

Statement on Internal Control

1 SCOPE OF RESPONSIBILITY

The primary responsibility of the Police Authority is to secure an efficient and effective policing service for everyone in the Humberside Police area. In doing so, it ensures that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Police Authority also has a duty 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 Police Authority is responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Police Authority's functions and which includes arrangements for the management of risk.

2 THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to 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 Government set objectives and targets in addition to the Authority's own policies, aims and objectives, to evaluate the likelihood of those risks occurring and the impact should they occur, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at the Police Authority for the year ended 31 March 2006 and up to the date of approval of the annual report and accounts.

3 THE INTERNAL CONTROL ENVIRONMENT

Although the Chief Constable is responsible for operational policing matters and the direction and control of police personnel, the Police Authority, in discharging its responsibilities must satisfy itself that the Force has appropriate control mechanisms in place, and that these operate in practice. Humberside Police Authority has an established system of internal control that is monitored and reviewed regularly. Key elements of the internal control environment are:

a) The Planning Framework

(Establishing and monitoring the achievement of the Authority's objectives)

- **Environmental Scanning**

Corporate Development Branch within the Force incorporates an Environmental Scanning function which carries out research and provides information to help the organisation identify issues that need to be addressed through the medium term and annual planning process.

- **3 Year Policing Strategy**

A 3 Year Policing Strategy is published, setting out both long and medium term local strategic priorities that are consistent with the National Policing Plan.

- **Annual Policing Plan**

The Police Authority publishes an Annual Policing Plan, which sets out its local policing priorities and the resourcing of those priorities. It reflects the Home Secretary's strategic priorities. The Annual Policing Plan is produced jointly with the Force and reflects consultation with the public and takes into account the plans of other relevant bodies, such as

the Crime and Disorder Reduction Partnerships (CDRPs) and the Local Criminal Justice Board. The document also takes into account Policing Performance Assessment Framework (PPAF) indicators, current performance against relevant performance indicators, improvement targets and in addition it also includes Public Service Agreement (PSA) delivery indicators and targets where appropriate.

- **Delivery**

The Chief Constable and Force via Basic Command Units (BCUs), departments and branches deliver improvements in local policing having regard to the 3 Year Strategic Plan, Annual Policing Plan and Local Crime and Disorder Reduction Strategies.

- **Medium Term Financial Planning**

In accordance with the Prudential Code and best accounting practice the Authority produces a medium term financial plan including a five year financial forecast and capital programme. These are updated throughout the year and form the basis of further discussion and debate when the annual revenue budget and capital programme are approved.

The revenue forecast 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.

New revenue and capital schemes are considered using a business case approach with the Chief Officer Group (COG) and Strategy Team meeting to prioritise all capital schemes in terms of business benefits, project and organisational risk, and the likely level of future resources requirements including revenue consequences of capital spending. The Chief Constable recommends a prioritised list of revenue and capital proposals to the Police Authority for consideration and ultimate approval.

- **Engagement**

The Police Authority has a statutory duty to consult with the public in relation to policing issues in general and specific issues. The Authority's Consultation and Partnership Committee oversees this duty and have developed ways of consulting with communities to seek to gain an in-depth understanding of reviews, needs and expectations of individuals and local communities have been developed. The Force also has a fundamental need to engage with local communities on policing issues.

The Authority and the Force have used a variety of formal and informal mechanisms, such as:

- Police Authority Neighbourhood Panels
- Police Authority Crime and Drug Teams
- Consultation with the business community
- Structured public opinion surveys
- Thematic consultation

