM answers out of 378 answers

- 3.8 The proportion of YES answers has steadily increased year on year while there is an overall downward trend for both partial agreement and No.
- 3.9 The proportion of NO answers has fallen to 0.0% for the first
- 3.10 The status N/A (not applicable) represent either:
- That this is not a function of this service unit, for example, cash handling, and partnerships: or
  - That this function is provided on behalf of the service unit, by another service unit, for example, asset management, purchasing.
- 3.11 Within the additional detail, which is attached at Appendix A for Members information, it is worth drawing your attention to the following movements between 2009/10 and 2010/11:
- In terms of question 4 "There is effective service planning with resources devoted to the Authority's and service related objectives and priorities." The 'Yes' rate has increased from 89% to 100%
  - In terms of question 5 "There is effective management of service delivery, with adequate stakeholder involvement and customer feedback sought and acted upon as appropriate". The 'Yes' rate has increased from 79% to 94%.
  - In terms of question 10 "Standards of conduct within the BCU /SUM are in accordance with written codes and controls are in place to deter, prevent, detect, and therefore reduce the risk, of fraud and corruption." The 'Yes' rate has reduced from 100% to 89%.
  - In terms of question 17 "ICT systems used by the BCU /SUM are secure and satisfactory for their purpose." The 'Yes' rate has increased from 74% to 89%.
  - In terms of question 18 "Adequate business continuity arrangements are in place." The 'Yes' rate for this area has increased by 30%, from 37% to 67%. I think this provides further evidence of the significant progress that has been made, and continues to be made, in this area. In addition, whereas in 2009/10 5% of Service Unit Managers responded 'No' to this question, no Service Unit Managers responded with a 'No' in 2010/11.

## **4 Implications**

### **4.1 Finance**

There are no specific monetary implications within the report. Activity relating to making improvements is being met from existing budgets.

### **4.2 Sustainability**

There are no staffing implications.

### **4.3 Diversity and Equal Opportunities**

There are no diversity or equal opportunity implications in this report.

### **4.4 Human Rights Act**

There are no Human Rights Act implications arising from this report

### **4.5 Risk**

This report is focused on organisational health and governance issues which if not addressed represent reputation risks to the Police Authority and the Force.

## **5 Conclusions**

- 5.1 This report represents the progression of advice in the CIPFA – Rough Guide to the Annual Governance Statement.

Michael Porter  
Treasurer

Sean Price  
Chief Constable