

Police Use of Resources

Bedfordshire Police Authority

Audit 2006/07

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Introduction

- 1 This report presents the results of the 2006/07 police use of resources assessment (PURE) at Bedfordshire Police Authority. As the Audit Commission's appointed auditor to the Police Authority, we undertook this review during the period March to May 2007, as part of our responsibility to examine the economy, efficiency and effectiveness of the Authority's use of resources under section 5(1)(e) of the Audit Commission Act 1998.
- 2 We have completed our review in accordance with the methodology and guidance issued by the Audit Commission (the Commission). The results have been subject to internal and national quality control arrangements, designed to ensure compliance with the methodology and guidance, and to promote consistency.
- 3 This report summarises the approach taken and the results of the assessment. It also highlights areas for improvement based on the criteria issued by the Commission.

Approach and scoring

- 4 The PURE assessment enables auditors to form judgements on the Police Authority and Force arrangements to secure effective use of resources across the five themes of financial reporting, financial management, financial standing, internal control and value for money.
- 5 Each theme consists of a number of key lines of enquiry (KLOEs) and areas of audit focus and evidence. There are also descriptions of performance against each key line of enquiry showing performance at levels 2, 3 and 4. These translate into the following judgements:
 - 1 = below minimum requirements – inadequate performance;
 - 2 = only at minimum requirements – adequate performance;
 - 3 = consistently above minimum requirements – performing well; and
 - 4 = well above minimum requirements – performing strongly.
- 6 The Commission will determine the overall use of resources score by combining the auditor's separate scores for each of the themes covered.
- 7 In forming our assessment, we need to take into account requirements of the methodology that is set out in the PURE guidance to auditors and briefings to police authority treasurers and force finance directors issued in February 2007. This is the second year in which auditors have undertaken PURE and the key principle for 2006/07 is one of a risk based and proportionate refresh from 2005/06, where auditor judgements and assessments are based on:
 - key changes to the KLOE criteria referred to in police authority guidance;
 - actions by police authorities and forces to address improvement opportunities identified in the 2005/06 PURE assessment, and where relevant additional HMIC recommendations linked to the 2005/06 baseline assessment on finance and resources;
 - to support scores of 3 and above, considering whether relevant arrangements are 'embedded'; that is, they have been operating consistently with clear outputs and are having an impact; and
 - for scores of 4 (performing strongly) considering whether, in addition to meeting the descriptors/criteria, police authorities can demonstrate innovation or best practice that can be shared with others.

Summary of scores for Bedfordshire Police Authority

- 8 The score for each theme is summarised below, which includes comparative judgements for 2005/06. The next section of this report provides key messages, strengths and areas for improvement across the Police Authority and Force and by theme level.
- 9 The Authority and the Force continue to demonstrate strong arrangements for core areas of financial management, financial standing and internal control. There is clear evidence that cost pressures are actively and effectively managed and this has fed into our value for money assessment. This year we have taken into account both the Audit Commission's value for money profile for the Force and more recent 2006/07 performance information. The latter in particular shows improvement in performance against a background of comparatively low expenditure. Accordingly we have increased our assessment for value for money from level 2 to level 3.
- 10 The 2007/08 assessment will be based on an updated and amended value for money profile. In order to maintain a level 3 assessment, improvement (as measured by the amended profile) will therefore need to be maintained and further improvements made in areas where performance is worse than peers. Cost changes resulting from the re-structuring that is currently in progress will also impact on the 2007/08 assessment.

Table 1 Bedfordshire Police Authority - summary of use of resources scores by theme

Bedfordshire Police Authority has improved in its use of resources

Use of resources theme	2006/07 score	2005/06 score
Financial reporting	3	3
Financial management	3	3
Financial standing	3	3
Internal control	3	3
Value for money	3	2

Source: Audit Commission

Key messages and actions for the Police Authority

- 11 This summary sets out key findings, both overall for the Police Authority and Force and in relation to each theme, summarising strengths and areas for improvement.

