

Annual Governance Statement

Scope of Responsibility

The Kent Police Authority and the Chief Constable of Kent Police are responsible for ensuring that their 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. Kent Police Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority and the Chief Constable are responsible for putting in place proper arrangements for the governance of their affairs, facilitating the effective exercise of their functions. This includes arrangements for the management of risk.

The Authority has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework for Delivering Good Governance in Local Government.

A copy of the Code is on the Authority website at www.kentpoliceauthority.gov.uk, or can be obtained from the Treasurer at Kent Police Authority, Gail House, Lower Stone Street, Maidstone, Kent ME15 6NB. This statement explains how the Authority has complied with the Code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement of internal control.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled. It describes the activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, 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 current governance framework was originally approved by the Authority in June 2007 and will have remained substantially in place continuously up to the date of the Statement of Accounts for 2009/10 being submitted for approval by the Audit and Governance Committee. It was last reviewed by the Full Authority in July 2009 at which time minor amendments were made. Further amendments were discussed at

the Audit and Governance Committee on 10 March 2010, and its recommendations to the Authority are included in this updated version.

Key Elements of the Governance Framework

The principal aspects of the Governance Framework in place are summarised below.

	Key Element	Arrangements in place
1.	Identifying and communicating the Authority's vision of its purpose and intended outcome.	<ul style="list-style-type: none"> • Agreement by Authority and Chief Constable of a three year policing plan, linked to the revenue budget and capital programme. • Communication and consultation and engagement through a comprehensive programme including a citizen's and youth panel, special conferences (e.g. business continuity), "roadshows" in prominent locations. • Countywide strategic "Policing Kent" newspaper sent to all households annually in July. • Thirteen District level magazines circulate to all households annually in December (the 'Local Policing Summary'). • Authority and Committee minutes can be viewed on the Authority website. • Relaunch of website • Ward level newsletters describing local action taken.
2.	Reviewing the Authority's vision and its implications for Governance arrangements.	<ul style="list-style-type: none"> • Systematic annual strategy review informing amendments to the annual plan and budget. • Authority Peer Review undertaken in December 2008. • Kent acted as a pilot for Authority inspection in January 2009, and received a very favourable assessment. • KPA Business Plan, which is linked to business plan for each committee and to risk register.
3.	Measuring the quality of services for users, ensuring they are delivered in accordance with objectives and ensuring they represent the best use of resources.	<ul style="list-style-type: none"> • Ongoing challenge through receipt of regular reports on performance in the established Committee system. • Production of a regular "performance pack". • Comprehensive programme of service reviews, including Best Value Reviews, Post Implementation Reviews, Performance and Operational Reviews, lean management reviews and Operational Support Reviews. • Operation of Mystery Shopper Scheme, with outcomes reported to the Authority. • Kent Crime and Victimization Survey involving over 8,400 interviewees annually. • Regular performance report by Chief Constable to full Authority meetings.

		<ul style="list-style-type: none"> • All Members allocated both Area Lead and Topic Lead roles. • Active Independent Custody Visitors Scheme which has been reviewed and refreshed in 2009/10. New ICVs have been recruited and trained. • An Independent Advisory Group at strategic Authority-wide level, as well as local IAGs. • Involvement in the implementation and monitoring of the Police Pledge. • Authority participation at Member and Officer level in various force boards.
4.	Defining and documenting the roles and responsibilities of Authority Members and Officers, Force Officers and Authority Committees with clear delegation and communication protocols.	<ul style="list-style-type: none"> • Scheme of delegation from Authority to Chief Constable and within Force. • Clear Terms of Reference for all Committees, subject to regular review.
5.	Developing, communicating and embedding Codes of Conduct and defining standards of behaviour for Members and staff.	<ul style="list-style-type: none"> • Code of Conduct signed by all Members. • Register of Interests maintained for Members and Senior Officers. • Professional Code of Conduct in the form of the Kent Police Standard is established and communicated to all Police Officers and Police Staff (including Authority Officers). Reinforced by Government's Policing Pledge for 2009. • Active Standards Committee led by a highly experienced chair. • KPA representation on misconduct hearing panels and police appeals tribunals. • Regular performance reports to professional standards committee on officer and staff misconduct.
6.	Reviewing and updating Standing Orders, Financial instructions, a scheme of delegation and supporting procedure notes and manuals which define how decisions are taken, and the controls required to manage risks.	<ul style="list-style-type: none"> • The full range of these documents established and reviewed at the Annual General Meeting of the Authority. • Authority Members are canvassed for suggested changes prior to this meeting. • The Authority and the Force each have Risk Management Policies and a Risk Register, which are regularly updated. • The Authority and the Force each have Officers with a professional qualification in Risk Management. • The existence of a full Business Continuity Programme, and an Annual Business Continuity Report.
7.	Undertaking the Core Functions of an Audit Committee as defined in CIPFA guidance.	<ul style="list-style-type: none"> • Audit and Governance Committee, which acts with genuine independence and real challenge. • Regular pre-meeting training for all Members on relevant topics. • Committee Members meet regularly with

