

DRAFT

Summary of the Interim Guidance Note for Police Authorities and Forces in England and Wales – Key areas of focus

As noted in the body of the report, the Interim Guidance recognises that policing is different to other local government structures and that some of the key terms used in the CIPFA / SOLACE guidance do require specific interpretation in a policing context. For example, 'Chief Executive' may refer to the Chief Officer of the force or the Chief Executive of the police authority, depending on the context.

One of the initial pieces of work to be carried out by the Corporate Governance Coordination Group will be to examine how the specifics of the guidance relate to the unique governance structure of the MPS. The summary below is based on the current version of the Guidance Note so needs to be interpreted with this in mind.

Good Governance in Policing

Governance is about how police authorities and forces ensure they are doing the right things, in the right way, for the right people "in a timely, inclusive, open, honest and accountable manner".

It comprises the systems and processes, cultures and values by which the organisation is directed and controlled. It also shows clearly how the organisation is accountable to communities, and how they engage in order to appropriately receive direction and support.

Policing requires a different style of governance from local authorities:

The Police Authority: provides governance, not delivery. The Chief Executive devolves operational responsibility to Chief Officers of the force.

The Police Service: operational delivery vehicle with devolved functions given to the Commissioner.

Police Authorities have a corporate decision making process, to challenge and monitor force activity and to act as an agent for scrutiny.

Role of the Chief Officer (the Commissioner)

The Chief Officer of the force has operational responsibility. His/her main roles are as follows:

Responsible and accountable for all operational matters undertaken by the service;

Exercises delegated financial responsibility for service expenditure through a delegation framework which is set by the police authority;

Develops arrangements and processes to support the policing objectives set by the authority, outlined in the local policing plan;

Prepares the draft policing plan based on these objectives, which will be submitted to the police authority for its consideration;

Manages priorities and strategic issues facing the service, including risk management;

Monitors and manages operational and financial performance against plans;

Prepares an initial draft annual report on policing of the area which is subject to approval or change by the authority;

Direction and control of all police officers and staff employed solely to assist the service.

The police service is **accountable** to central government, regulators and the police authority in the following ways:

The Chief Officer (Commissioner) is accountable to the police authority for his actions and for those of persons under his direction and control;

Police performance is measured through the Police Performance Assessment Framework (PPAF), which from 2008 will include a wider focus on community safety outcomes achieved by partnerships, to be known as the Assessment of Policing and Community Safety (APACS). Police performance is monitored by the police authority using this framework;

Her Majesty's Inspectorate of Constabulary (HMIC) conducts inspections on a regular basis and reports to the Home Secretary on the efficiency and effectiveness of the service. It also has a statutory duty to keep itself informed of police complaints and discipline issues. This supports the maintenance of sound corporate governance processes by ensuring agreed standards are achieved and maintained and that performance is improved. HMIC can also carry out inspections over and above the normal programme. HMIC is completely independent of the Government and the MPS, and the Chief Inspector provides independent advice to the Home Secretary on areas requiring systemic improvement;

Where a police service is under-performing, the Home Secretary has the power to direct the police authority to take remedial action to ensure the service improves;

The Independent Police Complaints Commission (IPCC) is tasked with overseeing the police complaints system. It ensures the police service and its officers act in accordance with police professional standards and that any alleged breaches of those standards are investigated in a manner that maintains public confidence.

Partnerships

There are a number of partners with whom authorities and the police service work in order to effectively carry out their functions, and appropriate links also need to be made in considering how good governance can be extended to this partnership work. These partners include:

- Local authorities
- Crime and Disorder Reduction Partnerships/Community Safety Partnerships
- Local Strategic Partnerships
- Local Criminal Justice Boards
- Independent Police Complaints Commission
- Standards Board for England and Adjudication Panel or the Public Service
- Ombudsman for Wales
- Bodies representing staff and officers, such as unions or the Police Federation
- Independent custody visitors
- Other police forces and authorities
- Partners involved in providing for civil contingencies
- National level policing organisations, such as Serious and Organised Crime Agency,
- National Policing Improvement Agency
- The Improvement & Development Agency for Local Government (IDeA).

Guidance on Risk Management

Good governance requires that risk management is embedded into the culture of the organisation, with members and officers at all levels recognising that risk management is part of their job.

At the highest level, risk management must be closely aligned to the organisations' strategic objectives, ensuring that there is a clear focus, at the top of the organisation, on those significant risks that would prevent the organisation achieving its key business objectives.

The risks arising from and within partnerships and other joint working arrangements should be identified as part of the risk management process.

The police authority and service should, therefore, be able to demonstrate that risk management has been embedded in its corporate business processes, including:

- strategic planning
- financial planning
- service delivery
- policy making and review
- project management
- performance management.