Overall messages

- 12 The overall messages from our work are:

- Bedfordshire Police Authority and Force continue to demonstrate good arrangements for all the non value for money key lines of enquiry, and have taken action to enhance these further in 2006/07.
- The Authority and the Force are embarking on major re-structuring which will take effect in 2007/08 but for which significant planning has been undertaken in 2006/07. This sees the:
 - appointment of a chief executive and treasurer for the Authority; and
 - creation of a corporate services structure for the Force.

The latter is expected to deliver full year savings of approximately £0.7 million in 2008/09.

- The Authority and the Force have taken steps to address improvement opportunities identified at last year's audit, specifically:
 - financial monitoring information has been enhanced to show the percentage spend against budget compared with the expected profiled spend in order to identify any significant variances at an early stage, and
 - risk management has been enhanced to include consideration of the impact on strategic objectives and also to review partnership risks in more detail. A list of partnerships for review has been agreed with the Risk Management Group and the review of these will conclude in 2007/08.
- A review of the anti fraud and corruption strategy was undertaken in 2006/07 and a communication plan has been drawn up for its promulgation. We consider that this together with the work from Internal Audit on complaints handling and the quarterly reporting of complaints information to the Authority result in a culture where fraud and corruption is demonstrably taken seriously.
- Performance figures for 2006/07 show an improvement in the Force's relative position against its most similar forces (MSF) comparator group for the sample indicators used in the Audit Commission value for money profile, although performance is still mixed and worse than peers in some areas.
- Police Authority expenditure continues to be low. The Force gross expenditure is also relatively low when the local context is taken into account.
- Innovative solutions are being adopted for IT projects which are being shared with other forces.

- We have identified in the detail of our report those areas where there is the possibility for further improvement. We would highlight in particular the need to consider partnership working and the impact that this has on governance arrangements such as standing orders, financial instructions and the scheme of delegation.

Role of the Police Authority

- 13 The Police Authority continues to demonstrate strong governance arrangements. Sound stewardship of the Authority's financial resources is demonstrated through detailed reporting against the budget, and the thorough consideration of the required level of reserves and balances and their utilisation.
- 14 Risk management arrangements have been strengthened and risks are now mapped against the strategic objectives of both the Authority and the Force.
- 15 The Authority has reviewed its management structure in the light of the retirement of the Treasurer in early 2007 and has taken steps to introduce a combined Treasurer and Chief Executive post in 2007/08. This should assist in providing more capacity for the Authority to deal with the agenda it faces. A Community Engagement Committee has also been established in recognition of the work required to take this issue forward.
- 16 The Chair of the Audit and Business Assurance Committee is now also a member of the Performance Committee, allowing better linkages between performance and governance. In 2007/08 she will no longer be a member of the Performance Committee (following recommendation made by Internal Audit) but is able to attend without a vote.

Actions for Police Authority members

- 17 The key actions for the Police Authority members in ensuring a continued focus on effective use of resources are:
 - ensuring the successful management by the Force of its major re-structuring including the financial and risk management implications;
 - improving further the medium term financial strategy to show more explicitly the impact of partnerships and the impact from the local policing plan and policing objectives on the later years of the strategy;
 - identifying the opportunity costs of holding the planned level of reserves; and
 - further improve satisfaction levels and performance, particularly in areas where performance is worse than peers, such as risk of domestic burglary, robbery and vehicle crime.

