

# Annual Governance Statement

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## 1. Scope of Responsibility

Bedfordshire 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. 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 proper arrangements for the governance of its affairs, facilitating the effective exercise of the Authority's functions, and which includes arrangements for the management of risk.

The Authority has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. A copy is on our website at [www.bedfordshirepoliceauthority.co.uk](http://www.bedfordshirepoliceauthority.co.uk) or can be obtained from the Authority's offices at Bridgebury House, Woburn Road, Kempston, Beds. MK43 9AX.

This statement explains how the Authority has complied with the code 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) 2006 in relation to the publication of a statement on internal control.

## 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, engages with and leads 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 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 provide only 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, and to manage them efficiently, effectively and economically.

The governance framework has been in place within Bedfordshire Police Authority for the year ended 31<sup>st</sup> March 2009 and up to the date of approval of the 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 into place for the Authority and Force. It

# Annual Governance Statement

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explains the overarching structures that have been put in place in both Authority and Force to deal with systems and processes and how they are linked to each other. In producing this explanation steps have been taken to ensure that the actions identified in the Authority's Code of Corporate Governance are being complied with.

## **Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a Vision for the local area**

- The Authority undertake a series of consultation exercises with the public to both engage with priorities for the Authority and Force but also to evaluate performance against initiatives such as Neighbourhood Policing.
- The Authority through consultation with the public and businesses produces an annual policing plan and three year strategic plan that provide clarity around the Authority's purpose, vision and objectives for the forthcoming period.
- The publication of the Authority's key principles in its strategic and local plans incorporating national policing priorities.
- The setting and monitoring of targets are subject to close scrutiny by the Performance Committee.
- Regular independent reports from Internal and External Audit with follow up processes
- The Police Authority has an approved Risk Management Strategy.
- The Audit Committee receives regular reports on the combined strategic risks of the Force and Authority and the individual operational risks of both Force and Authority as well as a breakdown of risks aligned to objectives. All strategic risks are owned and reviewed by relevant committees of the Authority.
- Established a Value for Money structure approach that also provides for scrutiny and provides a business assurance role for the Audit Committee.
- Completion of the Audit Commission Use of Resources programme
- Internal and External audit Reviews
- Medium Term Financial Planning for both Revenue and Capital budgets.
- An agreed Committee structure with Terms of Reference that provide for performance management on all key areas of the business.
- Performance Committee that regularly scrutinises overall performance and activity data
- The creation of a Force performance improvement board has provided the ability for the force to be clear on its performance priorities and ensure resources are being utilised effectively in the pursuit of those priorities.
- The Authority have refreshed and maintain an effective website that provides information that is regularly updated about finance, performance as well as providing for interaction with the public through a number of surveys.
- The Authority and Force have a joint communication strategy which guides how key messages relating to priorities, mission, vision and performance are effectively communicated.

## **Members and officers working together to achieve a common purpose with clearly defined functions and roles**

- The Authority have an appointed Chair and Vice Chair with a structure of Committees with clear terms of reference.
- The Authority have approved a revised scheme of delegation and financial regulations during the year to clearly identify specific roles.
- The Authority have a dedicated Chief Executive/Treasurer as well as a Deputy Treasurer and have a dedicated monitoring officer.

# Annual Governance Statement

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- The force hold regular meetings of both the Force Executive and Force Strategy Board
- The Police Authority have an approved business plan which outlines its direction as well as developing an improvement plan.
- Distinct portfolios for each member of the Force Executive.
- Annual self-assessment of Committee Effectiveness and a review of its Internal Controls.
- Complete self-assessment of the Authority against the police authority inspection framework has been undertaken.
- Continuation of a Lead Member Scheme
- HR Planning and Deployment Group
- Relationship protocol
- Full engagement with Partners through CDRPs & LAAs
- Joint working group for collaboration activity as well as a clear regional joint collective agreement have been developed in 2008/09.

