



Lancashire
Constabulary
 police and communities together

ANNUAL GOVERNANCE STATEMENT 2009/10

1. INTRODUCTION

On the basis of the review of the sources of assurance set out in this Statement, Lancashire Police Authority and Lancashire Constabulary are satisfied that satisfactory systems of internal control are in place which facilitate the effective exercise of their functions and which include arrangements for the management of risk.

This Annual Governance Statement provides information in relation to the following:

- The scope of responsibility for governance within the Police Authority and Constabulary.
- The purpose of a governance framework
- The governance framework which is in place within the Police Authority and Constabulary.
- A review of the effectiveness of the Authority's and Constabulary's governance framework within 2009/10.
- A programme of improvements for governance arrangements that will be implemented in 2010/11.

2. SCOPE OF RESPONSIBILITY

- 2.1. Lancashire Police Authority's primary responsibilities are to secure an efficient and effective policing service for everyone in the Lancashire Police area and to hold the Chief Constable to account for the exercise of his functions and those of persons under his control. In so doing it ensures that its business (which for this purpose includes the direct activity of the Authority itself as well as all the functions of the Constabulary) is conducted in accordance with the law and proper standards, and that public money is safeguarded, 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.
- 2.2. The Chief Constable of Lancashire Constabulary is responsible for the direction and control of the Constabulary and in discharging his functions shall have regard to the local policing plan issued by the Authority. The Chief Constable is responsible for ensuring the Constabulary's business is conducted in accordance with the law and proper standards and that public money is safeguarded.
- 2.3. In discharging their overall responsibilities, the Authority and Chief Constable are responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring that there is a sound system

of internal control which facilitates the effective exercise of their functions.

- 2.4. This statement has been prepared for the 2009/10 period to show the Authority's and Constabulary's current position on governance issues as well as outlining future actions that will be undertaken to ensure the prescribed controls are operating effectively. This document also fulfils a statutory function in that it incorporates the Authority's Statement on Internal Control.

3. PURPOSE OF THE GOVERNANCE FRAMEWORK

- 3.1. The Governance Framework comprises the systems and processes, culture and values by which the Authority is directed and controlled, together with the 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.
- 3.2. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieving policies, aims and objectives. Therefore, this statement can only provide reasonable and not absolute assurance of the effectiveness of the system of internal control in managing risk. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority and Constabulary'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 Authority aims to provide a reasonable assurance of the effectiveness of the control systems it employs as well as those adopted by Lancashire Constabulary on its behalf.
- 3.3. The detailed controls outlined below represent those in place at 31 March 2010 and up to the date of approval of the annual report and statement of accounts and, subject to comments at section 6 concerning areas for improvement, accord with proper practice.

4. THE GOVERNANCE FRAMEWORK

- 4.1. Although the Chief Constable is responsible for operational policing matters and the direction of police personnel and for making proper arrangements for the governance of the Constabulary, the Authority is required to hold him to account for the exercise of those functions and those of the persons under his direction and control. It, therefore, follows that the Authority must satisfy itself that the Constabulary has appropriate mechanisms in place for the maintenance of good governance and that these operate in practice.

The Code of Corporate Governance sets out the Authority's high level aspirations for the achievement of good governance. This Annual Governance Statement provides a summary of the extent to which the aspirations set out in the Code are currently being met.

4.2. Assurance Overview

This statement is informed by assurances on the six principles of the Authority's code of corporate governance and by audit and inspection opinions.

The Authority's six principles of good governance are as follows:

- Focusing on the purpose of the Authority, on the outcomes for the community and creating and implementing a vision for the local area.
- Engaging with local people and other stakeholders to ensure robust public accountability.
- Having clear responsibilities and arrangements for accountability.
- Taking informed and transparent decisions which are subject to effective scrutiny and risk management.
- Good conduct and behaviour.
- Developing the capacity and capability of Members and Officers to be effective.

In addition, a further key element surrounds the reliability of financial reporting and internal financial controls.

