

ANNUAL GOVERNANCE STATEMENT 2008/09

1. SCOPE OF RESPONSIBILITY

- 1.1 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.
- 1.2 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.
- 1.3 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.
- 1.4 This statement has been prepared for the 2008/09 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.

2. PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 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.

- 2.2 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.
- 2.3 The detailed controls outlined below represent those in place at 31 March 2009 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.

3. THE GOVERNANCE FRAMEWORK

- 3.1 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.

3.2 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.

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

- 3.3.1 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.
- 3.3.2 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 Crime and Disorder Reduction Partnerships (CDRPs) 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.
- 3.3.3 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.
- 3.3.4 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.
- 3.3.5 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.
- 3.3.6 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.
- 3.3.7 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.

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

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

- 3.4.1 The Police Authority has a statutory duty to consult with the public in relation to policing issues in general and specific issues, such as the level of council tax precept. The Constabulary also has a fundamental need to engage with local communities on policing issues.
- 3.4.2 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, Crime and Disorder Reduction Partnership's 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.
- 3.4.3 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.
- 3.4.4 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.

3.5 Having clear responsibilities and arrangements for accountability

3.5.1 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.

3.5.2 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.

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

3.6.1 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.

3.6.2 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.

3.6.3 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.

3.6.4 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.

- 3.6.5 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.
- 3.6.6 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. This team's role is to commission systematic reviews of the Constabulary and deliver changes that will help to achieve continuous improvement and sustained excellence.
- 3.6.7 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.
- 3.6.8 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 with in the Force and over fifty Divisional and Departmental 'Champions' were trained to develop and implement Business Continuity Plans.

3.7 Good Conduct and Behaviour

- 3.7.1 The Authority has a Code of Conduct for Police Authority Members which includes the statutory provisions contained in the model code of conduct.
- 3.7.2 Police Officers, Police Staff and the Police Authority's Officers are all subject to policies and procedures covering discipline, grievance and standards of conduct.
- 3.7.3 The Professional Standards Committee has been established to oversee the Constabulary's complaints process and operation of the Professional Standards Department.
- 3.7.4 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.

- 3.7.5 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.

- 3.7.6 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.

- 3.7.7 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.

- 3.7.8 Meetings are held between Internal Audit and the Constabulary’s Professional Standards Department to ensure effective liaison on any irregularities/investigations/issues of misconduct.

3.8 Developing the capacity and capability of Members and Officers to be effective

- 3.8.1 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.

- 3.8.2 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.

3.8.3 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.

3.8.4 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.

3.9 Reliability of financial reporting and internal financial controls.

3.9.1 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.

3.9.2 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 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 Constabulary and Authority produce a five year medium term revenue financial plan and a five year capital programme. These are considered in detail at regular intervals by the constabulary's senior management team and the Police authority and form the basis of detailed 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 and makes an assessment of the adequacy of the overall reserves available to underpin the authority's finances.

- 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 and takes into consideration the impact of capital investment on the revenue budget.
- In 2008, the Home Office published the efficiency and productivity strategy for the police service for 2008-2011 and emphasized that securing efficiencies would be considered a core responsibility for Police Authorities. The Authority has set a 9.3% efficiency target for the period 2008/09 - 2010/11. In respect of 2008/09, efficiency targets of 3% of net expenditure, half of which are cashable were required and this target has been achieved.

4. REVIEW OF EFFECTIVENESS

- 4.1 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.
- 4.2 The Authority has undertaken a review of the effectiveness of the system of internal audit. In addition, 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.
- 4.3 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.

- 4.4 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.
- 4.5 As part of the assurance gathering process for the 2008/09 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.

4.6 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.

4.6.1 Her Majesty's Inspector of Constabulary (HMIC)

The operations of the Police Authority and Constabulary are periodically inspected by Her Majesty's Inspector of Constabulary and, in recent inspections, the Constabulary was the only force in the Country to exceed the standard in Neighbourhood Policing and one of only three forces to exceed the standard on Citizen Focus.

4.6.2 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 2008/09 affirmed that an adequate level of internal control had been maintained during the year. This maintains the level reported in the 2007/08 annual report.

4.6.3 External Audit

The external auditor's annual audit letter for 2007/08 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.

4.6.4 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 2007/08, based on a scale of 1 to 4, was a 4 grade 'well above minimum requirements – performing strongly'. The Authority achieved a 4 grade 'performing strongly' across three of the five assessment themes, these were: financial management, financial standing and value for money. The Authority achieved a 3 grade for the remaining two themes of: financial reporting and internal control. The overall score of 4 in 2007/08 represented an improvement on the 2006/07 assessment.

5. PROGRESS AGAINST EACH OF THE AUTHORITY'S SIX PRINCIPLES OF GOOD GOVERNANCE IN 2008/09

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

5.1.1 The Authority and Constabulary have developed the Local Policing Plan 2009-11 through a Joint Planning Working Group and this plan has been approved by the Authority. The plan sets out the agreed policing objectives for 2009/10 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.

5.1.2 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.