		<p>external and internal auditors in private.</p> <ul style="list-style-type: none"> • Clear Terms of Reference • Approves internal and external audit plans, receives reports on all individual audits, as well as an Annual Report. • All Members receive pre-meeting written briefing from the Treasurer, following Agenda Conference with Internal and External Auditors. • Customised Self Assessment tool for Police Audit Committees, devised and tested by the Committee, leading to an agreed action plan and regular review of progress. • Committee work plan agreed and reviewed at each meeting.
8.	Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.	<ul style="list-style-type: none"> • Monitoring Officer and Treasurer (as Section 151 Officer) maintain independence from Force and liaise regularly with Internal and External Auditors. They also each belong to strong nationwide networks for peer review. • Strong and independent Internal Audit Function. • Robust process for follow-up of Audit recommendations at public Audit Committee meetings. • Development of oversight arrangements for Force's compliance with Human Rights Act.
9.	Facilitating the identification of "wrong doing" and the receipt and investigation of public complaints	<ul style="list-style-type: none"> • Force "wrong doing" policy fully in place. • Authority operates effective statutory policy for investigating complaints by citizens against Force and Authority Officers. • Force has a Professional Standards Department with investigative capability. • KPA monthly dip-sampling of complaints made to Kent Police, with regular reports to Professional Standards Committee. • Chief Officers Complaints Protocol in place. • Targets established for reducing complaints with an associated performance management programme. • Regular data reports to Professional Standards Committee on complaints.
10.	Identify the development needs of Members and Senior Officers in relation to their strategic roles, supported by appropriate training.	<ul style="list-style-type: none"> • Committees operate regular programmed training events for Members and Officers. • A new induction package has been designed for new members which includes a reference pack and series of briefings. • Feedback from Members is encouraged and built into future events. • Strengthened Learning and Development Programme for Members in place, which is designed around the needs that members identify.

11.	Establish clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.	<ul style="list-style-type: none"> • Consultation Groups are established for all six identified special "Social identity" groups. • An Independent Advisory Group operates to promote Community Engagement with BME Groups. Local BCU IAGs have been established. • All Members take active steps to promote two-way dialogue with stakeholders.
12.	Incorporating good governance arrangements in respect of partnership and other group working as recommended by the Audit Commission, and reflecting these in overall governance arrangements.	<ul style="list-style-type: none"> • Major collaboration with Essex Police Authority and Force underpinned by a formal agreement and Standing Orders, and a Joint Standing Committee. • Collaboration with SE Region on a variety of projects including regional asset recovery team and Counter Terrorism • Active engagement with all local CDRP's, including allocation of budget for community engagement initiatives on recommendation of each Authority CDRP representative, governed by a reporting system. • Participation in the Countywide Local Strategic Partnership and Local Road Safety Partnerships, underpinned by written protocols. • Leading role in major Insurance Consortium involving 11 Police Authorities, with effective governance arrangements. • Authority Chair has active role in national partnership working as Deputy Chair of APA, Chair of the Police Negotiation Board (official side), APA representative on the Senior Appointments Panel and Governor of the National Police Leadership College. • Chair on Kent Partnership, Chief Executive sits on county-wide community safety forum (County Strategy Group).