4.3. Focusing on the purpose of the Authority, on outcomes for the Community and creating and implementing a vision for the local area

- 4.3.1. The Constabulary's Ambition is to consistently be the best Police Force in the Country. The Authority's vision is to support the Chief Constable to deliver that Ambition, in a way that provides best value and sees the Constabulary continuously improving its service provision.
- 4.3.2. The Police Authority is required to publish a three year Local Policing Plan, which is refreshed annually and sets out its local policing priorities and the resourcing of those priorities. The Local Policing Plan is produced jointly with the Constabulary taking into consideration any objectives set by the Government, the views of the public and the plans of other relevant bodies, such as the Community Safety Partnerships (CSPs) and the Local Criminal Justice Board. Increased emphasis is now placed on partnership working and greater importance is being attached to Local Area Agreements, which are seen as the key mechanism for delivering government initiatives and targets.
- 4.3.3. The Police Authority also publishes its own medium term Corporate Plan which sets out its objectives over the period and ensures that the Authority's resources are targeted into areas that have most impact. This is supported by an annual Business Plan which provides a twelve month snapshot of what is to be delivered towards the medium and long term objectives in the Corporate Plan.
- 4.3.4. The feedback from community engagement and consultation activities is

captured for the formalised planning process as well as providing local operational officers with more immediate information on local issues.

- 4.3.5. The application of the National Intelligence Model underpins the planning process as priorities are identified, monitored and, where appropriate, amended via the Constabulary's Control Strategy.
- 4.3.6. In determining the Local Policing Plan, both the Authority and the Constabulary need to identify and take into account those issues and factors which will substantially affect their plans. Staff in the Constabulary's Corporate Development Department regularly scan the environment to assist with the review and development of corporate strategies.
- 4.3.7. The Constabulary continually profiles its services to identify gaps in its provision. Where gaps are identified the options for closing them are carefully examined. These options include the ongoing pursuit of internal efficiencies, collaborative arrangements with other police forces or agencies and entering into partnerships with relevant service providers. Where shortfalls remain, an ongoing dialogue is opened between the Constabulary and the Police Authority to discuss the provision of additional resources by increasing the policing precept.

This process informs resource planning for the Authority and Constabulary. This is done by developing an annual "Blueprint" of the Chief Constable's professional view of resource requirements and the active scrutiny and challenge of this within the Authority. Blueprint is an effective tool for ensuring that the Constabulary and Police Authority make important resourcing decisions based on a realistic appreciation of current risks to communities and vulnerable people.

- 4.3.8. The Constabulary has a number of key control strategies which cut across the key business areas of the organisation. These strategies, which include, Human Resources, Training, Estates and ICT are approved and endorsed by the Police Authority, following a rigorous scrutiny process.

4.4. Engaging with local people and other stakeholders to ensure robust public accountability

- 4.4.1. The Police Authority has a statutory duty to consult with the public in relation to policing issues in general and specific matters, such as the level of council tax precept. The Constabulary also has a fundamental need to engage with local communities on policing in the Lancashire area.
- 4.4.2. The Authority and the Constabulary achieve this through a variety of formal and informal mechanisms, such as: the use of surveys; focus groups commissioning specific research and consultative events; public interaction through Roadshows, CSP Face the Public Meetings and Police and Communities Together meetings; the Constabulary's Independent Advisory Group network; regular dialogue with partner agencies; and consultation with the Business Community.

- 4.4.3. The Authority and Constabulary have appropriate strategies for consultation, communication and marketing that are designed to ensure effective engagement with all sections of the community and stakeholders. These strategies also aim to promote visible awareness and create a positive, informed and recognisable profile for both the Authority and the Constabulary.
- 4.4.4. The Police Authority's, 'Investors in Policing' campaign has continued to increase active public participation in the scrutiny process and ensure full use of the outcomes from their involvement. The Authority is committed to engaging with diverse groups and has developed an accessible website with a British Sign language version.
- 4.4.5. The Constabulary, through the Neighbourhood Policing programme, engages with local people to develop solutions to the issues that undermine confidence and create general feelings of insecurity. Dedicated Community Beat Managers are deployed as are all members of the extended police family including the Special Constabulary, Police Community Support Officers, volunteers, other accredited organisations, Neighbourhood Watch scheme members and partner agencies.
- 4.4.6. The Constabulary has Citizen-Focus Bureaux in each of its six territorial divisions. The bureaux play a crucial role as a point of contact for victims and witnesses who require updates on their cases, as well as ensuring that the local issues that have most impact on public satisfaction and confidence in the Constabulary are identified and dealt with appropriately.
- 4.4.7. A partnership structure for Lancashire has been agreed which is aligned to the Local Area Agreement (LAA) governance arrangements under the direction of the Lancashire Partnership Board.

The Authority and Constabulary are represented at a senior level on the Lancashire Local Strategic Partnership Board, the Safer Lancashire Board and all CSPs within the County.