Public Forums are regularly held in all BCUs which are supported by the Police and partners as follows:

| BCU | FORUM | REMARKS |
|-----|---------------------------------------|--|
| A. | Police Authority Crime and Drug Teams | Held within each of the former Local Policing Team areas. Well supported by local police management. Proposals to align with "Forward Groups" which have been identified within North East Lincolnshire as the Local Representative Networks for Neighbourhood |

| | | |
|----|---------------------------------------|---|
| | | Policing. |
| B. | Police Authority Neighbourhood Panel | Established with the former Local Policing Team Area and well supported by local police management. |
| C. | Police Authority Neighbourhood Panels | Established within the former Local Policing Team areas. Well supported by local police management. Usually BCU Commander or Deputy attends. |
| D. | Area Committees and Ward Forums | Conducted through Hull City Council Area Committees. These are Council meetings which are adjourned for a police report. Currently joint proposals from Hull City Council and the Police Authority to develop bespoke consultative forums within a proposed strategy for area based Community Safety Teams. |

The Police Authority seeks to ensure that the views obtained are routinely reflected in the decision making service delivery and practice of the Humberside Police. They are formalised within the planning process and more immediate local feedback is shared with the Chief Constable and operational officers throughout the year. The Chief Constable reports to the Police Authority Consultation and Partnership Committee on how local issues raised by the Police Authority consultation have been addressed.

- **Performance**

Achievements against the Annual Policing Plan are monitored on a regular basis by the Performance Scrutiny Committee (PSC). This Committee considers the annual target progression, key areas of business change, HMIC inspection results, Activity Based Costing (ABC), efficiency planning and Best Value. Specific items of concern arising from the Performance Scrutiny Committee can be raised with the full Police Authority.

Targets for Statutory Performance Indicators (SPIs) and Local Performance Indicators (LPIs) and the local domain are set by the Police Authority annually via the Priorities Workshop to which the Force, Police Standards Unit (PSU), HMIC, Government Office for Yorkshire & the Humber (GOYH) and partners from the CDRPs and Local Criminal Justice Board (LCJB) are invited.

Members also monitor and challenge performance at divisional level on a monthly basis as part of the Divisional Performance Challenge Meetings. Information and issues from these meetings are fed back on a monthly basis to the Performance & Resources Progress Group (PRPG). This is an informal meeting of Members of the PSC, the Chairs of the other standing committees and the Performance & Resources Director/Manager/Officer. The meeting allows for discussion of issues/information from the divisional meetings, determination of items for the PSC agenda, Work Allocation Database (WAD) Audit results and other performance issues. In respect of Force involvement, a representative from the Performance Development Unit attends to ensure timely feedback of current issues from/to the Force.

- **Key Control Strategies**

The Force has a number of key control strategies which cut across the key business areas of the organisation. These strategies, which include HR, Estates and ICT are approved and endorsed by the Police Authority or by the Personnel or Audit and Strategy Committee.

b) Financial Management and Legal Framework *(The facilitation of policy and decision making)*

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

The key elements of the Authority's financial management framework are set out below. These follow national and/or professional best practice.

- **Financial Regulations**

Financial Regulations determined by the Police Authority establish the principles of financial control, and set out the roles, responsibilities and parameters for managing the Authority's financial resources. The Financial Regulations are in the process of being revised to reflect best practice and to ensure a high quality of financial information, thereby enabling better decision making and, in turn, improved service delivery and greater client satisfaction. Financial Regulations include Contract Regulations, which set out the rules to be followed in respect of contracts for the supply of goods and/or services. The Force have a comprehensive catalogue of practice directions dealing with specific activities.

- **Treasury Management**

The Police Authority has adopted the CIPFA Code of Practice on Treasury Management. In doing so, it approves an annual treasury management strategy and an annual investment strategy. Detailed procedures for treasury operation are set out in internal guidance notes.

- **Revenue Budget**

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 decision of the Authority on the precept and council tax levels has to be approved by at least half the total membership of the Authority, that is 9 members, including more than half (that is 5) of the elected members from the constituent local authorities.

Legislation provides that the budget requirement, precept and council tax levels are to be finally determined before 1 March prior to the start of the relevant financial year.

- **Capital Programme**

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 fully funded capital programme each year.

- **Budget Monitoring**

Budget monitoring is a standard item on the agenda for the Audit and Strategy Committee. The budget monitoring reports highlight major variances with explanations in line with the requirements within the Financial Regulations. All virements in excess of £100,000 are reported to the Police Authority.

