

**Joint Report of the Chief Executive and Chief Constable  
To the Chair and Members of the  
Audit and Internal Control Panel  
28<sup>th</sup> May 2009**

**Executive and Presenting Officer: Joe McCarthy Chief Executive  
Ann Hall ACO (F&C)**

**Report Author: Paul Kirkham  
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 process and Service Unit Business Plans, as appropriate.

**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 mechanism to be used was to be the same group that prepared the Statement of Internal control (SIC). As with the SIC work the methodology used has been 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 Elsewhere on this agenda there are other reports arising from various elements of the advice in the Rough Guide.
- 3.3 Members will be aware that Internal Audit’s reviews and reports on the adequacy and effectiveness of the Police Authority’s risk management, control and governance arrangements. The Head of Internal Audit will report his/her opinion in the IA Annual Report. This is one of the key assurance documents on which the Authority places reliance.
- 3.4 Clearly it is not possible for Internal Audit to review every area of activity, every year. A risk based approach is adopted and agreed by all parties to support the annual audit plan. The Rough Guide therefore advocates undertaking an annual survey of managers to obtain a signed adequacy of controls statement as part of the work in obtaining assurance on the effectiveness of key controls. For us this will be the third time this piece of work has been undertaken.
- 3.5 The results of the questionnaire over the two year period 2006/2007 and 2007/2008 evidence an improvement in the control environment from the perspective of managers within BCU/SUM. A number of “No” responses continued to be reported and which needed to be addressed.
- 3.6 The PURE & AGS Group reviewed the questionnaire and created guidance on evidences. While this review has the minor effect of complicating year on year comparisons splitting up some of the questions does provide the capability to monitor the impact at BCU/SUM level of developments in Business Continuity, workforce planning and ICT service delivery.
- 3.7 The documents were circulated to BCU/SUM for their input and comment. Members of the PURE & AGS Group provided support for each BCU/SUM including reviewing the last year’s submission against the evidence framework.
- 3.8 The Audit & Internal Control Panel was similarly asked for its input and comment at its meeting on the 22<sup>nd</sup> January 2009.
- 3.9 The questionnaire revised as a consequence of this consultation and training process was circulated at the beginning of March 2009 to all BCU/SUM, and the Police Authority.

### **Summary of Responses**

- 3.10 Due to the change in the questionnaire direct comparison year on year is not possible but Members may find the following a helpful overview of the

direction of travel in relation to managers perception of internal control arrangements.

Table 1

Status	2008/2009 % of responses	2007/2008 % of responses	2006/2007 % of responses
Yes	84.2	73.8	62.2
Partial	11.8	18.8	29.4
No	1.0	0.6	1.3
Not Applicable	3.0	6.8	7.1
<b>Total</b>	100.0	100.0	100.0

For 2008/2009 1% is roughly equivalent to 4 BCU/SUM answers.

- 3.11 The proportion of YES answers has steadily increased year on year.
- 3.12 The proportion of Partial answers has steadily reduced year on year as some responses have changed to the YES status.
- 3.13 The proportion of NO answers has remained about 1% , though the BCU/SUM sources and the particular questions receiving a NO answer has changed from year to year.
- 3.14 The status N/A (not applicable) represent either:

This is not a function of this service unit, for example, cash handling, and partnerships

Or

This function is provided on behalf of the service unit, by another service unit, for example, asset management, purchasing.

Members will observe that the associated % has more than halved and this is a result of work undertaken with BCU/SUM to clarify their understanding about some of the questions, particularly on Value for Money.

- 3.15 There are only three questions (Q8, Q18, and Q21) where there has been some "No" responses. For each question this represents a response from 1 to 2 service units out of 19, and thus in the context of the wider control environment do not constitute a significant control risk.

Q8 8. Management and staffing structures are clearly defined, responsibilities including job descriptions are clearly established.

1 response

This is from a service unit where there has been some recent, and considerable, change in role and a new head of service.

Q18 18. Adequate business continuity arrangements are in place.

2 responses

This is the first time that business (service) continuity has been a separate question. There are 2 responses which acknowledge that this is an area for development.

Q21 21. There is effective service planning and risk management with adequate identification, control and ongoing monitoring and review of BCU /SUM risks, including the maintenance of up to date risk registers.

1 response (down from 3 in 2007/2008)

This "no" response relates to the currency and maintenance of the unit's risk register.

3.16 There is only one question Q18 (.18. Adequate business continuity arrangements are in place) where the Yes response rate is below 50%. At 37% this is exceptionally low but as the question is about Business Continuity Planning and which is a priority area for improvement, it is not a matter for concern.

3.17 Issues such as workforce planning (Q9) and business continuity are already encompassed in the areas for improvement, together with planning arising from PURE and the draft of the AGS.