4.5. Having clear responsibilities and arrangements for accountability

- 4.5.1. The Authority has clearly outlined who is responsible for the discharge of its responsibilities within its Constitutional and Procedural Standing Orders, Scheme of Delegation, Contractual Standing orders and Financial Regulations and has:
- Appointed a Chair and Vice-Chair of the Police Authority;
 - A structure of Committees appointed to discharge its responsibilities and to hold the Chief Constable to account;
 - Appointed Members to special interest roles;
 - Provided officers with job descriptions clearly defining their roles;

- An agreed Scheme of Delegation to the Chief Executive, Treasurer, Monitoring Officer and Chief Constable. These management delegation arrangements are further devolved to designated posts within the Constabulary.
- Separated the role of Chief Executive and Monitoring Officer.

4.5.2. The Authority has its relevant statutory officers in place:

Chief Executive

The Police Authority's Chief Executive acts as Clerk under Section 16 of the Police Act 1996 and Proper Officer under section 270(3) of the Local Government Act 1972.

Monitoring Officer

The Authority has appointed a Monitoring Officer under section 5 of the Local Government and Housing Act 1989. The Monitoring Officer has a statutory duty to highlight any proposals, decisions or omissions by the Authority which constitute, have given rise to, or are likely to give rise to either a breach of the law, a breach of a statutory code, or which constitute maladministration or injustice.

Treasurer to the Police Authority/Director of Resources

The Treasurer is the Authority's professional advisor on financial matters. The statutory responsibilities of the Treasurer to the Police Authority are set out in various Acts, including sections 112 and 114 of the Local Government Finance Act 1988.

It should be noted that the Director of Resources is responsible to the Chief Constable for all financial activities within the Constabulary. The Director of Resources is a key member of the Chief Constable's Management Team.

4.5.3. The Authority has a minimum attendance requirement which places a duty on Members to attend 70% of the formal meetings to which they are appointed. This provides an additional mechanism for the Authority to hold its Members to account and attendance levels will be considered during annual Members development review meetings.

4.6. Taking Informed and transparent decisions which are subject to effective scrutiny and risk management

4.6.1. The Police Authority conducts its business based around a committee structure and a scheme of delegated powers. Within this framework the Authority has formal and informal mechanisms for the monitoring and scrutiny of the performance of the Constabulary.

4.6.2. The Authority's governance arrangements have ensured that:

- Rules and procedures governing how decisions are made are in place.
- Key decisions taken by the Authority and its Committees have been taken in public meetings.
- Arrangements are in place to allow members of the public to speak at meetings.
- Information relating to those decisions was made available to the public (except where that information is exempt under the provision of Access to Information rules).
- Appropriate legal, financial, human resources and other professional advice is considered as part of the decision making process.
- Professional governance arrangements are in place for the protective services area of policing which addresses the police response to terrorism, serious crime and other major challenges to public safety.

4.6.3. The Force operates a hierarchy of decision making comprising:

- Business Group involving Chief and Deputy Chief Constable, Assistant Chief Constables and Director of Resources.
- Strategic Tasking and Co-ordinating Group involving Business Group members and Divisional Commanders/Heads of Departments.
- An Assistant Chief Constable chairs the Tactical Tasking and Co-ordinating Group involving Divisional Operations Managers (Superintendents).
- Key business and operational decision making is also undertaken locally by Divisional Commanders and Heads of Departments.

4.6.4. The Constabulary is structured to ensure there is not only a management framework where certain operational decisions must be taken at a designated level, but also one that supports and promotes a performance culture. The Chief Constable is ultimately accountable to the Police Authority for the performance of the Constabulary. The Authority is represented on a large number of Constabulary groups and sits on a number of the Constabulary's main decision making meetings. Quarterly performance review meetings are also held between Chief Officers, Members of the Authority and Divisional/Departmental Managers.

4.6.5. The Constabulary's analysis and review functions within the Corporate Development Department help to develop and provide guidance on

planning in support of the Authority's and Constabulary's objectives; to monitor, analyse and advise on performance; to identify good and bad performance; and to generate performance improvements. The Authority's members and officers are actively involved in the scrutiny of performance.