The Constabulary reports on areas of performance against targets in the Local Policing Plan to the Authority's Planning and Performance Review Committee.

- 5.1.3 Due to the current economic climate, the Blueprint process has increased in importance during the 2009/10 round of planning. Following detailed consideration of the blueprint document, the Authority identified the need for additional investment to improve service delivery, particularly in the Constabulary's Public Protection Units which aim to safeguard the most vulnerable members of the community. 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.
- 5.1.4 During 2008/09, the Police Authority developed its first scrutiny plan to run alongside existing performance management arrangements. The focus was 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 2008/09 and will use an Annual Scrutiny plan to help drive performance improvements.

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

- 5.2.1 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. Its success has been such that the Authority has been invited to local and national conferences to provide information about this initiative. Over 60% of people surveyed in 2008 had heard of the Police Authority and could identify its role.
- 5.2.2 The Authority is committed to engaging with diverse groups. It has developed an accessible website with a British Sign language version. The Authority was successful in winning the Association of Police Authorities (APA) 2008 Recognising Excellence Award for Innovation for its website. The award recognised the Authority's work to ensure that its website was user-friendly and accessible to the widest possible audience.
- 5.2.3 A joint Authority/Constabulary citizens' panel consults 4000 local residents via postal survey three times a year. This is supported by Police Authority online surveys and a postal survey distributed to over 1000 individuals on a consultation database.
- 5.2.4 The Police Authority has commissioned specific research including surveys, focus groups, face to face interviews and on-street surveys. In addition specific consultative events have been undertaken to identify how accountable local people felt police authorities to be.
- 5.2.5 Following a full review, the Authority agreed to discontinue its Police Authority Community Meetings and instead focus upon developing a more collaborative approach to community engagement alongside the Constabulary and other partners. This was to reduce duplication and to

emphasise the joint nature of working on crime and disorder related issues. This has resulted in the Authority supporting a number of Crime and Disorder Reduction Partnership's 'Face the Public' community engagement meetings. The Crime and Disorder Reduction Partnerships have also agreed to support the Authority in the delivery of its annual divisional consultation events. Informal mechanisms for community engagement have also been improved and developed to generate greater interest and maximise opportunities for all local residents to be involved. Performance management shows that although satisfaction levels are high, there are areas of concern about follow up and keeping victims and witnesses fully informed.

- 5.2.6 Citizen-Focus Bureaux that have been introduced in each of the Constabulary's six territorial divisions. The bureaux will 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.
- 5.2.7 Regular dialogue takes place between the Authority/Constabulary and partner agencies.

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/Constabulary are represented at a senior level on the Lancashire Local Strategic Partnership Board, the Safer Lancashire Board and all CDRPs within the County. During 2008/09, the Authority has completed a mapping exercise of all the public consultation activities undertaken by the CDRPs and will be exploring, via the Officer Group of the Safer Lancashire Board, information sharing arrangements for Constabulary PACT priorities.

The Constabulary has begun a strategic review of Partnerships. The major partnerships, where there is a financial and/or officer/police staff contribution, have been mapped and a risk matrix produced. These risks will feed into the Constabulary's corporate risk register.

- 5.2.8 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 2009/10. It has introduced an e-newsletter "Viewpoint" for all elected councillors, MPs and peers.

5.3 Having clear responsibilities and arrangements for accountability

- 5.3.1 A joint Authority and Constabulary Working Group meets on a quarterly basis to ensure compliance with the principles of good governance and to oversee developments in governance. This Group has been involved in a number of activities throughout the year focussed on improving internal controls and accountability. These include introducing a certificate of assurance process and mapping where the

Authority and Constabulary can gain assurance that the key controls, put in place to manage the principal risks to the delivery of their objectives, are operating adequately and effectively.

5.3.2 To ensure the Constabulary is truly citizen focussed and provides a quality service, the Sustaining Excellence programme has been developed. 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.

5.3.3 The Authority has introduced 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.

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

5.4.1 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.

5.4.2 The Constabulary has undertaken a full review of its risk management arrangements and the Authority has been developing a formal system to address its own risks. There has been ongoing liaison between the Authority and Constabulary to ensure a level of consistency in the risk management frameworks and to enable the Authority to effectively scrutinise the force's risk management arrangements. The arrangements have been subject to an internal audit review which concluded that the system of internal control over the operation of risk management arrangements has adequate controls to achieve its objectives. The Authority has benchmarked risk management processes with other Authorities through the Northern Police Authorities group.

5.4.3 The Constabulary has embarked upon a wide ranging Organisation Support Review (OSR) programme to ensure that administrative and support functions are delivered effectively and efficiently. 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 all individual Organisational Review Project Boards, with Members taking a quality assurance role in the review boards and participating in the preparation of recommendations and suggestions for savings and efficiencies.

5.4.4 The Police Authority has introduced a vetting policy to ensure the security of police and government assets and to prevent operational

compromise. In addition to vetting for all Members and officers, the policy provides for a small group of Members and the Chief Executive to be vetted to an appropriate level to enable them to fully scrutinise the Constabulary's protective services activity and report back to the wider Authority on this area of policing.