Theme summaries

Financial reporting

Theme score - 3
Purpose
To assess the strength of the Authority's and Force's financial accounting and reporting arrangements.
Key findings and conclusions
<p>2006/07 was a year of significant change following the introduction of a revised Statement of Recommended Practice (SORP). Subsequent to the issue of the guidance notes for the SORP, and the approval of the draft accounts by the Finance Committee new regulations were approved in respect of the police pension scheme. Some of the requirements set out in the regulations conflicted with the accounting treatment proposed by the SORP. In addition the Government Actuary's Department (GAD) changed the way in which it presented its valuation of police pensions and injury benefits for 2006/07. A number of non-trivial amendments were necessary to the accounts to:</p> <ul style="list-style-type: none"> • reflect the correct accounting treatment for the pension fund top up grant; • exclude pension fund assets and liabilities from the police fund balance sheet; • show the commitment for injury benefits on the police balance sheet, which had not been included in the pension fund valuation figure supplied by GAD. This was a material amendment to the balance sheet; • include the liability for the new police pensions on the police balance sheet, this was separately provided by GAD; and • to remove the credit from above the net cost of services line for the change in assumption regarding the commutation of pensions by local government pension scheme employees. This had been shown as part of service costs by the actuary but this was an incorrect treatment. <p>These adjustments were all focused on pensions entries, there were no other non trivial errors identified. The Authority relied on the guidance available to authorities at the time of the preparation of their accounts which was not completely clear, and followed the actuaries' interpretation of which figures should be disclosed as pension transactions. Accordingly we have assessed that the Authority should continue to be assessed as meeting level 3.</p>

Key findings and conclusions	
<p>As in previous years the working papers provided continue to be of a good standard and all audit queries were dealt with on a prompt basis. An explanatory report was provided for members together with detailed reports on the outturn on revenue and capital. This was all achieved by the deadline of 30 June 2007 despite the uncertainties regarding the new pension fund regulations.</p> <p>As in previous years the Authority puts key documents including: annual audit letter, agenda and minutes, Best Value reports and the statement of accounts on its website. In addition there are plans in place to produce a summarised financial report for 2006/07 which will be included on the Authority website, this will take into account feedback obtained at the time the 2007/08 council tax leaflet was produced. Whilst some documents provide for alternative formats/languages this is not consistently the case for all documents.</p>	
Improvement opportunities	
<p>KLOE 1.1 The Authority produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers.</p>	<p>Ensure electronic working papers provided on CD include analytical review on the revenue account and the balance sheet.</p>
<p>KLOE 1.2 The Authority promotes external accountability.</p>	<p>Consider the scope for extending the availability of documents in alternative formats.</p>

Financial management

Theme score - 3
Purpose
To assess how well the Authority and Force plan and manage their finances.
Key findings and conclusions
<p>The Authority's financial planning continues to be good. Its medium-term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities.</p> <p>Budget holders are fully consulted during the budget setting process and there is the opportunity to revisit budgets in the light of prior year experience and known changes and pressures. The budget and the local policing plan are considered by Authority members at the same meeting, ensuring that these are seen as a whole rather than in isolation.</p> <p>The Authority and Force monitor and manage performance against budgets and this is an area of strength. The Authority has a track record of delivering to its budget. There is clear guidance available to budget holders on key processes, including budget monitoring. Training needs of financial system users are assessed as part of personal development process. Budget holders have been surveyed on the reports available to them and have responded positively. Non financial information, such as hours lost due to sickness and absences, is reported to members at the same meeting as financial information. Action is taken where overspends develop eg forensics services.</p> <p>The Authority and Force have arrangements in place to manage the asset base (including the estate and vehicle fleet) and the information management and technology (IM&T) service. There is an up to date asset register. The capital programme draws on the local policing plan, the strategies for key asset areas (ie estates, transport and IM&T), and the medium-term financial plan. There is performance monitoring for each of these key asset areas.</p>