- 4.6.6. A team of skilled staff and experienced project support officers who lead the development of new projects exists within the Constabulary's Sustaining Excellence programme. The role of this team is to carry out a programme of reviews in agreed business areas to deliver changes that will help to achieve continuous improvement and sustained excellence.
- 4.6.7. The Authority and Constabulary work to identify areas of risk, assess the likely impact and seek to eliminate or reduce the consequences of those risks. The Constabulary has a corporate risk register which records details of its high level business risks. In addition, divisions and departments have their own risk registers dealing with operational risks. Risks in the divisional and departmental registers can, where appropriate, be escalated for inclusion in the corporate risk register. Both sets of registers are updated on a regular basis.

In addition to the process for managing business risks, the Constabulary has a well established process in place, which sits outside the risk register, which allows the Constabulary to identify and assess operational policing risks.

- 4.6.8. The Authority and Constabulary have business continuity arrangements in place. The Constabulary has implemented a Business Continuity Management project with the objective of complying with the Civil Contingencies Act, including the British Standard for BCM (BS 25999) and to ensure it was 'fit for purpose'. A Business Continuity Management Programme Board has responsibility for setting and monitoring the strategic direction of the implementation. Awareness raising events have been held with senior officers within the Force and over fifty Divisional and Departmental 'Champions' have been trained to develop and implement Business Continuity Plans.

4.7. Good Conduct and Behaviour

- 4.7.1. The Authority has a Code of Conduct for Police Authority Members which includes the statutory provisions contained in the model code of conduct.
- 4.7.2. Police Officers, Police Staff and the Police Authority's Officers are all subject to policies and procedures covering discipline, grievance and standards of conduct.
- 4.7.3. The Professional Standards and Citizen Focus Committee oversees the Constabulary's complaints process and operation of the Professional Standards Department.
- 4.7.4. The Audit and Standards Committee has within its remit responsibility for considering allegations of Police Authority Member misconduct and to

consider reviews and recommendations of the internal and external audit providers.

- 4.7.5. The Authority and Constabulary have arrangements in place to address fraud and corruption and also have procedures in place to enable staff to report any issues of concern in confidence. All Members of the Constabulary are encouraged to tackle unacceptable behaviour by reporting wrongdoing directly to their supervisors, managers or by leaving details through a confidential reporting telephone line. The Constabulary has procedures to support staff that do the “right thing” and bring unprofessional conduct to attention.

A formal protocol is in place between the two parties on the reporting and investigation of financial irregularities. The Authority and Constabulary also participate in the Audit Commission’s National Fraud Initiative.

- 4.7.6. The Constabulary’s Professional Standards Department is responsible for recording and investigating not only complaints from members of the public, but also allegations made by members of the Constabulary itself. The Vetting Unit is also contained within this Department and it ensures that the quality of people accepted to work within the Authority and Constabulary are of the required standard.
- 4.7.7. The Professional Standards Department uses the information gained from investigations to improve the service given to the public. Professional Standards officers work closely with local Commanders in providing them with a range of information, including trend analysis, number and types of complaints recorded and the lessons learned from complaints, misconduct and civil claims enquiries.
- 4.7.8. Meetings are held between Internal Audit and the Constabulary’s Professional Standards Department to ensure effective liaison on any irregularities/investigations/issues of misconduct.

4.8. Developing the capacity and capability of Members and Officers to be effective

- 4.8.1. The Constabulary has an Assistant Chief Constable post to oversee its “People” portfolio; a Constabulary Learning and Development Strategy has been introduced to ensure that learning and development is effectively and efficiently utilised in support of the organisation’s key strategic objectives.
- 4.8.2. The costed Human Resources Plan sets out the Constabulary’s people priorities in respect of service delivery, commitment to continuous improvement and is clearly linked to supporting agreed policing priorities. The Learning and Development Strategy aims to create a culture where learning and continuous development is valued by individuals and the organisation, being seen as integral to individual and organisational success. Both the Learning & Development and Human Resources Plans are approved by the Police Authority and its Human Resources Committee scrutinises performance against these plans on a regular basis.

- 4.8.3. All Police Authority Members are given the opportunity through an annual review process with the Chair, Vice Chair and Chief Executive to identify development opportunities and areas of business where they wish to concentrate.
- 4.8.4. The mandatory system of Performance Development Reviews for each Police Officer and Members of the Authority's and Constabulary's staff provides for the cascading of and targeting of key objectives which appear within plans. The process ensures a clear focus for individuals on those issues which are of most concern to both organisations.

