

Cambridgeshire Police Authority

Use of Resources – Assessment Results 2009



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Dear Sir

Use of Resources – Assessment Results

We are pleased to present the summary results of our assessment of Cambridgeshire Police Authority's Use of Resources, which has been completed in accordance with the methodology and guidance issued by the Audit Commission. Please contact Howard Burton if there any other Use of Resources issues that you would like to discuss. We look forward to presenting this report to the Scrutiny and Audit Committee on 9 December.

Yours faithfully


PricewaterhouseCoopers LLP

Cc: Ms J Spence – Chief Constable
Ms N Howard – Force Director of Finance

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Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In April 2008 the Audit Commission issued a revised version of the ‘Statement of responsibilities of auditors and of audited bodies’. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end, and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement.

Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any Member or officer in their individual capacity, or to any third party.

Introduction

Introduction

We have completed our assessment of Cambridgeshire Police Authority's Use of Resources in accordance with the methodology and guidance prescribed by the Audit Commission. This report sets out our conclusions on how well the Authority and the Force is managing and using resources to deliver value for money and better sustainable outcomes for local people.

The next section of this report sets out the use of resources framework and the results of the assessment, as well as highlights the areas for improvement based on the criteria devised by the Audit Commission.

Use of resources framework

The new use of resources framework forms part of the Comprehensive Area Assessment (CAA) and comprises three themes:

- Managing Finances – including strategic financial management;
- Governing the Business – including commissioning and good governance; and
- Managing Resources – including natural resources, assets and people¹.

Each theme consists of a number of key lines of enquiry (KLoE). The KLoEs are generic and applicable equally to all organisations subject to use of resources assessments under CAA. Judgements have been made for each KLoE using the Commission's current four point scale from 1 to 4. These ratings translate into the following assessments:

1 = does not meet minimum requirements – performs poorly

2 = meets only minimum requirements – performs adequately

3 = exceeds minimum requirements – performing well

4 = significantly exceeds minimum requirements – performing excellently

¹ KLOE 3.3 - Workforce planning only was assessed in 2009

Evidence for each key line of enquiry has been collected through the review of documentation the Authority and Force have provided and interviews with key officers.

Summary of scores

A summary of the results of our assessment is provided in the table below.

Theme		2009 Score
1	Managing Finances How effectively does the organisation manage its finances to deliver value for money?	2
2	Governing the Business How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for people?	2
3	Managing Resources How well does the organisation manage its natural resources, physical assets, and people to meet current and future needs and deliver value for money?	2

In overall terms, the arrangements for the use of resources in 2009 are considered to be meeting minimum requirements – performs adequately. However, there is scope to embed and demonstrate key outcomes of the Authority's and Force's use of resources arrangements further. We set out the details of these aspects in the next section of this report.

Use of Resources 2009/10

The key lines of enquiry specified for the 2009/10 assessment are set out in the Audit Commission's work programme and scales of fees 2009/10. Our work on use of resources will inform our 2009/10 value for money conclusion.

An additional KLoE, 3.1 - Natural resources will apply to Police authorities for 2009/10. However, KLoE 3.2 – Strategic asset management; and KLoE 3.3 - Workforce planning will not be assessed in 2009/10.

The Audit Commission's Comprehensive Area Assessment (CAA) public reporting will be made available on 10 December 2009.

Overall management response

The Authority and Force welcome the fact that this inspection process has identified steady and continuous improvement in all areas examined. This 2009 assessment puts us in a cohort with 17 other Police Authorities who have also scored 2, many reducing from previous scores of 3. In the light of this we might conclude that in previous years we have been harshly judged.

Summary of Key Findings and Areas for Improvement

Managing Finances

How effectively does the organisation manage its finances to deliver value for money?

2

Overview

Arrangements in relation to financial planning are considered adequate with the basics in place. There is some understanding of costs in parts of the Force through activity based costing, however it is not clear to what extent this information is used. Benchmarking of costs against local forces has commenced, but the outcomes of this are yet to be seen. Further evidence is required in relation to commissioning activities to demonstrate outcomes. Efficiencies have been met in the past and plans are in place for current savings which are closely monitored. Regular reviews in business areas are undertaken to identify and support the efficiency planning process.

Financial monitoring and forecasting in the Force is considered adequate. Working papers are on the whole good and support the figures in the financial statement. However, a number of adjustments have been identified during past audits, and the accounts submitted for audit have contained errors that were not 'clearly trivial' – although not material. Accessibility of differing formats of reports needs improvement in addition to obtaining a better understanding of local stakeholders needs and wants on financial reporting.

Key Lines of Enquiry

- Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?
- Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?
- Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?

2

2

2

Examples of Areas for Improvement

- Scenario planning of financial outcomes and further evidence to demonstrate that on significant decisions, wider social, environmental and economic factors are considered.
- Evidence to demonstrate that financial training is provided to Members and/or Force during the year.
- It is not clear to what extent activity based cost information is being used to understand high cost areas or benchmarking against others. Evidence is required to demonstrate what the key cost drivers and Force behaviours are, in respect of outcomes relating cost to performance.
- The Authority has published its accounts on the website, but the latest audit letter is not separately published. No details of differing formats of reports are included on the website although the Authority is able to translate documents if requested. However, it is not clear what analysis the Authority has undertaken of the local requirements and/or needs in respect of this matter.