## **Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

- The use of the Equality and Diversity Programme Board to oversee all diversity issues both internally and in service delivery.
- Professional staff in key support areas
- Comprehensive policies and procedural guides.
- The Authority has a monitoring officer to whom all Committee reports are sent prior to actual meetings.
- The Force's Professional Standards Department which is responsible for investigating complaints against the police and internal conduct issues.
- The Authority have a distinct Committee for reviewing complaints and Professional Standard issues. The terms of reference for this committee have been reviewed and amended to more define its purpose and role.
- Collaboration agreed with Hertfordshire on Professional Standards to further enhance the force's role in pro-active anti-fraud and corruption.
- The Force has a policy and means of confidential reporting.
- Regular update across the force for lessons learned from specific cases as well as advice columns from the Head of Professional Standards
- Mechanism for Audit and Business Assurance Committee to receive regular updates to progress on audit recommendations and the ability to bring action owners to account.
- Financial regulations and financial instructions.
- Financial Management Scheme for devolved budgets
- The adoption of CIPFA's Code on Treasury Management. Approved Treasury Management Policy, Strategy and Management Practises.
- Codes of Conduct for Staff and Members and polices on gifts and hospitality
- The Authority has a Standards Committee.

## **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

- Specified terms of reference for all committees approved by the Police Authority and all areas of decision making made in open session and public meetings.
- Schemes of delegation
- Schemes of Delegation and key responsibilities for Force Executive members.
- Appropriate consideration given to risks, finance, performance and sustainability in all decision making.

# Annual Governance Statement

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- Collaboration process introduced where decisions are made at appropriate stages from scoping through to Section 23 agreements.
- A Risk Management Board, reflecting the full spectrum of operational policing, strategic issues, support services and the Authority, regularly reviews areas of risk and feeds into the Force Executive
- Written reports to Committees available for public scrutiny

## **Developing the capacity and capability of Members and Officers to be effective**

- The creation of a Member Development Scheme which includes a Performance Development Review highlighting areas of improvement and identification of specific training needs
- Regular workshops for Members and Force Portfolio Holders.
- Risk Awareness training as well as induction programmes for new members.
- Performance Development Reviews for all staff
- The creation of an additional Assistant Chief Constables post has provided for greater focus across all areas of the Force but in particular performance and collaboration.
- The Force and Authority have agreed a leadership programme for the Force and activity around coaching and mentoring to increase the longevity and capability of staff within the force

## **Engaging with local people and other stakeholders to ensure robust public accountability**

- The Authority and Force undertook a number of surveys during 2008, such as the bluelight survey and satisfactions surveys. Representatives of both the Force and Authority attend various community meetings and engage in strong partnership activities.
- Separate Committee of the Authority for Community Engagement with Terms of Reference covering: Community Engagement, Partnership, Consultation and Communications.
- Joint Community Engagement Strategy with the Force providing for effective engagement with all sections of the community and aiming to promote visible awareness and a recognised profile for both the Force and Authority.
- The dedicated Safer Neighbourhood teams provide for enhanced engagement between the Force and the public to develop solutions to the issues that undermine confidence and general feelings of insecurity.

## **Reliability of Financial Reporting and internal financial controls**

Financial control involves the existence of a control structure which ensures that all resources are used as efficiently and effectively as possible to attain the Authority's overall objectives and targets. Internal financial control systems are in place to minimise the risk of loss, unlawful expenditure or poor value for money, and to maximise the use of the Authority's assets and limited resources.

The Authority and Constabulary's financial management framework follows national and/or professional best practice and its key elements are set out below:

- Financial Regulations establish the principles of financial control. They are designed to ensure that the Authority conducts its financial affairs in a way which

# Annual Governance Statement

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- complies with statutory provision and reflects best professional practice. Standing Orders set out the rules to be followed in respect of contracts for the supply of goods and services.
- The Authority's Scheme of Devolved Financial Management is designed to ensure that responsibility and accountability for resources rest with managers who are responsible for service provision.
  - The Police Authority has adopted the CIPFA Code of Practice on Treasury Management requiring the Authority to approve an annual treasury management strategy including an annual investment strategy.
  - In accordance with the Prudential Code and best accounting practice the Force and Authority produce a three year medium term revenue financial plan and a three year capital programme. These are considered in the autumn each year and form the basis of further discussion and debate on the annual revenue budget and capital programme.
  - The medium term finance plan (MTFP) includes full provision for inflation, known commitments and other expenditure items which the Chief Constable has identified as necessary to deliver both national and local policing priorities.
  - The revenue budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the Authority's policies. It provides chief officers with authority to incur expenditure and a basis on which to monitor the financial performance of the Authority.
  - The Authority is required to set its budget and council tax level (precept) by the end of February prior to the start of the relevant financial year.
  - Capital expenditure is an important element in the development of the Authority's services since it represents major investment in new and improved assets. The Authority approves a capital programme each year.
  - Efficiency targets have been established for the period 2008/09 to 2010/11 and are based on challenging targets delivering over 10% efficiencies by 2011, the first target of 3.7% has been met in 2008/09.

