

## Annual Governance Statement 2007/08

Position as at 31 May 2008 including plans for the financial year 08/09

### 1 . Scope Of Responsibilities

The Devon and Cornwall Police Authority ('the Authority') is responsible for ensuring its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

The Authority has developed a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework: *Delivering Good Governance in Local Government*. The Code of Corporate Governance is included within the Authority's constitution. This Annual Governance statement explains how the Authority has complied with the Code of Corporate Governance and also meets the requirements of regulation 4(2) 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 supports this overarching Governance Statement.

### 2 . The Purpose Of The Governance Framework

The governance framework comprises the systems and processes, and culture and values by which the Authority is directed and controlled and its activities through which it accounts to and engages with the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, to manage them effectively, efficiently and economically.

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

### 3 . The Governance Framework

This section describes the key elements of the systems and processes that comprise the governance arrangements that have been put in place.

- *identifying and communicating the Authority's vision of its purpose and intended outcomes for citizens and service users*
- *reviewing the Authority's vision and its implications for governance arrangements*
- *measuring the quality of services for users, for ensuring they are delivered in accordance with the Authority's objectives and for ensuring that they represent the best use of resources*
- *defining and documenting the roles and responsibilities of the Authority and Force and the senior members and officers within each, setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinising Force activity*
- *developing, communicating and embedding codes of conduct, defining the standards of behaviour for members, officers and staff*
- *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*
- *undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committee – Practical Guidance for Local Authorities*
- *ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful*
- *whistle blowing and for receiving and investigating complaints from the public and handling citizen and other redress*
- *identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training*
- *establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation*
- *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.*

### 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.

These reviews have been informed by the work of internal audit, **the Audit Commission** and also officers within the Authority who have the responsibility for the development and maintenance of the governance environment. In addition comments made by the external auditors and other review agencies and inspectorates have informed this review. **Much of the review work is ongoing throughout the year and is incorporated into the work of committees and Police Authority staff.**

The reviews include

- **the development of a formal Constitution for the Authority**
- **the Authority participating in the association of Police Authority's self assessment process**
- **the assessment of evidence and the compilation of the Force Annual Assurance Statement signed by the Chief Constable**

- the Performance Management Committee reviewing and challenging Force performance
- the Corporate Governance Committee receiving reports from internal audit, the Audit Commission and having a co-ordinating role for the reports and actions emanating from other inspection bodies.
- The Corporate Governance Committee having oversight of the Authority's Risk Register
- the Standards Committee reviewing, at each meeting, the best practice toolkit to ensure compliance and a pro-active approach to ethical standards issues
- the 2007/2008 workplan from the Statement on Internal Control (2006/07)
- an annual review of the effectiveness of internal audit is undertaken

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Performance Management Committee and the Corporate Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place (see 5b below).

## **5 . Significant Governance Issues**

### **A) Update from the Statement on Internal Control workplan for 2007-2008 and beyond**

The 2007/08 Statement on Internal Control contained a development plan to assist with continuous improvement in governance related matters the list below provides a brief update on the work that has been undertaken.

- Revision of Standing Orders for Tenders and Contracts, Financial Regulations and the Procurement Strategy - these have been updated to reflect current EEC requirements
- The Code of Corporate Governance has been incorporated within the Constitution
- A Scheme of Delegations has been compiled for inclusion within the Constitution
- The Police Use of Resources (PURE) which is a system of assessment regarding financial management and corporate governance issues has been reviewed and refreshed to contain current information.
- A simple continuous improvement register for the Police Authority has been compiled which contains recommendations pertaining to the Authority from various inspection bodies
- The effectiveness of Police Authority / BCU Commander meetings has been reviewed and are currently suspended
- As a result of the new processes involved in developing the Annual Governance Statement, which incorporates the Force Annual Assurance Statement, the joint work between the Authority and the Force to develop processes relating to the Force Heads of Department reviewing internal controls within their portfolios has been superseded
- Consideration still needs to be given to as to how the effectiveness of policies adopted by the Authority can be demonstrated.

### **B) 2008-2009 and Beyond Workplan**

As a result of the reviews undertaken during 2007/08 the following areas have been identified as requiring attention:

- Review and Monitoring of the Constitution; processes need to be developed and embedded for reviewing and making changes to the Authority's constitution
- Review of the Authority's Strategic Plan and the associated documents such as the Business Plan; the processes for reviewing, developing and monitoring progress for matters detailed in the Strategic Plan and the associated documents need to be considered and implemented
- Partnership working; the role and the remit of Members regarding partnership working needs to be clarified, particularly with regard to Local Strategic Partnerships and Local Area Agreements

- Business Continuity Planning; A business continuity plan for the Authority needs to be developed
- Developing a process to monitor and review the actions the Force is taking to address the issues and areas of weakness identified in the Force Annual Assurance Statement

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

## **Signed**

John Smith  
Chair of Devon and Cornwall Police Authority

XXXXXX  
Chair of The Corporate Governance Committee

Graham Davey  
Chief Executive of Devon and Cornwall Police Authority

on behalf of the members and senior officers of the Devon and Cornwall Police Authority and Devon and Cornwall Constabulary