Improvement opportunities	
<p>KLOE 2.1 The Authority's medium-term financial strategy (MTFS), budgets and capital programme are soundly based and designed to deliver its strategic priorities.</p>	<p>The medium-term financial strategy should explicitly refer to partnership arrangements and their financial impact.</p> <p>The appendix to the medium-term financial strategy should show the impact of additional pressures on years one to three covering explicitly the impact from the local policing plan and policing objectives on resource requirements for later years.</p> <p>The Authority should seek to demonstrate how financial plans and strategies have contributed to the achievement of its policing objectives.</p>
<p>KLOE 2.2 The Authority and Force manage performance against budgets.</p>	<p>Budgetary control arrangements could be strengthened by an improved focus on material and significant variances through the use of traffic lights in divisional reports, which currently show all variances.</p> <p>Financial monitoring reports to the Authority should be integrated to include revenue, capital, and reserves and balances.</p> <p>Force Executive skills in financial management should be assessed and any knowledge gaps met with appropriate training.</p>
<p>KLOE 2.3 The Authority and Force manage their asset base (including their estate and vehicle fleet) and their IM&T service.</p>	<p>Asset management arrangements could be strengthened by the integrated reporting of asset management performance information within financial reporting.</p> <p>The Authority and Force should evaluate whether changes in asset use have improved operational performance and contributed to the achievement of policing objectives and improvement priorities through the use of local performance indicators and results from user surveys.</p> <p>Performance information about the asset base should be communicated to stakeholders.</p>

Financial standing

Theme score - 3	
Purpose	
To assess how well the Authority safeguards its financial standing.	
Key findings and conclusions	
<p>The Authority and Force have a good track record for delivering overall spending within budget. The arrangements in place include formal consideration of both the level and use of reserves and balances on an annual basis. The business reporting framework enables the Authority to monitor a range of financial health indicators. A change in 2006/07 has been the reporting of the percentage of budget spend in each reporting period for divisions against the expected percentage spend. The level of variance that would need to be formally reported to members has not been set out.</p>	
Improvement opportunities	
<p>KLOE 3.1 The Authority manages its spending within the available resources.</p>	<p>Financial management arrangements could be strengthened by clear assessment of the opportunity costs of holding reserves compared to the benefit accrued.</p> <p>The level of variance on which members would expect budget holders to formally report should be set out.</p>

Internal control

Theme score - 3	
Purpose	
To assess how well the Authority's and Force's internal control environment enables them to manage their significant business risks.	
Key findings and conclusions	
<p>Bedfordshire Police Authority and Force have strengthened risk management arrangements in 2006/7. Risk assessment has become embedded within divisions and reporting and monitoring arrangements have been strengthened through committee ownership of key risks. Policy decision reports and project initiation reports include a risk management section. There are quarterly reports to the Audit and Business Assurance Committee on the risk registers and the Chair of the Committee is the member lead for risk management.</p> <p>There continue to be good arrangements for the approval of the statement on internal control. There are procedure notes for major financial systems and up to date standing orders and financial regulations. Internal Audit complies with CIPFA standards and there is an effective Audit and Business Assurance Committee in place. There are business continuity plans at Authority and divisional levels although these need to be updated and tested.</p> <p>Authority and Force arrangements are designed to promote and ensure probity and propriety in the conduct of business. There are codes of conduct for members and staff and procedures for monitoring compliance. Training is provided on ethics at induction of Authority members and also for new staff and officers. A Complaints and Professional Standards Committee is in place. Internal audit has completed a review of complaints handling procedures, which concluded that the system is well controlled. The Authority has reviewed the anti-fraud and corruption policy in the year and developed a communication plan for its promulgation.</p>	
Improvement opportunities	
<p>KLOE 4.1 The Authority and Force manage their significant business risks.</p>	<p>Smarter mapping of training need and recording of training delivery should be developed to demonstrate that training is being appropriately targeted.</p> <p>A partnership risk assessment needs to be completed, focusing on both positive and negative business risks.</p>

Improvement opportunities	
<p>KLOE 4.2 The Authority and Force have arrangements in place to maintain a sound system of internal control.</p>	<p>The action plan in the statement of internal control should be developed to assign responsibility and key dates. Progress against the action plan should be reviewed twice yearly. Standing orders, the scheme of delegation and financial instructions should include reference to partnership arrangements. The business continuity plans need to be updated and tested.</p>
<p>KLOE 4.3 The Authority and Force have arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.</p>	<p>None.</p>