- **Outturn**

At the end of the financial year the final outturn position on revenue and capital budgets are reported with requests to carry forward funds committed but not spent into the forthcoming year. The Authority formally approve the statutory financial statements prior to external audit and authorise the publication of the accounts post external audit.

- **Internal Audit**

Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources. The Internal Audit function is provided by staff from North Lincolnshire Council. Internal Audit adopts a risk based approach to audit planning.

Relevant issues identified by Internal Audit are discussed by the Audit & Strategy Committee and/or the Force Audit Board (FAB) as appropriate for identification of key risks and action.

- **Anti-Fraud and Corruption Policy**

The Authority has approved an Anti-Fraud and Corruption statement, which sets out the standards of behaviour expected of its employees and those with whom it conducts its business.

- **Clear Separation of Duties between the Director of Performance & Resources (Treasurer) and Assistant Chief Officer (Support)**

The statutory responsibilities of the Treasurer to the Police Authority are set out in Sections 112 and 114 of the Local Government Finance Act, 1988. The Director of

Performance and Resources is the Treasurer and is the Authority's professional adviser on financial matters.

The Assistant Chief Officer (Support) is responsible to the Chief Constable for the financial activities undertaken within the Force, or contracted out under the supervision of the Force. The Assistant Chief Officer (Support) is a key member of the Chief Constable's Management Team.

The Director of Performance and Resources and Assistant Chief Officer (Support) work closely together throughout the year to ensure that the Authority's financial strategy and principles are delivered in the most effective manner possible.

c) Legal Controls

(Ensuring compliance with established policies, procedures, laws and regulations)

Legal controls exist to provide advice and ensure that decisions taken by the Authority and Force are lawful. Key roles in relation to ensuring compliance with policies, procedures, laws and regulations are performed by the Authority's Monitoring Officer and the Section 151 Officer.

The Chief Executive and Clerk is the Authority's Monitoring Officer. The Treasurer is the Authority's Section 151 Officer. Both are responsible for ensuring lawfulness and prudence in particular areas of the Authority's responsibilities.

- **Treasurer**

The Treasurer as S151 Officer is responsible for ensuring that there are arrangements in place for the proper administration of the financial affairs of the Authority and that there is an adequate Internal Audit function.

- **Monitoring Officer**

The Monitoring Officer has a statutory duty to report to the Authority on 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.

The Monitoring Officer is the proper officer for the purposes of ensuring that executive decisions, together with the reasons for those decisions and relevant officer reports and background papers, are made publicly available.

- **Scheme of Delegated Powers to Officers**

In addition to the general powers set out in Standing Orders and Financial Regulations the Chief Officers (ie Chief Executive, Treasurer, and Chief Constable) have been authorised to exercise, on behalf of the Authority, specific and general powers.

- **Separation of Duties between the Chief Executive and Clerk and the Force Solicitor**

The Force Solicitor provides legal advice to the Force on operational matters, policy and strategic advice to senior officers and police staff, deals with civil claims for damages, and conducts "non claims" litigation, eg ASBOs, Proceeds of Crime applications, football banning orders, licensing and firearms licensing.

The Chief Executive to the Police Authority, as well as acting as the Authority's Monitoring Officer, provides legal advice to the Authority itself on constitutional and administrative issues, and on property, contract and employment matters.

- **Chief Officer Group (COG)**

The Chief Constable's Chief Officer group (COG) acts as the management team. It is ultimately responsible for the determination of Force strategies and key policy decisions.

Identifying the relevant service improvement programmes necessary to deliver the 3 Year Policing Strategy and the mechanisms for authorising, monitoring and controlling the corporate projects necessary to deliver improvements in service.

- **Strategy Team**

The Strategy Team manages the strategic business of the force which has been determined by COG. The meeting advises Chief Officers on issue and decisions that fundamentally affect the Force's structure, objectives, financing and service provision in support of the Force Strategic aims and objectives.