## 4. Review of Effectiveness

The Authority has a responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness has been informed by the work of the internal auditors and the managers within the Authority and Force as well as the External Auditors and other review agencies. Brief comments on their roles are as follows:

### ◆ Police Authority

The Police Authority approves the annual revenue budget, 3-year capital programme, the annual policing plan and the human resources plan each year. Regular monitoring and progress against these plans and strategies are carried out by the appropriate committees. The Authority and Chief Constable also produce annual reports at the end of each financial year.

In approving the revenue budget and capital programme the Authority ensure it is fully aware of the high level risks, the responses from public consultation and the needs of the Force in delivering a level of service that the public expect and one that inspires confidence in the Force and Authority.

To ensure the Authority paid particular focus on effective use of resources in that its scrutiny on performance was undertaken in the context of the Force's financial and people position. The Chair of the Authority's Committees are also required to attend the performance committee so that there is an all round focus on effectiveness.

# Annual Governance Statement

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The Audit and Business Assurance committee continued to scrutinise the value for money programme as well as the creation of a joint working group with Hertfordshire Police Authority to scrutinise collaboration business cases from both a performance, resilience and efficiency perspective.

The agreement to collaborate on Major Crime provided significant cashable and non cashable savings for the Authority and reducing the number of abstractions from front line policing thus providing a significant improvement in the effectiveness of the force resources. Four further business cases were approved during 2009/10 which again will provide for a significant improvement in the use of resources.

The Authority continues to work closely with the Chief Constable to ensure that the organisation is able to deliver an effective service through the use of environmental scanning and the views of the public of Bedfordshire and key partner agencies.

A review of all of the Authority's individual Committees terms of reference has been undertaken as well as the approval of revised schemes of delegation, standing orders and financial regulations.

The Authority has also conducted a full review of its effectiveness against the Police Authority inspection framework and is producing an improvement framework to further enhance its performance.

The Audit Committee receive all reports of the internal and external auditor, annually review the effectiveness of both the internal and external audit functions and also in conjunction with the internal and external auditors the effectiveness of the management role.

## ◆ Force Executive

The Force Executive comprises the Chief Officers who are responsible for the clear leadership of the Force, to provide early identification of strategic issues and to ensure that objectives flowing from the annual and strategic plans are delivered.

The Authority agreed to increase the Force Executive team by an additional Assistant Chief Constable which has provided for a greater ability for the Deputy Chief Constable to scrutinise performance and to take the lead for the force on driving forward collaboration, particularly in the areas of Protective Services.

Below the Force Executive is the main decision making board of the force, known as the strategy Board. This board comprises of the full Force Executive and all Divisional Commanders and Heads of Department, and approves all major strategic and policy decisions for the force.

## ◆ Risk Management Board

During the financial year work has continued around ensuring risk management remains embedded within the organisation. The implementation of the bow tie methodology for risk management has provided for a greater ability to embed risk throughout the organisation.

The Force Risk Manager continues to attend meetings with each of the Divisions to assist in the understanding of the risk management framework and to assist in driving out both the risks and opportunities within individual Divisional areas of operation.

# Annual Governance Statement

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To ensure, risks are considered with performance and the strategic objectives of the Force as well as to aid decision making and increase the ownership of risk management, the Force Strategy Board now receive all risk registers.

Each Committee of the Police Authority now reviews its own strategic risks on an annual basis as well as them being reviewed quarterly by the Audit Committee. This, along with the Force Executive and Strategy Board reviewing all risks, provides for greater ownership across both the Authority and Force for risk management.

Further work is being undertaken around risk management both within the Force and the Authority to further embed strategic risk management into day to day business and decision making both short and long term.

## ◆ Internal Audit

Various internal audits were undertaken during 2008/09 reviewing both financial and non-financial controls. These audits are undertaken in adherence to CIPFA's Code of Internal Audit Practice and the Accounting Practices Board guidelines for Internal Auditors.

The audits continue to be being undertaken on a risk-based approach in order that an effective audit service is provided, in accordance with section 114 of the Police Act 1996.

The Internal Auditor in his annual report has provided a positive assurance for the 12 months ended 31 March 2009 for governance, internal control and risk management.

## ◆ External Audit

The District Auditor agreed the annual audit plan with Authority members and provided an unqualified opinion on the 2007/08 final accounts with very few weaknesses identified.