3.18 The returned questionnaires will be the subject of further review by your officers responsible for the Governance Statement and material issues identified for further work

## **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 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.

Joe McCarthy  
Chief Executive

Sean Price  
Chief Constable

**ANNUAL SERVICE UNIT ASSURANCE ASSESSMENT – SUMMARY**  
**For the year ending 31<sup>st</sup> March 2007**

**APPENDIX A**

Yes	Partially Agree	No	N/A See below	AREA OF ASSURANCE	Yes	Partially Agree	No	N/A See below
90%	10%			1. Controls are in place to ensure that the BCU /SUM can demonstrate compliance with legal requirements including those specific to that service.	19	2	0	0
86%	14%			2. Controls are in place to ensure there is compliance with the Authority's Standing Orders and its corporate objectives and policies.	18	3	0	0
48%	52%			3. There is effective service planning with resources devoted to the Authority's and service related objectives and priorities.	10	11	0	0
43%	52%	5%		4. There is effective management of service delivery, with adequate stakeholder involvement and customer feedback sought and acted upon as appropriate.	9	11	1	0
57%	43%			5. There are effective performance management processes with accurate and adequate performance information generated, reported to relevant parties on a timely basis, with appropriate action taken to address performance issues.	12	9	0	0
71%	19%		10%	6. There are well defined reporting arrangements to members and senior management, including a clear reporting structure and adequate, accurate and timely information provided, to ensure that decisions are taken with reference to adequate information and data.	15	4	0	2
29%	71%			7. Management and staffing structures are clearly defined, responsibilities including job descriptions are clearly established and there is a workforce of adequate competence and number to deliver the service.	6	15	0	0
90%	10%			8. 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.	19	2	0	0
71%	29%			9. There are effective financial planning and budgetary control procedures in place.	15	6	0	0
90%	10%			10. All expenditure transactions by the BCU /SUM are properly authorized and properly and accurately recorded on a timely basis.	19	2	0	0
57%	19%		24%	11. The BCU /SUM can demonstrate it has sought value for money in the use of resources.	12	4	0	5

**ANNUAL SERVICE UNIT ASSURANCE ASSESSMENT – SUMMARY**  
**For the year ending 31<sup>st</sup> March 2007**

**APPENDIX A**

Yes	Partially Agree	No	N/A See below	AREA OF ASSURANCE	Yes	Partially Agree	No	N/A See below
52%	10%		38%	12. All income is properly collected, recorded, banked and monitored, with fees and charges etc. reviewed for appropriateness on a regular basis with levels properly approved.	11	2	0	8
33%	33%	5%	29%	13. Assets are adequately recorded and safeguarded to protect against loss or unauthorized use.	7	7	1	6
67%	10%		24%	14. Partnership arrangements are well founded, clearly defined and adequately monitored for effectiveness.	14	2	0	5
48%	52%			15. ICT systems used by the BCU /SUM are secure and satisfactory for their purpose and adequate business continuity arrangements are in place.	10	11	0	0
90%	5%		5%	16. Recommendations from relevant Inspectorate / audit reports are reviewed and acted upon.	19	1	0	1
67%	33%			17. Decisions are taken with due regard to insurance, health and safety, community safety and other risk implications.	14	7	0	0
29%	57%	14%		18. There is effective service planning and risk management with adequate identification, control and ongoing monitoring and review of BCU /SUM risks, including the maintenance of up to date risk registers.	6	12	3	0
Results for individual questions may not add to 100% due to roundings								

**ANNUAL SERVICE UNIT ASSURANCE ASSESSMENT – SUMMARY**  
**For the year ending 31<sup>st</sup> March 2008**

**APPENDIX B**

Yes	Partially Agree	No	N/A See below	AREA OF ASSURANCE	Yes	Partially Agree	No	N/A See below
94%			6%	1. Controls are in place to ensure that the BCU /SUM can demonstrate compliance with legal requirements including those specific to that service.	17	0	0	1
94%	6%			2. Controls are in place to ensure there is compliance with the Authority's Standing Orders and its corporate objectives and policies.	17	1	0	0
67%	33%			3. There is effective service planning with resources devoted to the Authority's and service related objectives and priorities.	12	6	0	0
56%	39%	6%		4. There is effective management of service delivery, with adequate stakeholder involvement and customer feedback sought and acted upon as appropriate.	10	7	1	0
61%	39%			5. There are effective performance management processes with accurate and adequate performance information generated, reported to relevant parties on a timely basis, with appropriate action taken to address performance issues.	11	7	0	0
89%	6%		6%	6. There are well defined reporting arrangements to members and senior management, including a clear reporting structure and adequate, accurate and timely information provided, to ensure that decisions are taken with reference to adequate information and data.	16	1	0	1
67%	33%			7. Management and staffing structures are clearly defined, responsibilities including job descriptions are clearly established and there is a workforce of adequate competence and number to deliver the service.	12	6	0	0
100%				8. 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.	18	0	0	0
83%	17%			9. There are effective financial planning and budgetary control procedures in place.	15	3	0	0
94%	6%			10. All expenditure transactions by the BCU /SUM are properly authorized and properly and accurately recorded on a timely basis.	17	1	0	0