Equally, in putting in place robust risk management arrangements, the police service should also be able to demonstrate some or all of the following:

- a risk management process that is reviewed and updated at least annually;
- relevant training and guidance for all appropriate staff engaged in risk management to enable them to take responsibility within their own working environment;
- risk management awareness training for all appropriate officers and staff;
- regular risk management reporting to the responsible service board or committee, which takes appropriate action to ensure arrangements are in place to actively manage corporate business risks. The board/committee could be either the service management team or a subcommittee of the management team chaired by a Chief Officer;
- regular risk management reporting to the responsible authority committee;
- consideration by the organisation of positive risks (opportunities) as well as negative risks (threats), linked to benefits management and commercial aspects of policing activity;
- a chief officer champions and takes overall responsibility for embedding risk management throughout the force.

Local Code of Corporate Governance

The Good Governance Framework urges police authorities to develop and maintain a local Code of Corporate Governance consistent with the principles of good governance set out in the Framework, including arrangements for ensuring its ongoing application and effectiveness. Organisations will then conduct an annual assessment of the extent to which they have met the aspirations set out in the Code, which will be summarised in an **Annual Assurance Statement**.

The Annual Assurance Statement

It will be a requirement for all Police Forces to produce a clear report detailing how they have achieved proper governance standards in each financial year. This statement will be published within the annual Statement of Accounts and replaces the current MPS Statement of Internal Control (SIC). This is a statutory requirement within Regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006.

Police forces must consider what assurance frameworks and structures they need to put in place to provide evidence to support the Annual Assurance Statement throughout the year, so that governance issues can be reported to members throughout the year. A specific committee might wish to consider and monitor such an assurance framework as part of its remit, and it is suggested that for the MPA it is the Corporate Governance Committee.

(The MPA will be required to produce an Annual Governance Statement. This will replace the published MPA Statement of Internal Control.)

The following section provides an example of the key content to be included in the AAS.

Example Force Annual Assurance Statement

Position as at [date] including plans for the financial year [date]

1. SCOPE OF RESPONSIBILITIES

The Chief Officer of XXX Force/Constabulary is responsible for the direction and control of the Force. In discharging his/her functions, the Chief Officer shall have regard to the local policing plan issued by the police authority for his area. In addition, the Chief Officer will have responsibility where the Police Authority delegates its functions in respect of securing an efficient and effective police force. In this regard, the Chief Officer is responsible for ensuring the Force's business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Chief Officer is also responsible for putting in place proper arrangements for the governance of the Force and facilitating the exercise of its role, which includes ensuring that arrangements are in place for the management of risk.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values through which the Force manages its activities. It enables the Chief Officer to monitor the achievement of Force objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.

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

The governance framework has been in place at the Force for the year ended [date] and up to the date of approval of the [annual report and statement of accounts].

3. THE GOVERNANCE FRAMEWORK

[This section describes the key elements of the systems and processes that comprise the governance arrangements that have been put in place for the Force. It should include reference to the overarching structures that have been put in place to deal with these areas and should be tailored to the specific arrangements put in place by the Force.]

- *Process for setting objectives and targets that support the policing priorities outlined in the Annual Policing Plan including reporting to Police Authority.*

- *Decision making structures for establishing priorities and considering strategic issues facing the force.*
- *The monitoring processes by which performance against operational, financial and other strategic plans are considered and key issues identified and tasked.*
- *The Risk Management process by which the force identifies and seeks to mitigate key risks.*
- *Developing, communicating and embedding codes of conduct and defining the standards of behaviour for officers and staff.*
- *Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks.*
- *Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.*
- *Processes for receiving and investigating complaints from the public, and citizen and other redress, and providing reports to the authority.*
- *Determining the conditions of employment and remuneration of officers and staff, within appropriate national frameworks.*
- *Identifying the development needs of officers and staff in relation to their roles, supported by appropriate training and linked to the printer of the Force.*
- *Establishing clear channels of communication with all sections of the community and other stakeholders on priorities and plans.*
- *Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships].*

4. REVIEW OF EFFECTIVENESS

The Chief Officer has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework and system of internal control within the Force. The review of the effectiveness is informed by the work of the director of finance, internal audit and managers within the Force who have the responsibility for the development and maintenance of the governance environment. In addition, comments made by the external auditors and other review agencies and inspectorates have informed this review.

Describe the roles and process that have been applied in maintaining and reviewing the effectiveness of the governance framework, including some comment on the role of the following processes/boards:

- *performance management*
- *risk management*
- *Professional Standards*
- *internal audit*
- *other explicit review/inspection mechanisms*
- *overall assurance framework and reporting to Authority*

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the performance management/risk management board/and (*amend list as appropriate*), and a plan to address weaknesses and ensure continuous improvement of the system is in place.

5. SIGNIFICANT GOVERNANCE ISSUES

[From review of effectiveness, outline significant governance issues and actions taken or proposed to address issues.]

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

Signed

[Name]

Chief Officer of XXXXXXXX Police Force/Service/Constabulary