5. REVIEW OF EFFECTIVENESS

- 5.1. 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.
- 5.2. The Authority has undertaken a review of the effectiveness of the system of internal audit. Regular monitoring reports and an annual report are received from the Internal Auditors and this provides the Audit and Standards Committee with an opportunity to challenge the assurances that have been obtained over the operation of key controls. In conducting their audit of the Authority, the External Auditors have also placed reliance on the work of internal audit.
- 5.3. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Authority and the Constabulary who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates in their annual audit letter and other reports.
- 5.4. The Constabulary reviews the effectiveness of systems of internal control through internal and external audit and inspection reports, policy review, the National Intelligence Model and through robust arrangements for performance review throughout divisions and departments.
- 5.5. As part of the assurance gathering process for the 2009/10 statement, certificates of assurance have been signed by the Authority's Senior Officers and the Constabulary's Chief Officer portfolio holders, which has increased ownership of the statement at a senior level in both organisations. The certificates of assurance cover all the principles set out in the Authority's Code of Corporate Governance. The certificates reveal no areas of weakness in the Authority and Constabulary's corporate governance arrangements; the arrangements are in all cases at least adequate and in the majority of areas good. To ensure continuous improvement, where the overall opinion for a control has been assessed as adequate, actions to further strengthen the control will be considered for inclusion in the corporate governance action plan.

5.6. In addition, as part of the assurance gathering process for the 2009/10 statement, supplementary certificates of assurance have been completed by the Authority's Treasurer and the Constabulary's Director of Resources. These supplementary certificates seek additional assurance that the governance requirements needed to support the Chief Finance Officers' role are in place in order to strengthen governance and financial management within the Authority and Constabulary. The certificates reveal no areas of weakness in the Authority and Constabulary's governance arrangements to support the Chief Finance Officers' role; the arrangements are in all cases at least adequate and in the majority of areas good. On the basis of these assessments, the Authority is satisfied that adequate governance arrangements to support the role of the Chief Finance Officer have been maintained throughout the year.

5.7. Audit and Inspection Opinions

Matters arising from all the audit and inspection activities below are reported to the appropriate Committees of the Authority and groups within the Constabulary and action is put in place to address recommendations arising from these reports.

5.7.1. Her Majesty's Inspectorate of Constabulary (HMIC)

The operations of the Police Authority and Constabulary are periodically inspected by Her Majesty's Inspectorate of Constabulary. Her Majesty's Inspectors of Constabulary introduced a police report card in 2009/10 which assesses each police force's performance against four themes which are of importance to the public. In 2009/10, the Constabulary was assessed as one of the joint top performing forces in the Country alongside Hertfordshire, Cleveland, Northumbria, Surrey and Merseyside.

5.7.2. Internal Audit

Internal audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation's objectives. It works to a code of practice and prepares a plan of activities that is submitted to members for approval. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources. The Head of Internal Audit reports regularly to the Chief Executive of the Police Authority and the Constabulary's Director of Resources.

Although the responsibility for maintaining and reviewing the systems of internal control rests with the Authority, it takes significant assurance from the work of internal audit. In fulfilling this responsibility, each year it receives an opinion on the overall adequacy and effectiveness of the Authority's internal control environment, which provides details of any weaknesses particularly relevant to the preparation of the Annual Governance Statement. The report for 2009/10 affirmed that an adequate level of internal control had been maintained during the year. This maintains the level reported in the 2008/09 annual report.

5.7.3. External Audit

The external auditor's annual audit letter for 2008/09 gave an unqualified opinion on the Authority's accounts for the year and recorded that they had not identified any significant weaknesses in the overall control framework. The external auditors also concluded that the Authority had proper arrangements in place to secure economy, efficiency and effectiveness in the use of resources.

5.7.4. Police Use of Resources Evaluation (PURE)

As part of the statutory audit, the Audit Commission produces an annual Police Use of Resources Evaluation (PURE) for the Constabulary and Authority. HMIC relies on this judgement and incorporates it into its baseline assessment.

The overall assessment for 2008/09, based on a scale of 1 to 4, was a 3 grade 'exceeds minimum requirements – performing well'. The Authority achieved a 3 grade 'performing well' across all three of the assessment themes, these were: managing finances, governing the business and managing resources.

5.7.5. Police Authority Inspection

In 2009/10, Lancashire Police Authority was the first police authority to be jointly inspected by Her Majesty's Inspectorate of Constabulary (HMIC) and the Audit Commission. The overall assessment of the Authority, based on a scale of 1 to 4 was a 3 grade 'exceeds minimum requirements – performing well'. The Inspection consisted of 4 assessment themes and the Authority's scores were as follows: Setting Strategic Direction and Priorities – 3, Engaging with Communities - 4, Performance Scrutiny – 3, and Ensuring Value for Money - 2.