Value for money

Theme score – 3
Purpose
To assess the achievement of value for money within the Authority and Force and to conclude on the robustness of arrangements to secure improvements.
Key findings and conclusions
<p>The cost base of both the Authority and the Force is relatively low (the Authority is the twelfth lowest nationally and the Force is the fourth lowest in terms of gross expenditure). Management costs for the Force were below average in the three years to 2005/06 (2006/07 data is not available in the HMIC analysis).</p> <p>Where costs per thousand population are higher than most similar forces in 2006/07 this reflects:</p> <ul style="list-style-type: none"> • the need to police Luton Airport; • the decision to utilise reserves as part of a planned approach in the Authority's medium term financial strategy (no such use was necessary for 2007/08); • decisions taken by other authorities in Bedfordshire's most similar forces (MSF) grouping to reduce expenditure (including the need to reduce spend due to capping) which affect Bedfordshire's relative position (it is slightly above MSF average); and • positive differences in service standards eg transport costs are higher than MSF but availability is also better than average. <p>Action has been taken to address the cost pressures through the use of PCSOs to replace police officers at Luton airport and the commissioning of a value for money review which has led to the decision to re-structure corporate services.</p> <p>A key strength exhibited by the Force is the action taken to address cost pressures and areas of overspend and how these are reviewed and built into future budgets. Examples include the use of PCSOs to replace police officers at Luton airport, and the commissioning of a value for money review which has led to the decision to re-structure corporate services.</p>

Theme score – 3

Satisfaction levels and performance have been mixed. The most recent data (2006/07 iQuanta) shows 'all crime' in line with peers but domestic burglary clearly deteriorating and worse than peers, and both robbery and vehicle crime also worse than peers. Violent crime is however improving and better than peers. The Force has provided data (where available) to show its relative position against its most similar forces as at December 2006 for the graphs included in the Audit Commission's value for money profile. This data covers areas such as risk of personal and household crime as well as the percentage of police officer time spent on front line policing. This most recent data shows the Force improving from sixth out of six forces in its family (where sixth is worst) to fourth which is close to the average. The Force's front line policing percentage has moved from 62 to 67 per cent, showing a real improvement.

The Force had the smallest capital programme in its MSF, with the majority of spend on IT. The original programme for 2006/07 was £5.6 million and the outturn is likely to be £3.8 million. The slippage or reduced spend of £1.8 million is almost entirely due to IT, almost half of which relates to national projects covered by a national PITO framework over which the Force has little control in terms of the implementation timetable. Much of the remaining reduction relates to mobile data devices where Bedfordshire decided to use Blackberries rather than nationally preferred option of PDAs and made a considerable saving as a result.

The Authority and Force continue to demonstrate good arrangements for managing and improving value for money, as demonstrated by the following.

- collaboration with other forces on transport and air support is long established and is being expanded, for example the establishment of a joint major incident team with Hertfordshire.
- a recent value for money study recommended substantial changes to corporate services which are now being implemented. The Force has calculated this will result in annual savings of at least £0.7 million.
- the Authority agreed (December 2006) a value for money strategy which clearly sets out the responsibilities of the Authority and each of its committees within their individual terms of reference. The Audit and Business Assurance Committee now has responsibility for highlighting areas of weakness and nominating value for money reviews. The Force is relying on the changes to its corporate services to meet its efficiency targets in 2007/08. A programme for delivering value for money in 2008/09 and subsequent years has not been established.
- regular reports are provided to the Authority on how cost and activity data is used to inform decisions. For example, a review of cost and activity data in the dog section has led to a wider review of its activities and how these relate to the current priorities of the Force.