- **Programme Executive**

Programme Executive oversees the whole Force Development programme, manages the scheduling and co-ordination of projects, reviews projects progress / status / risks / financial position and approves project closure proposals.

- **Programme Boards**

Programme Boards oversee the implementation of approved project initiatives from inception to implementation by undertaking the monitoring and control of each project at a strategic level ensuring the project is on time, within budget and all risks are managed.

- **Performance**

The Performance Management process within the Force is set out in the Performance Management Handbook.

- **PDRs**

A system of Performance Development Reviews for each Member of staff provides for the cascading of and targeting of key objectives which appear within the Force plans. The process is intended to ensure a clear focus for individuals on those issues which most concern the organisation. The PDR process is the key to holding individuals to account throughout the organisation.

- **The Force Audit Board and Audit and Inspection Unit**

The Force Audit Board oversees the Force's Internal Audit and Inspection programme that seeks to audit and validate the operational policies and effectiveness of the local policing units by:

- Ensuring compliance with Practice Directions, policies and guidance documents
- Benchmarking performances against other forces and organisations to demonstrate good practice
- Identifying inefficiencies and pointing out improvements
- Checking on the quality and integrity of data

The activities of the Force Audit Board and risks are reported to the Police Authority via the Authority's Audit and Strategy Committee.

- **In-House Audits**

Branches and divisions also regularly carry out various in house audits which include:

- NCRS/NSIR compliance of incident logs and crime reports
- Compliance with custody procedures
- Data security compliance on PNC
- Information security
- Checks for the misuse of IT systems and unlicensed software
- Compliance with operational procedures involving firearms and fingerprints
- Adherence to Health and Safety regulations and codes
- Budget monitoring
- Data quality of performance indicators
- The recruitment, retention and progression of minority staff; and

- Complaints against the police

- **Complaints**

Procedures are in place to deal with complaints against Members, Chief Police Officers and operational complaints of a conduct and direction and control nature. Staff have access to a whistle blowing policy. The Police Authority (via the Audit & Strategy Committee) regularly dip-samples complaints within the Force and monitors levels of complaints and the process.

- **Declaration of Interests**

Arrangements are in place for Members and officers to declare their pecuniary interests annually and at each meeting of the Authority or its committees. There is also a process for obtaining related party transaction (FRS 8) declarations.

d) Risk Management Framework

(Identifying, Assessing and Managing the risks to the Authority's Inspections)

- **Risk Management**

Risk Management arrangements are in place in the Force and significant work is taking place to ensure that risk management is embedded throughout the Authority.

A risk model is in the process of being developed which will be used for all risk assessments within the organisation. The model includes risk categories, definitions and ratings for likelihood and impact, a risk matrix and scoring mechanism.

Risk management within the Force is overseen by the Force Audit Board which is chaired by the Deputy Chief Constable. This Board focuses on strategic risks but also monitors risk management processes across the Force. Strategic risks have named owners and that they are managed in order to reduce or eliminate the likelihood and/or impact of a risk event occurring. A further function is to ensure that there are processes in place to identify new and emerging risks. This involves the work of the Environmental Scanning Function and the Audit and Inspection Unit.

In addition the Force operates a series of Gold Groups for specific high level risks. These are regularly reported to the Police Authority in meetings between the Chairman and the Chief Constable.

The terms of reference for the Authority's Audit and Strategy Committee have recently been amended to include specific responsibility for risk issues.

- **Insurance / Self-Insurance**

The risk management approach involves the purchasing of insurance cover to protect assets and liabilities where it is either legislated or it is cost-effective to do so.

It is sometimes more cost-effective for the Authority to self-insure some elements of the overall insurance package, especially where external insurance costs are high. The Insurance Provision includes a sum, reviewed regularly, reserved against such claims. Where appropriate the means are in place for advice to be provided by our Force's insurance brokers and by independent professional risk managers or loss assessors.