5.7.6. Good Governance Self Assessment Survey

The Authority has undertaken a good governance self assessment survey, which was administered by the Audit Commission. The overall response to this survey was very positive and the Audit Commission indicated that there were no areas of great concern. The areas with the strongest responses were around the Authority achieving outcomes; Members and Staff being clear about their roles; and the availability of good quality advice to Members.

6. PROGRESS AGAINST EACH OF THE SIX PRINCIPLES OF GOOD GOVERNANCE IN 2009/10

6.1. Focusing on the purpose of the Authority, on the outcomes for the Community and creating and implementing a vision for the local area.

6.1.1. The Authority and Constabulary have developed the Local Policing Plan 2010-13 through a Joint Planning Working Group and this plan has been

approved by the Authority. The plan sets out the agreed policing objectives for 2010/11 which have been developed to take account of consultation with the public. The Plan is accessible to members of the public through both organisations' websites and an easy read version is made available to improve accessibility.

- 6.1.2. The Local Policing Plan clearly communicates the Chief Constable's ambition for the policing service within Lancashire. The Authority's ambition is set out within its Corporate Plan; it directly supports that of the Chief Constable and can be accessed via the Authority's website. New regulations were introduced in March 2010 requiring police authorities to include a value for money (VFM) statement in the Local Policing Plan. In Lancashire, this was picked up by the Planning Working Group and a statement has been included in the 2010/2013 Plan.

The Constabulary reports on areas of performance against targets in the Local Policing Plan to the Authority's Planning and Performance Review and other Committees as relevant to their area of business.

- 6.1.3. Due to the current economic climate, the Blueprint process has increased in importance during the 2010/11 round of planning. Following detailed consideration of the blueprint document, the Authority identified the need for additional investment to improve the delivery of protective services policing, through investment in an Automatic Number Plate Recognition (ANPR) system. Public consultation results supported additional investment in policing and the Police Authority was able to provide additional funding from council tax and through significant efficiency savings.
- 6.1.4. During 2009/10, the Police Authority has embedded its Scrutiny Plan to run alongside other performance management arrangements. The focus has been around areas deemed to be of importance within the Local Policing Plan, but not subject to scrutiny via a formal mechanism. The Authority has received position statements on the Scrutiny Plan throughout 2009/10 and will continue to use an Annual Scrutiny plan to help drive performance improvements. The Authority's approach to performance scrutiny was held up as a national example of good practice by the Audit Commission and HMIC in a thematic report issued following the first ten police authority inspections.

6.2. Engaging with local people and other stakeholders to ensure robust public accountability

- 6.2.1. New approaches to engagement have been introduced which have enabled the Authority to connect with a greater number of members of the public. These have included supermarket road shows, development of social media platforms, new approaches to engagement with young people and creation of an internet based public consultation portal. Some community engagement activity has been carried out in conjunction with local partners, with partners participating in Authority events and vice versa. This has particularly centred around the Authority supporting a number of CSPs' 'Face the Public' community engagement

meetings. The CSPs also supported the Authority in the delivery of its annual divisional consultation events. The website created for the Typecast awards youth engagement project won an award for best website from the British Association for Communicators in Business.

- 6.2.2. Regular dialogue takes place between the Authority/Constabulary and partner agencies. Stakeholder and partnership engagement has been significantly developed to raise awareness of the Authority, particularly with reference to demonstrating effective performance, delivery of business objectives and work programmes, and (particularly in the current economic environment) evidencing that the Authority provides value for money. As part of this engagement with stakeholders, the Authority created an 'Evidence of our Achievements' book which has won the overall Northern Communicators in Business Communication of the year award, the best publication award and a certificate of merit for design.
- 6.2.3. Further work has been undertaken throughout the year to improve governance arrangements in respect of partnerships and this has been overseen by the Authority and Constabulary's Joint Good Governance Working Group. The Constabulary has agreed a policy and supporting procedures for managing strategic partnerships and is currently undertaking reviews of partnerships on a risk basis. The recommendations from these reviews will be agreed and monitored through the Constabulary's Citizen Focus Board.

The Authority has also mapped its partnership activity and is currently in the process of producing a partnerships policy and toolkit. Once the policy has been approved, evaluation of the Authority's partnerships will be undertaken.