Theme score – 3

- Whole life costs are taken into consideration before decisions are taken. For example the potential funding options and long term spending impact of the Bedford Police Station replacement programme are currently being examined by the project team.
- In terms of equity across the community the mixed urban and rural nature of Bedfordshire inevitably results in a variable level of policing service and response times. Urban areas traditionally benefit from more intensive policing but the Force is introducing inspector-led neighbourhood policing teams. In addition, the Force has invested in eight mobile police stations which, from April 2007 will visit rural areas based on a published programme in addition to identified hotspots. This will involve officers, special constables and PCSOs. Some PCSOs have been funded by rural communities.
- The Force has a strong record in securing efficiencies and exploring opportunities to achieve value for money. For example, the Force has recently changed the mix of staff policing Luton airport, replacing six police officers with PCSOs to achieve savings whilst maintaining service levels. The potential impact of the change was assessed prior to implementation and as part of the 2007/08 budget setting process, public consultation was undertaken on a range of options and costs.
- The Force regularly achieves savings in excess of its required target. The required three per cent target for 2006/07 was extended to 5.6 per cent (£4.9 million) and the Force is on track to meet that target. Progress is reported regularly to the Chief Officer team and to Members on a quarterly basis. Finance reports are now attached to performance reports and both are considered by the performance management committee.
- The Authority's recent best value reviews have led to improvements in processes but no significant value for money improvements. However, a recent value for money study by specialist consultants on business processes has recommended substantial changes which are now being implemented. The internal audit programme also includes value for money issues. For example, the high costs within scientific support services have been addressed and reduced through enhanced processes.
- Internal costs of support departments are analysed and challenged in the context of contribution to operational priorities through an annual 'Making Costs Visible' process, although this exercise was cancelled for 2006/07 in the light of major changes being implemented in corporate services.

Theme score – 3	
<ul style="list-style-type: none"> • The Force addresses under-performing areas through its 'Decision Conferencing' process, although this was postponed in 2006/07 due to the major changes taking place. Success has been mixed with reductions in the time spent in stations by operational officers, brought about by the introduction of enhanced crime recording processes, reducing the need for officers to return to stations to undertake paperwork. However sickness levels, which have also been targeted, are yet to show significant improvement. • The Force has an effective procurement strategy in line with the national strategy. It takes full advantage of collaboration and has a programme of intended further collaborations. Procurement savings in the efficiency plan are quite modest at £100k. Some environmental benefits are being achieved; eg use of smaller engine sizes for vehicle acquisitions. • The Force has successfully maximised opportunities for external funding through the employment of an income generation officer. Funding is sought in line with priorities. 	
Improvement opportunities	
KLOE 5.1 The Authority and Force currently achieves good value for money.	<p>The Authority should ensure that the corporate services changes deliver the anticipated savings.</p> <p>Further improve satisfaction levels and performance, particularly in areas where performance is worse than peers, such as risk of domestic burglary, robbery and vehicle crime.</p>
KLOE 5.2 The Authority and Force manage and improve value for money.	<p>A programme for delivering VFM in 2008/09 and beyond needs to be established.</p> <p>Once the corporate services restructuring is complete the reintroduction of 'Making Costs Visible' should be considered to ensure internal support service costs continue to be challenged.</p> <p>Work needs to continue on reducing sickness levels.</p>

Status of the report and next steps

- 18 This report was shared without scores with the Interim Chief Executive in May 2007 and reissued with scores following the Audit Commission's quality assurance process. It will be reported to members at the September Audit and Business Assurance Committee. An updated version will be produced to include financial reporting following the audit of the 2006/07 financial statements and will be submitted to the November Audit and Business Assurance Committee. The key messages and improvement opportunities will be included in the Police Authority's 2006/07 Annual Audit Letter. The Authority may wish to consider establishing a mechanism for monitoring the implementation of agreed improvement opportunities, using the proposed action plan at Appendix 1.