- **Health and Safety**

The Police Authority, working together with the Chief Constable's Chief Officer Group and key members of the Force, are committed to the health, safety and well-being of all staff, this includes seeking to ensure that all staff receive training commensurate with their responsibilities.

A range of supporting policies and arrangements are in place to ensure that adequate safety controls meet Force H&S standards and legislative requirements and best practice. They are published on the Force Intranet and accessible to all staff.

A Health & Safety Board is in place within the Force.

e) Performance Management Framework
(Performance management of the Police Authority and the reporting of performance management)

In 2004/05 the Police Authority introduced revised arrangements for performance management. In addition to the work of the Performance Scrutiny Committee referred to above, performance is managed through:

- The involvement of a small number of lead members in monthly tactical level Divisional Challenge Meetings
- Attendance of Members at the Chief Constable's quarterly strategic performance conferences
- Monthly Performance and Resources Progress Group meetings which considers iQuanta data, divisional performance feedback, Workload Allocation Database (WAD) audit results and other performance issues
- The involvement of Members in Divisional WAD and Data Quality Audits
- The involvement of two lead Members in data quality issues

The above processes are continually being amended and updated.

f) Best Value and Continuous Improvement
(Ensuring the economical, effective and efficient use of resources, and for securing the continuous improvement in the way in which its functions are exercised)

The Police Authority ensures economic, effective and efficient use of resources through its Best Value Reviews, scrutinising force performance and attending a number of the Force Boards eg Call Handling, Force Audit Board etc.

In conjunction with the Police Authority, the Chief Constable implements a programme of Best Value Reviews to obtain continuous improvements in local policing. Best Value Reviews (and other processes) are used to identify ways of improving performance.

The programme of Best Value Reviews is risk-assessed annually via the Best Value Steering Group (BVSG) which is jointly chaired by the Police Authority Chairman and Deputy Chief Constable. The Chair of the Performance Scrutiny Committee also sits on the BVSG along with the Performance & Resources Manager. This assessment is reported back to the Performance Scrutiny Committee for discussion and approval.

The Policing Performance Assessment Framework (PPAF) and Public Service Agreement Indicators and Targets are used by Home Office, HMIC (Her Majesty's Inspectorate of Constabulary), the Police Authority and the Force to assess and compare Force, BCU and CDRP (Crime and Disorder Reduction Partnership) performance.

The Audit Commission and Her Majesty's Inspectorate of Constabulary (HMIC) subject the Police Authority to close scrutiny. HMIC assesses police performance and the extent to which Best Value is being achieved, and identifies scope for improvement through inspections (usually carried out annually). The Audit Commission review the Best Value performance element of the Annual Policing/Best Value Performance Plan and certify our compliance (or otherwise) with the statutory requirements.

The efficiency process is also important and is reported back to the PSC on a quarterly basis. The Section 151 officer certifies the efficiency savings and internal audit will be ensuring that only permissible savings are counted.

The Police Authority and the Force must ensure that a link between resources and performance outcomes is established. An efficiency gain is achieved by increasing or improving the service delivered from the same or fewer resources. This can result in cash savings or improvement/extension of services through better use of resources. For the 2005/06 year, a Member of the Police Authority now sits on the force Efficiency Plan Steering Group and Efficiency Plan progress is monitored and scrutinised on a quarterly basis by the Performance Scrutiny Committee.

The Annual Efficiency Plan Certificate is also signed by both the Chief Constable and Treasurer, ensuring that savings are removed from the base budget.

A strict system for the detailed monitoring of the resources is in place within the Force. This includes:

- A four-weekly audit to reconcile the actual and funded staffing levels for all staff.
- Staff turnover is recorded electronically in the Annual Report Book. This informs the recruitment prediction model whereby the number of new recruits can be predicted. This information assists in the planning of recruitment and training (reported to the Personnel Committee).
- All of the above information is used during the submission of Home Office returns, in particular for the purpose of meeting the Crime Fighting Funds Continuation Criteria.