Review of Effectiveness

The Kent Police Authority and Chief Constable have the responsibility for conducting, at least annually, a review of the effectiveness of their Governance system, including the system of internal control. This review is informed by the work of the internal auditors and the managers within the Authority and Force have responsibility for the development and maintenance of the governance environment, and also by comments made by the external auditors and other review agencies and inspectorates in their annual audit letter and other reports.

Key areas of review of the effectiveness of governance can be summarised as follows:

- A programme of Operational Services Reviews and major "Lean" management initiative.

- Reports from our External Auditors – the 2008/09 Management Letter was considered by the (then) Audit and Finance Committee and recommendations implemented.
- The conduct of inspections and provision of reports to promote efficiency and effectiveness of policing to ensure that:
 - Agreed standards are achieved and maintained
 - Good practice is recognised
 - Performance is improving
- Review of projects control informed by Post Implementation Reviews, overseen at meetings of a special group of Members and Officers established by the Audit and Governance Committee.
- External Audit reviews covering Use of Resources.
- The existence of an active independent Standards Committee.
- A process of policy review has been set up for all policies to be reviewed on a rolling programme including checks for compliance with human rights, diversity, data protection/freedom of information and other legal requirements.
- Annual Review of Risk Management by the Audit and Governance Committee.
- Risk based internal audit programme including reviews of corporate governance, risk management and financial systems.
- Review programme by External Auditors.
- Annual Audit Programme conducted by the Authority's Internal Auditors RSM Tenon, whose opinion is described below.

Significant Governance, Risk Management and Internal Control Issues

The Authority places reliance on the annual programme of internal audits summarised in the Annual Report of RSM Tenon in determining its level of assurance on these issues. An extract from RSM Tenon's opinion for 2009/10 is set out below.

"Governance

From internal audit's regular attendance at the Audit & Governance Committee meetings, liaison with members, regular meetings with the Authority officers and our governance review we are of the opinion that strong governance arrangements are in place within the Authority.

Risk Management

Significant resource and effort has been given by the Authority and Force to introduce a structured framework to risk management. The Force in particular has a well established corporate risk management process. It has risk management in

place at Basic Command Unit and Directorate level as well as processes to ensure projects, partnerships and Business Cases include risk management. The consideration of risks is becoming part of normal management at senior levels. A Communications Strategy is being developed to further understanding of risk management throughout the Force, building on previous workshops and including the development of simplified guides. Risk management is a technical competency in all the Role Requirements we sampled in this review. This feeds into the Performance Development Review process for ensuring skills are developed at the right level for each role.

Internal Controls

In general, our work during the year found internal controls to be adequate. However, there were some areas where significant weaknesses were identified. In the cases of the Ebbsfleet Business Centre (Creditors) and Expenses reviews, such weaknesses were the results of changes in operations and consequently discussions have been held with the Authority and management with the view of consulting internal audit when any major changes to financial operations are to occur, which is extended to general operations.

Acceptance of Recommendations

All of the recommendations made during the year were accepted by management”.

Icelandic Banks Update

In summary, of the £11.1m deposits in default at Icelandic Banks, just under £10.0m remain outstanding as follows:

- Landsbanki £5.9m
- Glitair £2.0m
- Heritable £2.1m (after repayments of £1.1m)

Landsbanki have accepted depositors, such as ourselves, as priority claimants, in which case recovery should be high. Other creditors have however challenged this.

Glitnir have not accepted depositors, such as ourselves, as priority claimants. We are challenging this and have a strong legal advice in our favour. If we succeed, then 100% will be recovered, if we fail the level of recovery would be poor.

Heritable, unlike the other two, is Scottish domiciled and being well administered in the UK. Prospects for recovery are very good.

Overall, the outlook remains consistent with our assessment at the time of setting the 2010/2011 budget. The main risk is our priority status with Landsbanki, agreed by their administrators, being overturned. All the legal advice is against this, but as our largest exposure, it cannot be ignored.

Future Improvement

The Authority and Force are committed to identify and address any weaknesses in their governance arrangements. They regard a comprehensive review programme,

and a positive response to constructive criticism as fundamental to delivering the continuous improvement, which is essential to a cost effective policing service for their communities.