Appendix 1 – Poposed action plan

KLOE ref no.	Improvement opportunities	Priority 1 = Low 2 = Med 3 = High	Cost Implications (£)	Responsibility	Agreed	Comments	Date
<i>Financial reporting</i>							
	Ensure electronic working papers provided on CD include analytical review on the revenue account and the balance sheet. (Level 4)	1	Nil	Principal Accountant	Y	This will be completed as part of the standard working paper files given to the Audit Commission	June 2008
	Consider the scope for extending the availability of documents in alternative formats	1	TBC	Head of Finance/ Chief Executive	TBC	This could potentially result in a significant investment for little gain, however work on producing the Statement of Accounts in a more user friendly version is underway and other areas will be assessed but with cost borne in mind	Ongoing
<i>Financial management</i>							
2.1.22	The medium-term financial strategy should explicitly refer to partnership arrangements and their financial impact. (Level 4)	1	N/A	Head of Finance	Y	This will be incorporated into the next medium term financial plan	June 2008

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KLOE ref no.	Improvement opportunities	Priority 1 = Low 2 = Med 3 = High	Cost Implications (£)	Responsibility	Agreed	Comments	Date
2.1.23	The appendix to the medium term financial strategy should show the impact of additional pressures on years 1-3.covering explicitly the impact from the local policing plan and policing objectives on resource requirements for later years. (Level 4)	1	N/A	Head of Finance	Y	As 2.122 above	June 2008
2.1.25	The Authority should seek to demonstrate how financial plans and strategies have contributed to the achievement of its policing objectives. (Level 4)	1	N/A	Head of Finance / Chief Executive	Y	The linkage of performance and finance is crucial for the organisation in moving forward and the Head of Finance and Chief Executive will consider how best this can be incorporated into the current reporting structure.	April 2008
2.2.24	Budgetary control arrangements could be strengthened by an improved focus on material and significant variances through the use of traffic lights in divisional reports, which currently show all variances. (Level 4)	1	TBC	Principal Accountant	Y	The current reporting tool, Business Objects, will be looked at with the contractor to determine whether or not this is possible and at what cost.	April 2008
2.2.25	Financial monitoring reports to the Authority should be integrated to include revenue, capital, and reserves and balances. (Level 4)	1	Nil	Head of Finance / Treasurer	Y	This will be incorporated into the Finance committee reporting cycle.	December 2007

KLOE ref no.	Improvement opportunities	Priority 1 = Low 2 = Med 3 = High	Cost Implications (£)	Responsibility	Agreed	Comments	Date
2.2.27	Force Executive skills in financial management should be assessed and any knowledge gaps met with appropriate training. (Level 4)	1	Nil	Head of Finance/ Chief Constable	Y	The decision making body for the Force is the Strategy Board and therefore it is essential that both the Chief Constable and Head of Finance fully understand the high level financial aspects of the Force and the financial impacts of any decisions made	Ongoing
2.3.12	Asset management arrangements could be strengthened by the integrated reporting of asset management performance information within financial reporting. (Level 4)	1	Nil	Head of Finance/ Head of Estates	Y	Whilst information regarding utility costs and value of the estate etc. is reported to the finance committee on an annual basis there has been little capital investment in the estate and therefore the linkage to asset management performance and financial reporting has not been paramount. As the replacement of Greyfriars police station progresses this information will prove crucial in determining the investment appraisal and decision making around the capital investment.	Ongoing

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KLOE ref no.	Improvement opportunities	Priority 1 = Low 2 = Med 3 = High	Cost Implications (£)	Responsibility	Agreed	Comments	Date
2.3.13	The Authority and Force should evaluate whether changes in asset use have improved operational performance and contributed to the achievement of policing objectives and improvement priorities through the use of local performance indicators and results from user surveys. (Level 4)	1	N/A	Director of Corporate Services/ Treasurer	Partly	This is done in a lot of instances but will be looked at as part of the implementation of corporate services	April 2008
2.3.14	Performance information about the asset base should be communicated to stakeholders. (Level 4)	1	N/A	Head of Finance	Y	Linked to 2.3.12 above	Ongoing
<i>Financial standing</i>							
3.1.10	The level of variance on which members would expect budget holders to formally report should be set out. (Level 4)	1	Nil	Head of Finance / Treasurer	Y	Financial Regulations to be reviewed and updated and for this to be considered	February 2008
3.1.11	Financial management arrangements could be strengthened by clear assessment of the opportunity costs of holding reserves compared to the benefit accrued. (Level 4)	1	Nil	Treasurer	Y	This will be considered as part of the report at 2.2.25 above	December 2007