For matters relating to the 'Employee Relations' function the following measures have been established:

- Attendance Management - Practice Directions, which are continuously reviewed, are designed to ensure that attendance is maximised and staff are available for service delivery. The system results in both direct and indirect savings to the Organisation.
- Occupational Health and Welfare continuously monitor and evaluate the effectiveness of their services provided to staff.
- Performance indicators and related targets are set which are designed to ensure the provision of an efficient and effective service supporting the health, welfare and safety of staff.

REVIEW OF EFFECTIVENESS

The Police Authority has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and all managers within the organisation 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.

The processes that have been applied in maintaining and reviewing the effectiveness of the system of internal control are described below.

- **Police Authority**

The Police Authority approves the annual revenue budget, capital programme and the Annual Policing Plan. Regular monitoring of progress against these plans and strategies is carried out by the Authority, based on reports by the Chief Constable and the work of the Secretariat staff. At the end of the financial year, the Authority receives outturn reports in respect of the accounts and the annual policing plan and it also publishes a joint annual report and local policing summaries with the Chief Constable.

The Police Authority meets to consider key strategic and policy issues. Overall Force Performance is considered by the Performance Scrutiny Committee.

Regular performance meetings have been held throughout the year with Members and Chief Officers attending Force Performance Challenge Meetings as participants.

The Performance Scrutiny Committee has met regularly to consider performance issues and reports. In addition, the Performance & Resources Progress Group (PRPG) meets informally on a monthly basis (consisting of PSC Members, chairs of the standing committees and a representative from the Force PDU).

- **The Force**

As the chief executive officer responsible for the direction and control of the Force, the Chief Constable is responsible for the management structures and controls necessary to deliver the Force aims and objectives.

During the year the Chief Constable established key priorities for:

- Incident Handling
- Volume Crime
- Neighbourhood Policing
- Pride & Respect

This has provided the focus for change within the Force that has seen resources dedicated to dealing with Call Handling, the implementation of the Volume Crime Model including the establishment of Major Incident Teams, together with preparations to roll out the neighbourhood policing model that will mean the introduction of additional resources with increases in the number of Police Community Support Officers increasing from 20 to over 300.

- **Risk Management**

During the year there has been considerable activity to further develop risk management. A risk management strategy has been drafted and the Audit and Strategy Committee has been charged with the task of overseeing risk issues for the Police Authority.

The Force Audit Board meets bi-monthly to consider risk issues and reviews the Force strategic risk register and considers any new and emerging risks. Gold risks are regularly monitored.

- **Internal Audit**

Regular reports are presented to the Audit and Strategy Committee on audit reviews completed and agreed action for improvement. Progress on action taken is also regularly followed up. Based on the work carried out by Internal Audit during the year, reasonable assurance can be given the majority of controls examined in key systems are adequate.

The above assurance statement indicates that, based on the systems reviewed in 2005/06 by the Internal Audit staff and on the assessment of controls by Chief Officers, Heads, Branch Managers and BCU Commanders, for the most part the expected controls are in place and operating effectively.

The process seeks to identify issues to be addressed and areas for improvement. The following significant internal control issues have been identified:

| Internal Control Issue | Action |
|---|--|
| <p>Force Mergers This has been identified as a key issue for both the Force and the Police Authority. There are wide-ranging implications in terms of governance, recruitment and retention of</p> | <p>The Chair, Chief and Chief Executive will continue to monitor, review and participate in joint working with the other authorities and forces in the region. Staff will also seek to</p> |

