

**Joint Report of the Treasurer and Chief Constable
To the Chair and Members of the
Audit and Internal Control Panel
3rd June 2010**

**Executive and Presenting Officer: Paul Kirkham Treasurer
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 Framework.

3. Reasons

- 3.1 At its meeting on 11th 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 fourth time this piece of work has been undertaken.
- 3.5 For 2008/2009 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. The Audit & Internal Control Panel was asked for its input and comment at its meeting on the 22nd January 2009, and similarly views were obtained from BCU/SUM. There were no proposals for change to the 2009/2010 questionnaire.
- 3.6 The 2009/2010 document was circulated to BCU/SUM and the Police Authority in March 2010. On request the PURE & AGS Group provided support for District Commanders and Service Unit Managers including reviewing the previous year's submission against the evidence framework.
- 3.7 The deadline for returning the documentation to the Corporate Finance Team was set for late April with most people achieving this.

Summary of Responses

- 3.8 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	2009/10 % Of responses	2008/09 % of responses	2007/08 % of responses	2006/07 % of responses
Yes	84.5	84.2	73.8	62.2
Partial	11.8	11.8	18.8	29.4
No	0.5	1.0	0.6	1.3
Not Applicable	3.2	3.0	6.8	7.1
Total	100.0	100.0	100.0	100.0

For 2009/2010 1% is roughly equivalent to 4 BCU/SUM answers out of 399 answers

- 3.9 The proportion of YES answers has steadily increased year on year.
- 3.10 The proportion of Partial answers has levelled off at just under 12%.
- 3.11 The proportion of NO answers has fallen to 0.5% i.e. 2 answers. One of these relates to the existence of service continuity plans, and the other relates to the establishment of job descriptions

- 3.12 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.

Members will observe that the associated % has about halved over the 4 years. This is a result of work undertaken with District Commanders and Service Unit Managers to clarify their understanding about some of the questions, particularly on Value for Money.

- 3.13 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 still low when compared with 2008/2009. But as the question is about Service Continuity Planning , which is a priority area for improvement, and is being

addressed Service Unit at a time under a planned programme of work it is not a matter for undue concern.

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.

Paul Kirkham
Treasurer

Sean Price
Chief Constable

ANNUAL SERVICE UNIT ASSURANCE ASSESSMENT – SUMMARY
For the year ending 31st 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 31st 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 31st 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 31st 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 31st 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

APPENDIX C

For the year ending 31st March 2009

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

ANNUAL SERVICE UNIT ASSURANCE ASSESSMENT – SUMMARY

APPENDIX C

For the year ending 31st March 2010

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
89%	11%			4. There is effective service planning with resources devoted to the Authority's and service related objectives and priorities.	17	2	0	0
79%	21%			5. There is effective management of service delivery, with adequate stakeholder involvement and customer feedback sought and acted upon as appropriate.	15	4	0	0
100%				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.	19	0	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

ANNUAL SERVICE UNIT ASSURANCE ASSESSMENT – SUMMARY

APPENDIX C

For the year ending 31st March 2010

Yes	Partially Agree	No	N/A See below	AREA OF ASSURANCE	Yes	Partially Agree	No	N/A See below
100%				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.	19	0	0	0
95%	5%			11. There are effective financial planning and budgetary control procedures in place.	18	1	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
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
68%	26%		5%	15. Assets are adequately recorded and safeguarded to protect against loss or unauthorized use.	13	5	0	1
58%	11%		32%	16. Partnership arrangements are well founded, clearly defined and adequately monitored for effectiveness.	11	2	0	6
74%	26%			17. ICT systems used by the BCU /SUM are secure and satisfactory for their purpose.	14	5	0	0
37%	58%	5%		18. Adequate business continuity arrangements are in place.	7	11	1	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

ANNUAL SERVICE UNIT ASSURANCE ASSESSMENT – SUMMARY

APPENDIX C

For the year ending 31st March 2010

Yes	Partially Agree	No	N/A See below	AREA OF ASSURANCE	Yes	Partially Agree	No	N/A See below
74%	26%			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	5	0	0

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