The Authority and Constabulary have both appointed Partnerships Officers who have responsibility for ensuring that the identification, management and monitoring of partnerships is carried out effectively.

- 6.2.4. The Authority has consulted with representatives of the business community, Lancashire MPs and Lancashire Councils on its proposals for the Revenue Budget and Capital Programme for 2010/11.

6.3. Having clear responsibilities and arrangements for accountability

- 6.3.1. The joint Authority and Constabulary Good Governance Working Group has been involved in a number of activities throughout the year focused on improving internal controls and accountability. These include reviewing the certificate of assurance process and the Authority and Constabulary's assurance maps which highlight where assurance can be gained that the key controls, put in place to manage the principal risks to the delivery of their objectives, are operating adequately and effectively. The Group has also been responsible for overseeing the development of the Authority and Constabulary's arrangements for the governance of partnerships.
- 6.3.2. The Authority has approved an overarching Constitution during 2009/10

which has brought together existing Authority procedures and systems in order to enhance the Authority's governance arrangements.

- 6.3.3. To ensure the Constabulary is truly citizen focused and provides a quality service, the Sustaining Excellence programme has continued apace. Each Chief Officer has a number of strategic projects aligned to them for delivery as part of this initiative. The Police Authority actively participate in the project boards and steering groups that oversee this programme as part of their ongoing duty to ensure continuous improvement in the delivery of policing services.

6.4. Taking Informed and transparent decisions which are subject to effective scrutiny and risk management

- 6.4.1. The Investors in Policing campaign is now an established way for the Authority to demonstrate transparency in the scrutiny process and to explain that the investment the public makes through council tax payments entitles local people to scrutinise the police service.
- 6.4.2. The Constabulary has undertaken a full review of its risk management arrangements and a new policy and updated procedures have been introduced. The escalation of risks between Divisional/Departmental Registers and the force-wide strategic risk register is now considered on a quarterly basis by the Risk Management Group. The Strategic Register is also reviewed on a quarterly basis by the Authority and Constabulary's Planning Working Group. This has helped to improve the Authority's oversight of the Constabulary's arrangements for risk management.

The Authority has also been developing a formal system to address its own risks and a policy and strategy have been approved during the year. Two risk registers containing strategic and operational risks have been established for the Authority and these are separate from the Constabulary's register. On a quarterly basis, senior managers review both registers and the Improvement and Scrutiny Group monitors the strategic register.

- 6.4.3. Following the completion of reviews of a number of its support functions, the Constabulary has embarked on a programme of Organisational Reviews (ORs) designed to ensure that operational policing areas continue to operate efficiently and effectively, whilst releasing significant efficiency savings to assist the Force in the current financial climate. The programme is subject to robust project management and is supported by a Governance Board which ensures that the process is quality assured to provide consistency and continuous improvement. The Police Authority is represented on the majority of individual Organisational Reviews, with Members and senior officers taking a quality assurance role in the review boards and participating in the preparation of recommendations and suggestions for savings and efficiencies.
- 6.4.4. The Authority has established a Protective Services Panel to fully scrutinise the Constabulary's protective services activity and to report back to the wider Authority. A small group of Members and Officers

have been vetted to an appropriate level to enable them to become involved in this work. Members of the Panel have been provided with a familiarisation day to help them better understand this complex area of policing and the Force's response. The Panel has established a suite of performance indicators to monitor the Constabulary's performance in this area and has been provided with a report on professional governance arrangements that the Constabulary has in place for protective services.

- 6.4.5. The Constabulary's data handling and assurance processes are governed by National (NPIA) Codes of Practice for the Management of Police Information (MOPI). This comprises in excess of 300 compliance measures for information handling and over 200 compliance measures for information security (Association of Chief Police Officers (ACPO) Community Security Policy (CSP)) and Business Continuity. External validation of compliance levels is undertaken twice yearly and demonstrates that improvement has been made, with MOPI compliance currently assessed at 90%. The Force's ACPO CSP compliance is also currently assessed at 76%. Action plans are in place to further increase compliance during 2010/11.

6.5. Good Conduct and Behaviour

- 6.5.1. The Authority has taken a number of steps during the year to enhance its ethical governance framework. These include: the approval of a procedure for considering requests by Members for a dispensation when they have a prejudicial interest; the development of a process to ensure that lessons are learnt from Lay Members reports from their observation at Authority meetings; and the introduction of dip sampling of the Members Register of Interests.
- 6.5.2. The Authority has adopted broader terms of reference for its Professional Standards Committee which includes the consideration of the confidence and reassurance agenda, including information in respect of the policing pledge and confidence/satisfaction data. This enables links to be made between police officer conduct and wider quality of service issues.