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| <p>staff, capacity and concerns about competing priorities during a period of prolonged uncertainty.</p> | <p>contribute to the debate at national level and feedback locally to ensure that the Authority is in a position to react and respond to external events.</p> |
| <p>Corporate Governance The Authority's Corporate Governance arrangements have been in the process of being reviewed for some time. This work needs to be completed as a matter of urgency and to have regard to best practice and the potential to converge with the processes in place in the authorities that we may have to merge with.</p> | <p>The Director of Performance and Resources to conclude the review of the corporate governance arrangements in conjunction with a review of the procedures operating in the other authorities within the region and recommendations / templates being developed in respect of the implementation of strategic forces.</p> |
| <p>Improved Financial Arrangements There is a need for increased awareness of the financial consequences of operational decisions with improved procedures for reporting to enable closer alignment between service and financial planning culminating in more effective resource allocation.</p> | <p>The ACO(s) and the Director of Performance and Resources to ensure that the Resource Performance Assessment Framework is further developed and that resource management becomes a regular feature of performance challenge meetings.</p> |
| <p>The Risk of Failure to Achieve Performance Targets The ever increasing focus on achieving performance targets is placing increased demands on operational staff and more sophisticated processes require additional investment in back office procedures to generate timely and accurate performance monitoring.</p> | <p>The Police Authority and Force will continuously seek to refine the process of challenging performance and keep information arrangements processes under review</p> |

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| <p>Risk Management</p> <p>The Force has a well established process of dealing with risk management and business continuity planning. This needs to be extended to encompass the activities of the Police Authority with the development of a comprehensive risk management strategy.</p> | <p>The work currently being developed within the Force Audit Board, reporting through to the Audit and Strategy Committee needs to be finalised within the formal adoption of a risk management strategy and the introduction of an integrated approach to risk management.</p> |
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The outcome of the self assessment being carried out by the Police Authority and the District Auditor's PURE judgements are likely to generate further issues to be factored into risk assessments and action plans in 2006/07.

- **Other review / assurance mechanisms**

- **External Audit**

The District Auditor agrees his annual audit plan with Authority Members. Regular meetings are held with both the Director of Performance and Resources and the Assistant Chief Officer (Support). The District Auditor is arranging regular contact with the Chairman of the Police Authority and the Chair of the Audit and Strategy Committee. His Annual Audit letter is also presented to the Audit Committee and all agreed recommendations are implemented.

During the period of this review (ie April 2005 to May 2006) the District Auditor issued the following reports:

- Audit Report on the Best Value Performance Plan (Dec 2005)
- Annual Audit Letter (Dec 2005)
- Final Accounts Audit Issues (Nov 2005)
- Report on the 2004/05 Statements to the Police Authority (Nov 2005)
- Budgetary Control (Sept 2005)

- **Police Standards Unit (PSU)**

The activities of this Unit, which operates within the Home Office, focus on the measurement and comparison of police performance, seeking to understand the underlying causes of performance variation, working with those forces in need of assistance and identifying and disseminating good practice. Data published by the PSU can inform assessments on performance by Forces, Police Authorities and the public.

During 2005/06 the Force was in "engagement" with the PSU. The arrangements for the review of Force activities and the delivery of improvements in line with the engagement criteria are the subject of regular meetings of the Vanguard Programme Board comprising of representatives of the Force, Police Authority, HMIC, members and officers, PSU and other partners. The activities of this group are reported to the Police Authority via the Authority's Performance Scrutiny Committee.

- **HMIC**

The Home Office appoints a number of Inspectors of Constabulary to inspect and report to the Secretary of State, in the first instance, or on the efficiency and effectiveness of police forces. Her Majesty's Inspectors carry out periodic thematic inspections on strategic topics determined by the Home Office and the inspection of BCUs, as well as monitoring Force performance on an ongoing basis. All Forces are subject to a periodic visit and formal inspection process, the contents of which are reported to the Home Secretary and the Police Authority prior to publication (the

Police Authority comments to HMIC on the accuracy of the reports).

In October 2005 HMIC published its annual baseline assessment of police forces. Of the 26 areas graded, Humberside was judged good in 4, fair in 18 and poor in 4 (one area, professional standards, was ungraded both locally and nationally). Other reports issued by HMIC specifically by Humberside included BCU inspection reports for C-Division (including re-inspection) and D-Division.

Signed:

Chairman: _____ Date: _____

Chief Constable: _____ Date: _____

Chief Executive: _____ Date: _____