5.5 Good Conduct and Behaviour

5.5.1 The Authority has taken a number of steps during the year to enhance its ethical governance framework. These include: the development of effective systems and procedures for the local assessment of misconduct allegations against Members of the Authority; appointing Audit & Standards Committee Members as Standards Champions; Lay Members of the Committee observing other Authority meetings to ensure ethical standards are upheld; and the introduction of bi-annual liaison meetings between the Chair of the Authority and the Chair of the Audit & Standards Committee.

5.5.2 The Authority has changed the format of its Professional Standards Committee to allow two meetings each year to be held as a Working Group. This has enabled Members to understand and scrutinise in greater depth than is possible through the formal committee process, the issues and challenges facing the Force in relation to professional standards. The Working Group has considered arrest processes and the use of TASER amongst other things.

5.5.3 In December 2008 the Government introduced the new Police (Conduct) and (Performance) Regulations which govern the performance and misconduct regime for police officers. In response to these changes the Constabulary appointed a new post of Case Review Officer to the Professional Standards Department to ensure that all conduct matters were dealt with inline with the new regulations. All those involved with handling the new regime including officers in the professional standards and HR departments, line managers and ACPO officers all received training on their involvement. In addition, a programme of awareness raising events has taken place to ensure middle managers across the organisation understand the new regulations. One of the Authorities officers is involved in the APA Practitioners group on Misconduct.

The Authority has amended its Business Interest Appeals and Police Appeals Tribunals procedures in line with the new regulations. Relevant officers and members have received training on the Authorities role within the new system. The Authority has also been involved in a regional appointment process for Independent People to sit on misconduct hearings due to changes arising from the new Regulations.

5.6 Developing the capacity and capability of Members and Officers to be effective

5.6.1 The Authority has reviewed its arrangements for Induction Training following the publication of the Association of Police Authorities (APA)

Model Standard for Induction Training in 2008. All relevant knowledge within the APA framework has been incorporated within a series of eight bespoke training modules and delivery has been tailored to meet local circumstances.

- 5.6.2 Significant implementation activity has taken place arising from the Constabulary's Learning and Development Strategy. This work has included: the introduction of a revised Probationer development programme and a Leadership Development Framework; the implementation of quality assurance processes for training; and the implementation of a Race and Diversity Learning Programme.

6. 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 2009-10.

6.1 Partnerships

- 6.1.1 As detailed in Section 5, during the period covered by this statement, the Constabulary has sought to enhance the governance arrangements for partnerships. In particular, strategic partnerships have been mapped and a risk register produced which will feed into the Constabulary's corporate risk register. However, it is recognised that there is still further work to be undertaken.
- 6.1.2 Therefore, during 2009/10, it is proposed to continue developing a corporate framework for the management of the Constabulary's remaining major partnerships. It is intended that in future corporate responsibility for partnerships will sit within the portfolio of the Deputy Chief Constable with day to day responsibility cascaded down through the relevant chief officer to divisional commanders and department heads as appropriate.
- 6.1.3 In addition, both the Authority and Constabulary will undertake further work to fully assess the benefits of partnership activity and develop effective systems to routinely monitor its involvement in partnerships and the value they are adding to the achievement of policing objectives.
- 6.1.4 The Authority's Chief Executive has secured additional funding for a temporary Partnerships and Policy Officer and this resource will be used to undertake a review of the partnerships that the Authority is involved in.

6.2 Risk Management

- 6.2.1 Work will continue throughout 2009/10 to further embed the principles of risk management within the day to day business of the Authority / Constabulary and their respective partnership arrangements.
- 6.2.2 The Authority and Constabulary will take forward appropriate recommendations from a recent review of risk management undertaken by their Internal Auditors. In particular, to demonstrate that key risks to the achievement of business objectives are being properly managed individual risks will be cross referenced to the business objectives that they potentially affect. In addition, Police Authority and Constabulary staff will continue to work together to ensure a level of consistency between the risk management frameworks operating within the two organisations.

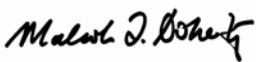

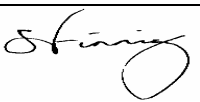
6.3 Contingency Procedures

- 6.3.1 The Authority is applying for the North West Member Development Charter. This process will assist in further improving learning and development arrangements and ensuring Member's skills and expertise are effectively aligned to the business of the Authority. In terms of succession planning, the Charter will strengthen the Authority's ability to identify potential skills gaps when preparing for appointments and to provide training which enables new Members to fully contribute at the earliest opportunity.
- 6.3.2 The Constabulary will continue to jointly develop with partners local and regional business continuity plans. A schedule to test these plans is being developed and lessons learnt through this testing will be used to improve plans and ensure they are as robust as possible.

7. 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 2009
M Carruthers-Watt Chief Executive, Lancashire Police Authority		1 June 2009
S Finnigan Chief Constable, Lancashire Constabulary		1 June 2009