6.6. Developing the capacity and capability of Members and Officers to be effective

- 6.6.1. The Authority has improved its systems and processes for Member Learning and Development and has been awarded the Level 1 Member Development Charter. The Authority has also been awarded the Municipal Journal Award for Innovation in its member development. Changes made include: a new Member Development Strategy, revised Member role statements, new processes to support the annual member development meetings, a revised training evaluation template and buddying framework. More frequent consideration has been given to Member succession during the year, including having regard to the changes in membership expected in 2011. New members have been encouraged to get involved in different aspects of the Authority's work from an early stage.
- 6.6.2. The Constabulary has established a Strategic Resourcing Group which

makes the link between financial and people resources. Workforce Planning is shared and developed under the guidance of this Group, taking the 5 year financial forecast, as well as predictions about potential impact on police officers and police staff, in order to determine the budgeted strength and recruitment needs for the Constabulary.

- 6.6.3. Following feedback received from the 2009 Investors in People Assessment and the 2009 Staff Survey, the Constabulary has produced a revised People Development Plan which sets out the priorities and key development actions for learning and development up until 2011.

7. PROGRAMME OF IMPROVEMENT FOR GOVERNANCE ISSUES

The Police Authority and the Constabulary are not complacent and recognise that the system of control must be subject to continuous review to ensure it operates effectively. The Annual Governance Statement has identified areas where further improvements are required and a summary of the areas where the Authority and Constabulary will concentrate their efforts over the coming year is set out below. The implementation and operation of these actions will be monitored by the Audit and Standards Committee during 2010-11.

7.1. Partnerships

As detailed in Section 6.2.3, during the period covered by this statement, the Authority and Constabulary have sought to enhance the governance arrangements for partnerships. However, it is recognised that there is still further work to be undertaken. Therefore, during 2010/11, the Authority and Constabulary will undertake further work to fully embed their respective partnership policies, assess the benefits of partnership activity and begin to routinely monitor involvement in partnerships and the value they are adding to the achievement of the Authority's and Constabulary's key objectives.

7.2. Risk Management

Work will continue throughout 2010/11 to further embed the principles of risk management within the day to day business of the Authority. The Authority and Constabulary will also work together to ensure that appropriate links are being made between their respective risk management frameworks.

7.3. Value for Money

In the context of the significant financial challenges facing the public sector over the new few years, both the Authority and Constabulary now need to work harder to ensure that excellent services are maintained with fewer resources. The Local Policing plan 2010-2013 includes a Value for Money statement which sets out in detail the approach which will be taken to deliver significant financial savings whilst ensuring that service delivery is maintained at the highest standard. The first stage of this will deliver £10m efficiencies by 31 March 2011. The Authority will ensure that the previous good performance in delivering value for money and significant efficiencies (over £31m delivered in the period 2008- 2011) will form the basis of a VFM strategy which will ensure that high quality, high performing policing is delivered which is at an acceptable costs to Lancashire residents.

7.4. Police Authority Internal Complaints Procedure

Following an internal audit investigation into a complaint received from a member of the public, the Authority will make general improvements to its internal complaints handling procedures during 2010/11.

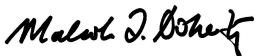

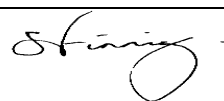
7.5. Good Governance Survey

As noted in section 5.7.6, the overall response to this survey was very positive. The Audit Commission noted some minor areas with scope for improvement. In particular, these related to: committees reviewing their own performance; arrangements for/use of external challenge; and acting on staff views. Work will be undertaken to address these issues in 2010/11.

8. ASSURANCE SUMMARY

No system of internal control can provide absolute assurance against material misstatement or loss; this statement is intended to provide reasonable assurance.

However, on the basis of the review of the sources of assurance set out in this Statement, we are satisfied that Lancashire Police Authority and Lancashire Constabulary have in place satisfactory systems of internal control which facilitate the effective exercise of their functions and which include arrangements for the management of risk.

	Signature	Date
M T Doherty Chair, Lancashire Police Authority		1 June 2010
M Carruthers-Watt Chief Executive, Lancashire Police Authority		1 June 2010
S Finnigan Chief Constable, Lancashire Constabulary		1 June 2010