The District Auditor provided their opinion on the Authority's use of resources for 2007/08 for which showed that the Authority scored average or above average in all areas assessed.

## ◆ HMIC

All HMIC reports are considered by the Performance Committee who may under their terms of reference either take action or make any recommendations to the Authority.

The HMIC have undertaken a number of assessments during 2008/09 which have provided positive assurance around work undertaken in the areas of Neighbourhood Policing, Citizen Focus and protecting vulnerable people. It also provided a positive assurance around Civil Contingencies and business continuity.

## ◆ Progress on Weaknesses Previously Identified

The Annual Governance Statement for 2007/08 included 5 weaknesses against which action has been taken and has been reported to the Authority via various Committees, as follows:

### ▪ Implementation of Neighbourhood Policing

This area of activity was graded as poor by the HMIC during 2007/08 and has since been subject to a follow up review by the HMIC. The outcome of this follow up was that the HMIC, recognising the high level of work that had been undertaken in this area, graded Neighbourhood Policing as now meeting their required standard.

The Force have created dedicated Safer Neighbourhood Teams which are fully established and are monitored closely to ensure minimal abstractions.

# Annual Governance Statement

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Communications and visibility in all neighbourhood areas is being achieved through the use of neighbourhood offices or through the use of transport such as mobile police officers on bicycles.

- Protecting Vulnerable People

The 2008/09 budget provided for investment into this area of business as well as specific focus upon resilience and a uniformed approach across the force. The HMIC also conducted a follow up assessment in this area and confirmed that the Force were now meeting the required HMIC standard. The HMIC provided a verbal update to the full Authority during 2008/09 covering both Neighbourhood Policing and Protecting Vulnerable People highlighting what processes and structural changes had been made by the Force to ensure that standards were being met and could be sustained.

- Business Continuity

During 2008/09 the Force, utilising its Business Continuity Manager, who is employed in collaboration with Hertfordshire, undertook a full review of all of its business continuity processes and plans. These were subject to a complete overhaul ensuring that the business continuity strategy was fully understood across the Force, ownership was clearly identified and plans were fit for purpose. Upon the completion of the strategy and plans a test was undertaken to ensure that the plans were appropriate for the need.

In addition to the test Business Continuity was subject to both a follow up audit by the internal auditors and a HMIC Inspection. Both assessments provided the Authority and Force with positive assurances that Business Continuity was now being delivered at the appropriate standard.

- Recruitment (Workforce Planning)

The Human Resources Committee and Force Executive now receive a regular People Services performance report which provides a significant level of detail associated with the workforce, in terms of actual strength against establishment, highlighting the priority areas of recruitment and deployment as well as indirect impacts on workforce planning such as sickness and special leave such as Maternity. The actual number of vacancies within the force have also reduced dramatically over the past 12 months and this, with the recruitment focus being in areas of priority, has assisted in the improvements mentioned in the two areas of Neighbourhood Policing and Protecting Vulnerable People above.

The internal auditors also undertook a follow up audit of this area and provided the Authority and Force with a positive assurance.

- Communications

Following the appointment of a new Head of Communications and a restructure of the Communications team significant improvements have been seen within the area of internal communication, particularly associated with Neighbourhood Policing but also in terms of keeping the workforce updated. Pro-active communications have been commissioned and the internal auditors provided the Authority and Force with a very positive assurance around the improvements made in this area.

# Annual Governance Statement

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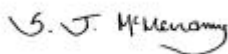
## 5. Significant Governance Issues

- **Serious and Organised Crime**  
This area was assessed by the HMIC during 2008/09 and although not subject to an individual report it was concluded that Bedfordshire Police required significant investment into this area to ensure that it met the required HMIC standard. Whilst the Force have put some further investment into this area as part of the 009/10 budget it is recognised that it is not an area of activity that Bedfordshire can resource fully enough to deal with the demand and therefore is being considered as an activity or collaboration with another Force(s).
- **Procurement**  
The internal auditors were commissioned by the Authority to undertake a specific value for money review of Procurement. The result of the audit was one of limited assurance. The Authority were assured via a follow up audit by the internal auditor that processes had been put into place to address the weaknesses, however these need to be reviewed during the ensuing year to ensure they are effective. Due to the resilience issues within the Procurement function this is also an area that is being considered for collaboration with other forces.



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**Peter Conniff**  
Chairman



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**Stephanie McMenemy**  
Chief Executive / Treasurer



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**Gillian Parker**  
Chief Constable

June 2009