**ANNUAL SERVICE UNIT ASSURANCE ASSESSMENT – SUMMARY**  
**For the year ending 31<sup>st</sup> March 2008**

**APPENDIX B**

Yes	Partially Agree	No	N/A See below	AREA OF ASSURANCE	Yes	Partially Agree	No	N/A See below
61%	17%		22%	11. The BCU /SUM can demonstrate it has sought value for money in the use of resources.	11	3	0	4
67%	6%		28%	12. All income is properly collected, recorded, banked and monitored, with fees and charges etc. reviewed for appropriateness on a regular basis with levels properly approved.	12	1	0	5
44%	28%		28%	13. Assets are adequately recorded and safeguarded to protect against loss or unauthorized use.	8	5	0	5
61%	6%		33%	14. Partnership arrangements are well founded, clearly defined and adequately monitored for effectiveness.	11	1	0	6
56%	44%			15. ICT systems used by the BCU /SUM are secure and satisfactory for their purpose and adequate business continuity arrangements are in place.	10	8	0	0
94%	6%			16. Recommendations from relevant Inspectorate / audit reports are reviewed and acted upon.	17	1	0	0
78%	22%			17. Decisions are taken with due regard to insurance, health and safety, community safety and other risk implications.	14	4	0	0
61%	33%	6%		18. There is effective service planning and risk management with adequate identification, control and ongoing monitoring and review of BCU /SUM risks, including the maintenance of up to date risk registers.	11	6	1	0
Results for individual questions may not add to 100% due to roundings								

**ANNUAL SERVICE UNIT ASSURANCE ASSESSMENT – SUMMARY**

**APPENDIX C**

**For the year ending 31<sup>st</sup> March 2009**

Yes	Partially Agree	No	N/A See below	AREA OF ASSURANCE	Yes	Partially Agree	No	N/A See below
100%				1. Controls are in place to ensure that the BCU /SUM can demonstrate compliance with legal requirements including those specific to that service.	19	0	0	0
100%				2. Controls are in place to ensure there is compliance with the Authority's Standing Orders, Force Orders and Standing Financial Instructions (SFI).	19	0	0	0
100%				3. Controls are in place to ensure there is compliance with the Authority's corporate objectives and policies, and those of the Force.	19	0	0	0
84%	16%			4. There is effective service planning with resources devoted to the Authority's and service related objectives and priorities.	16	3	0	0
74%	26%			5. There is effective management of service delivery, with adequate stakeholder involvement and customer feedback sought and acted upon as appropriate.	14	5	0	0
95%	5%			6. There are effective performance management processes with accurate and adequate performance information generated, reported to relevant parties on a timely basis, with appropriate action taken to address performance issues.	18	1	0	0
100%				7. There are well defined reporting arrangements to members and senior management, including a clear reporting structure and adequate, accurate and timely information provided, to ensure that decisions are taken with reference to adequate information and data.	19	0	0	0
84%	11%	5%		8. Management and staffing structures are clearly defined, responsibilities including job descriptions are clearly established.	16	2	1	0
68%	32%			9. There is a workforce of adequate competence and number to deliver the service.	13	6	0	0
100%				12. All expenditure transactions by the BCU /SUM are properly authorized and properly and accurately recorded on a timely basis.	19	0	0	0

**ANNUAL SERVICE UNIT ASSURANCE ASSESSMENT – SUMMARY**  
**For the year ending 31<sup>st</sup> March 2009**

**APPENDIX C**

Yes	Partially Agree	No	N/A See below	AREA OF ASSURANCE	Yes	Partially Agree	No	N/A See below
100%				13. The BCU /SUM can demonstrate it has sought value for money in the use of resources.	19	0	0	0
63%	5%		32%	14. All income is properly collected, recorded, banked and monitored, with fees and charges etc. reviewed for appropriateness on a regular basis with levels properly approved.	12	1	0	6
74%	21%		5%	15. Assets are adequately recorded and safeguarded to protect against loss or unauthorized use.	14	4	0	1
63%	11%		26%	16. Partnership arrangements are well founded, clearly defined and adequately monitored for effectiveness.	12	2	0	5
74%	26%			17. ICT systems used by the BCU /SUM are secure and satisfactory for their purpose.	14	5	0	0
37%	53%	11%		18. Adequate business continuity arrangements are in place.	7	10	2	0
95%	5%			19. Recommendations from relevant Inspectorate / audit reports are reviewed and acted upon.	18	1	0	0
89%	11%			20. Decisions are taken with due regard to insurance, health and safety, public safety and other risk implications.	17	2	0	0
74%	21%	5%		21. There is effective service planning and risk management with adequate identification, control and ongoing monitoring and review of BCU /SUM risks, including the maintenance of up to date risk registers.	14	4	1	0

Results for individual questions may not add to 100% due to roundings