Governing the Business

How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for people?

2

Overview

Arrangements in respect of commissioning and procurement are considered adequate with the basics in place. There is a good understanding of local communities and their needs, some evidence is being shown of outcomes on service redesign to improve customer experiences. Procurement strategies are in place. Data managements arrangements have secured a number of the performing well characteristics. The Authority and Force has a good track record in relation to data quality and ensuring continuous improvement. However there are some key weaknesses around developing policies and procedures for validating data from third parties and providing greater evidence on partnership risk information.

The basics of good governance are in place including codes of conduct, schemes of delegation and standing orders. However, further work is needed to demonstrate continued development of ethical standards and to put in place formal development training plans for Members. Partnership governance arrangements are in place, however further improvements are required in relation to links with partnership risk registers and the impact that these have on both the Authority and Force.

In respect of internal control, the Authority and Force demonstrated performance at level 3, with the application of good arrangements including:

- Strong commitment to continuous improvement in risk management by senior officers and members;
- All appropriate individuals, including members, trained in risk management;
- No proven fraud cases arising over the last three years
- No issues from matches identified during the last NFI exercise; and
- Improved internal controls systems through a reduction in audit recommendations.

Key Lines of Enquiry

- | | |
|---|---|
| • Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money? | 2 |
| • Does the organisation produce relevant and reliable data and information to support decision making and manage performance? | 2 |
| • Does the organisation promote and demonstrate the principles and values of good governance? | 2 |
| • Does the organisation manage its risks and maintain a sound system of internal control? | 3 |

Examples of Areas for Improvement

- Although a procurement strategy is in place, further work is required to develop and monitor environmental and diversity purchasing arrangements to ensure that objectives are being delivered.
- Improvements are also required in relation to developing performance measures, reviewing service competitiveness and demonstrating Value for money (VfM) in the procurement process.
- It is not clear how robust and consistent contract monitoring is, nor whether cost/productivity indicators are used in all cases to measure performance of procurement contracts.

- The Authority has not demonstrated any significant outcomes as a result of its benchmarking activities to date.
- Evidence to demonstrate that the effectiveness of the Authority and Force's partner risk management practices are appropriate to promote/support delivery of Authority and Force objectives, as well as joint working arrangements.
- An organisation wide data security policy is currently being drafted, including policies on data transfer. However, there does not appear to be any evidence to support whether validation is undertaken where third party data is received and used.
- Further work is required to put in place an overarching business continuity plan and continue to improve existing departmental plans where issues are identified from testing.
- Give further consideration to how the Authority and Force can demonstrate the outcomes required from key corporate aims, objectives and actions.

Managing Resources

How well does the organisation manage its natural resources, physical assets, and people to meet current and future needs and deliver value for money?

2

Overview

Over the last two years the Force has been below establishment and a recruitment programme has been in place to build towards the optimum establishment. Recruitment and establishment numbers are monitored regularly by the Workforce Utilisation and Planning Group. The Force has also undertaken a significant project over the past two years to promote 'Putting People First' - designed to improve skills amongst officers, with an emphasis on customer care. The outcomes of this process and results are yet to be seen. The Force has also developed strategies for a healthy workforce and occupational health, but no evidence of outcomes against these yet exists.

The Force has the basics in place. However it has not provided sufficient evidence to demonstrate any key outcomes in respect to those areas within workforce planning. Further evidence is required in relation to work being undertaken to build a workforce that is representative of local communities.

Key Lines of Enquiry

- Is the organisation making effective use of natural resources?
- Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?
- Does the organization plan, organise, and develop its workforce effectively to support achievement of its strategic priorities?

n/a

n/a

2

Examples of Areas for Improvement

- A 'Recognition strategy' describes how the Force's Human Resource function ensures that the Force has 'the right people in the right place at the right time with the right skills doing the right things'. However, no specific evidence has been provided to demonstrate the outcomes arising from this strategy and the impact on the Authority and Force's activities, as well as objectives.
- The Force has a number of resourcing strategies in place including the workforce planning and succession planning strategies. However, no evidence has been provided of whether resourcing plans are in place for the next 3-5 years, nor evidence of joint workforce planning arrangements with other organisations or other public sector partners to demonstrate that benefits are being achieved.
- Significant work has been undertaken to recruit PCSOs from different ethnic backgrounds to assist closer working with a wide range communities. However, further work is required to demonstrate whether local equality standards are being met and how progress is being made in building a workforce that broadly represents the community, including senior levels.
- Give further consideration to how the Authority and Force can demonstrate the outcomes required from key corporate aims, objectives and actions.

In the event that, pursuant to a request which Cambridgeshire Police Authority has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. Cambridgeshire Police Authority agrees to pay due regard to any representations which PwC may make in connection with such disclosure and Cambridgeshire Police Authority shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, Cambridgeshire Police Authority discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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