KLOE ref no.	Improvement opportunities	Priority 1 = Low 2 = Med 3 = High	Cost Implications (£)	Responsibility	Agreed	Comments	Date
<i>Internal control</i>							
4.1.13	Smarter mapping of training need and recording of training delivery should be developed to demonstrate that training is being appropriately targeted. (Level 4)	1	N/A	TADS QA Co-ordinator	Y	This is currently being incorporated into the Learning and Development Improvement Plan	Ongoing
4.1.7	A partnership risk assessment needs to be completed, focusing on both positive and negative business risks. (Level 3)	2	Nil	Head of Finance	Y	This is currently being incorporated into the risk management process and reflected in the risk register	Ongoing
4.2.24	The action plan in the statement of internal control should be developed to assign responsibility and key dates. Progress against the action plan should be reviewed twice yearly. (Level 4)	1	Nil	Head of Finance	Y	The areas included within the Statement on Internal Control are monitored as part of the Annual Policing Plan action plan. A review will also be undertaken by the Audit and Business Assurance Committee at their March meeting.	March 2008
4.2.27	Standing orders, the scheme of delegation and financial instructions should include reference to partnership arrangements. (Level 4)	1	Nil	Head of Finance / Treasurer	Y	As per 3.1.10 above	February 2008

26 Police Use of Resources | Appendix 1 – Poposed action plan

KLOE ref no.	Improvement opportunities	Priority 1 = Low 2 = Med 3 = High	Cost Implications (£)	Responsibility	Agreed	Comments	Date
<i>Value for money</i>							
5.1.1	The Authority should ensure that the corporate services changes deliver the anticipated savings.	3	TBC	Director of Corporate Services/ Treasurer	Y	This is being monitored by the Audit and Business Assurance Committee as part of its Business Assurance role. The Force also have a project board which is monitoring the level of savings to be delivered to ensure the full savings are achieved.	March 2008
5.1.2	Further improve satisfaction levels and performance, particularly in areas where performance is worse than peers, such as risk of domestic burglary, robbery and vehicle crime.	2	TBC	Chief Constable/ Chair of Police Authority	TBC	The areas assessed by the Audit Commission in relation to VFM are expected to change for 2007/08. Once these are known the Chief Constable in conjunction with the Police Authority will need to assess whether the areas of assessment tie into the strategic direction of the Force	TBC
5.2.1	A programme for delivering VFM in 2008/09 and beyond needs to be established.	2	Nil	Treasurer/ Head of Finance	Y	A report outlining how VFM should be progressed for future years should be presented to the November Audit Committee.	November 2008
5.2.1	Once the corporate services re-structuring is complete the reintroduction of 'Making Costs Visible' should be considered to ensure internal support service costs continue to be challenged.	2	Nil	Director of Corporate Services	Y	As part of the restructuring of support services, into a Corporate Services Model, will be the need to develop Service Level Agreements. A process will also be developed whereby the costs of delivering the SLAs can be challenged.	March 2008/ October 2008

KLOE ref no.	Improvement opportunities	Priority 1 = Low 2 = Med 3 = High	Cost Implications (£)	Responsibility	Agreed	Comments	Date
5.2.1	Work needs to continue on reducing sickness levels.	3	TBC	Director of Corporate Services	Y	Work does continue on reducing levels of absence. A number of internal audits have been undertaken to ensure that the Force has the correct control framework in place. Monitoring by the Authority is undertaken by both Audit and Business Assurance and the Human Resources Committees. Processes have been developed to ensure the process is simpler and less bureaucratic. The drive is now on ensuring that supervisors fulfil their duty in absence management	Ongoing