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Surrey Police Authority - Annual Governance Statement

2008/09

1. Summary

Surrey Police Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging these responsibilities the Authority is responsible for putting in place proper accounting arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions, and which includes arrangements for the management of risk. The Authority's overarching statutory responsibilities are:-

1. To secure an efficient and effective local police service.
2. To hold to account the Chief Constable for the exercise of his functions and those of persons under his direction and control.
3. To consult with the people of Surrey to identify their policing priorities and make sure that their council tax money is spent effectively.

The Chief Constable of Surrey Police is responsible for the direction and the control of the Force. In discharging his duties, the Chief Constable shall have regard to the Local Policing Plan issued by the Authority.

The Chief Constable is also responsible for putting in place proper arrangements for the governance of the Force and for facilitating the exercise

of its role, which includes ensuring that arrangements are in place for the management of risk. A more detailed Statement of Assurance for the Surrey Police 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 through which the Authority manages its activities. Through it the Authority is able to monitor the achievement of its objectives and to consider whether those objectives have led to the delivery of an appropriate, cost-effective service, 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 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. The system is also designed to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them effectively, efficiently and economically.

The governance framework has been in place within Surrey Police for the year ended 31st March 2009 and up to the date of approval of the Annual Statement of Accounts 2008/09.

3. The Governance Framework

The way in which the Authority has put the core principles of good governance into practice is as follows:-

The Authority's purpose and role is set out in its Code of Corporate Governance, initially agreed in May 2007 and revised in March 2009 in accordance with CIPFA (Chartered Institute of Public Finance and Administration) and SOLACE (Society of Local Authority Chief Executives) guidance. The Code is available on the Authority's website.

In addition, the Authority has developed a vision, initially agreed in February 2008. The vision was re-examined in March 2009 as part of the development of the Authority's business plan in:

“Surrey Police Authority is recognised as an independent, forward thinking body which actively scrutinises the Force while supporting it in providing an effective, value for money service as one of the leading forces in the country and in which our community has full respect and confidence”

The vision is underpinned by a number of success criteria which measure the Authority's success in delivering an efficient and effective service. The Authority's values, or general principles of business, are also set out both in its business plan and the Code of Corporate Governance and can be summarised as follows:

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- Accountability – to parliament, by local people and by any oversight bodies.
- Integrity – including honesty and observing confidentiality
- Openness – transparency of Authority activities to promote confidence
- Inclusivity – providing an impartial service to all

All Members were involved in the development and subsequent refresh of the vision and every opportunity has been used to communicate it including in the Authority's monthly newsletter and the Authority's business plan, which is reviewed and reported upon on an annual basis. The Standards Committee keeps an ongoing overview of the effectiveness of the Authority's over-arching governance arrangements.

The Authority's Audit Committee, established in June 2006 in accordance with CIPFA guidance, plays a key role in giving independent assurance of the adequacy of the risk management framework and the associated control environment. Together with the Authority's Standards Committee, it has also been instrumental in the review of Standing Orders and also a review of Financial Regulations which were approved in February 2008 and are now being updated on an ongoing basis. The Authority's Scheme of Delegation was agreed in February 2008. This documents the roles and responsibilities of the senior officers of both the Force and Authority and is kept under continual review by the Authority's Audit Committee.

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The roles and responsibilities of the Authority and of individual Members are also set out on its website and in the Members' Handbook.

The effectiveness of the Authority's Committee and Panel structure is kept under continual review to ensure it is fit to scrutinise and challenge Force activity. The roles of each Panel and Committee are set out in Terms of Reference which were last agreed by the full Authority in May 2008 and are kept under review.

The Authority's Standards Committee plays a key role in advising the Authority on the revision of its Code of Conduct (approved in September 2007) and monitors its operation. It assists in ensuring the provisions of the Code are embedded with all Members and provides training as required. All new Members meet with Chairman of the Authority's Standards Committee to explain the responsibilities and requirements arising from the application of the Code of Conduct. The Committee has also developed a Code of Conduct for Authority staff.

This year, the Committee has taken on a key new role for the local investigation of allegations of misconduct on the part of Authority Members. A detailed protocol has been agreed for the handling of such allegations in accordance with the Standards Board for England's guidance.

There are a number of organisations who deal with other complaints, depending on the nature of the complaint. The responsibilities of police authorities, Chief Police Officers, the Independent Police Complaints

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Commission (IPCC) and Her Majesty's Inspector of Constabulary (HMIC), for complaints are set out in the Police Reform Act 2002. The specific roles and responsibilities of the Police Authority are set out on its website for public information. Since September 2007 the Authority has operated a clear whistle-blowing policy.

The Standards Committee takes a role in identifying the development needs of Members and oversees the Authority's training plan. Over the past year, the Authority has been working towards an accredited 'Member Development Charter' and the Standards Committee has been monitoring progress in this regard. All Members are offered the opportunity to complete a 360 degree appraisal and since the 2008/09 municipal year, each Member has a specific set of objectives in relation to their role as an Authority Member and any additional responsibilities they undertake. The Authority's Senior Personnel Committee has responsibility for the performance development review of the Chief Constable.

The Authority agreed its Community Engagement Strategy in September 2008 which sets out its statutory responsibilities in terms of consulting with local people on policing priorities, the budget and on confidence in local policing. It also informs the public about how decisions are made and how they can make a complaint. It outlines how Members must exercise independent oversight of Surrey Police and ensure that the Force is accurately and adequately representing the concerns of local people. It also sets out our arrangements for working in partnership with key stakeholders.

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The Authority's Local Policing Plan is a key document which outlines the key policing priorities and performance targets set, taking on board both national and local priorities as well as those of our partners and the public. The Authority has a process in place to integrate the development of the policing plan with the budget setting process and monitors progress against the plan at its panel meetings throughout the year.

4. Review of Effectiveness

The Authority is responsible for approving the local Code of Corporate Governance and for carrying out an annual review of its effectiveness. To do this the Authority has put in place the following arrangements: -

The Force

The Chief Constable is responsible for corporate governance issues affecting the Force, ensuring appropriate reviews are carried out in the following areas:-

a) Performance Management

Performance is reviewed monthly at SPECS meetings which are attended by senior and strategic leaders within the force.

The Performance Management team exists to facilitate the promotion of a performance culture throughout the Force and provide guidance, whilst also ensuring all statutory management information requirements are met.

b) Risk Management

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The responsibility for owning and managing Authority risks sits with the Chief Executive. During 2008/09, the internal auditors undertook an advisory audit of the Authority's arrangements and put forward a number of recommendations which have been taken forward. In December 2008, all Members received training on risk management.

The responsibility for owning and managing Force organisational risks sits with its Chief Officers and Directors, overseen by the Chief Constable. Both Force and Authority risks, as well as joint risks, are entered onto a single risk register and are considered at specific meetings of the Chief Officers Group where the Chief Executive and the Treasurer are in attendance. The Authority's own risks are also identified and monitored by its Secretariat on a monthly basis, at Panel meetings and by the Panel Chairs at regular meetings. The highest level risks are reported to the full Authority at each meeting. The Risk Management policy and strategy is subject to scrutiny by internal and external audit.

c) Professional Standards

The Professional Standards Department (PSD) exists primarily to deal with complaints against Police officers and Police staff by members of the public. It also has a responsibility to the Force and the wider police service to minimise exposure to corruption. In this regard, the portfolio is owned by the Deputy Chief Constable.

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In order to minimise exposure to corruption, PSD contains a vetting unit that is geared to the requirements of the ACPO (Association of Chief Police Officers) National Vetting Policy.

This year, the Department has implemented the recommendations of the Taylor Review, the new national procedures for misconduct and unsatisfactory performance, which are now mandatory for the Police Service. PSD periodically carries out strategic assessments of its intelligence capacity, in line with the National Intelligence model.

The Audit Committee

The Committee gives independent assurance of the adequacy of the risk management and framework and the associated control environment making recommendations for any required changes directly to the Authority. The committee receives reports from the Treasurer, (the Authority's Section 151 officer), the Chief Executive, the Internal Auditors and the External Auditors on the efficiency and effectiveness of the internal control processes, as well as the probity of those processes.

The Standards Committee

The Committee has the key responsibility for promoting and maintaining high standards of conduct by the members of the Authority, advising on the adoption or revision of the Members Code of Conduct and monitoring its operation. The Committee also advises the Authority on compliance with the requirements for registration of interests and registers of gifts and hospitality.

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It has responsibilities for investigating and hearing complaints about allegations of misconduct by Authority Members.

Internal Audit

The Authority appointed new Internal Auditors on the 1st April 2008, Mazars LLP. They operate in accordance with the International Internal Auditing Standards Board of the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing, 2006* and the CIPFA *Code of Practice for Internal Audit in Local Government in the United Kingdom 2006*. The CIPFA code requires internal audit to provide the Authority with an opinion on the overall adequacy and effectiveness of the organisation's risk management control and governance processes (i.e. the system of internal control). In this regard the internal auditors were able to certify that the Authority's arrangements were generally adequate and effective, with the identification of only one fundamental weakness, which is in the process of being addressed by management and is detailed under the Significant Governance Issues section of this statement.

External Audit

Using the Police Use of Resource Evaluation (PURE) the External Auditors assesses how Surrey Police manages and uses its financial resources. The following areas are reviewed:

1. Financial reporting
2. Financial management
3. Financial standing
4. Internal control

5. Value for money

The latest score available, for 2007/08, was level 3, meaning Surrey Police was performing consistently above minimum requirements i.e. performing well. While the overall score has not changed from the previous year the Audit Commission identified that scores for individual themes had shown overall improvement, particularly in the areas of Internal Control and Value for Money.

Her Majesty's Inspectorate of Constabulary

Her Majesty's Inspectorate of Constabulary moved in 2007 to a programme of inspections on areas judged as highest risk. Four inspections were conducted of Surrey Police business 2008/9. An inspection of Neighbourhood Policing reported in September 2008 and judged Surrey Police as "meeting the standard". At the same time an inspection of "Developing Citizen Focus" also judged Surrey Police as "meeting the standard". Inspections of Major Crime and Serious and Organised Crime both reported in July 2008. Dealing with Major Crime in Surrey Police was judged to be "meeting the standard". Serious and Organised Crime inspections were not graded by HMIC but the force was judged by HMIC to have demonstrated a maturing process toward tackling Serious and Organised Crime.

5. Significant Governance Issues

2007/08

No significant control issues were identified within the 2007/08 reviews.

2008/09

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2008/09

The following issues were identified as being of a significant impact to Surrey Police Authority in the Internal Auditors report issues in November 2008:

According to anecdotal evidence the Force was holding intelligence information locally which was not always entered into the central Force intelligence system (CIS) on a timely basis. The Force has responded to this issue by confirming that such practices, where they exist, will not be tolerated and the Chief Officer group has set out clear expectations in this regard.

The auditors noted that the Force is currently engaged in a programme of initiatives regarding how data is recorded and reviewed on CIS. This includes preparation for the transfer of data to the Enterprise system, due to replace CIS from 2011 onwards. This programme has been designed to ensure that Force data is held in accordance with the recommendations arising from the Bichard Review and in particular the Code of Practice on the Management of Police Information (MoPI) which came out of it. The Enterprise system has been designed to comply with MoPI requirements. The Force must comply with MoPI by the end of December 2010 and is on track to do so.