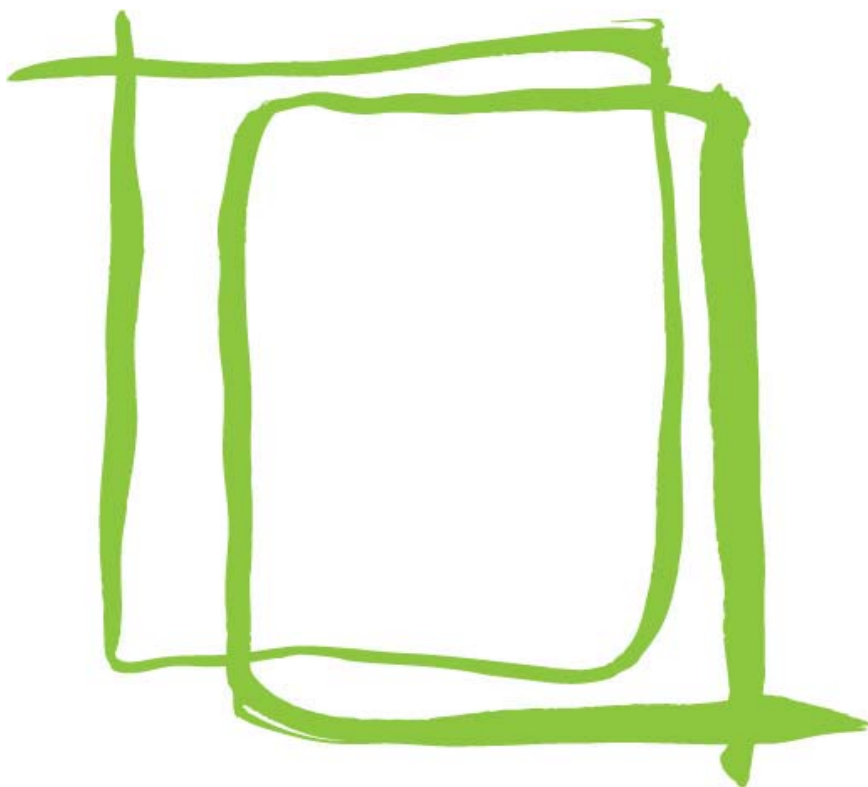


Use of Resources

Devon and Cornwall Police Authority

Audit 2008/09

March 2010



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
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Summary

- 1 This report summarises the key findings from our assessment of how Devon and Cornwall Police Authority is managing and using its resources to deliver value for money and better and sustainable outcomes for local people.
- 2 The Audit Commission notified Devon and Cornwall Police Authority on 14 September 2009 that it had achieved an overall use of resources score of 'level 3', which indicates that it exceeds minimum requirements and is performing well. The new use of resources is a harder test with a focus on outcomes and scores that are not comparable with those for previous years.
- 3 The scores for the three themes are as follows.
 - Managing Finances level 3 performing well.
 - Governing the Business level 3 performing well.
 - Managing Resources level 2 performing adequately.
- 4 The Police Authority has sound overall management arrangements in place and is continually working to improve the services it provides.
- 5 Its financial and corporate planning processes are integrated with short and long term objectives, developed in consultation with partners, supported by robust financial planning.
- 6 The Force has in place a clear strategy for being a top performing force by 2012. Key strategies are in place for developing its workforce and it is making progress in the delivery of these although they are still at an early stage.
- 7 The Force has developed strengths in the management of its information but there is scope for improvement in the area of Human Resources.
- 8 Our detailed judgements are shown at page 7 and in Appendix 1

Introduction

- 9 This report sets out our conclusions on how well Devon and Cornwall Police Authority is managing and using its resources to deliver value for money and better and sustainable outcomes for local people and give scored use of resources theme judgements.
- 10 In forming my scored theme judgements, I have followed the methodology set out in the [use of resources framework: overall approach and key lines of enquiry \(KLOE\) document](#) and the use of resources [auditor guidance](#). For each of the specific risks identified in relation to our use of resources work, which were set out in our audit plan, we considered the arrangements put in place by the Devon and Cornwall Police Authority to mitigate the risk and plan our work accordingly.

Use of resources framework

- 11 From 2008/09, the new use of resources assessment forms part of the [Comprehensive Area Assessment \(CAA\)](#) and comprises three themes that focus on:
- sound and strategic financial management;
 - strategic commissioning and good governance; and
 - the management of natural resources, assets and people.
- 12 The scores for each theme are based on the scores reached by auditors on underlying KLOE. The KLOE are generic and applicable equally to all organisations subject to use of resources judgements under CAA. This promotes consistency, demonstrating all organisations within a CAA area are treated in the same way, and to the same standards.
- 13 The Commission specifies in its [annual work programme and fees document](#), which KLOE are assessed over the coming year.
- 14 Annually the Audit Commission will publish scored judgements about value for money in the use of resources for local authorities, fire and rescue authorities, police authorities and primary care trusts. The use of resources assessment forms part of Comprehensive Area Assessment (CAA) from 2009 and feeds into other relevant performance assessment frameworks.

Introduction

- 15 Judgements have been made for each KLOE using the Commission's current four point scale from 1 to 4, with 4 being the highest. Level 1 represents a failure to meet the minimum requirements at level 2. The scale of judgements is set out in Table 1 below.

Table 1 Levels of performance

Level 1	Does not meet minimum requirements – performs poorly
Level 2	Meets only minimum requirements – performs adequately
Level 3	Exceeds minimum requirements – performs well
Level 4	Significantly exceeds minimum requirements – performs excellently

Source: [use of resources framework: overall approach and KLOE document](#)

- 16 The principles for each performance level are cumulative – for example, auditors consider the principles outlined to support level 3 in addition to those at level 2.
- 17 The Commission issues guidance relevant to each sector to support the assessment. The guidance includes sources of possible evidence and characteristics of performance for each KLOE at levels 2 and 3.
- 18 The sources of evidence and the characteristics do not prescribe the only way in which organisations can meet the KLOE. They are not a checklist to be complied with rigidly. Auditors make a rounded judgement against each KLOE based on all the evidence available to them and using the characteristics as guidance.
- 19 All the documents referred to above are available from the Commission's website.

A harder test

- 20 The new use of resources assessment is more demanding than previous assessments. The KLOE are more broadly based than previously and embrace wider resource issues such as workforce planning and the use of natural resources. The KLOE focus more on value for money achievements, outputs and outcomes rather than on processes.
- 21 As part of the continuing drive to improve standards the scoring arrangements have been adjusted so that to attain level two the authority must show that it has arrangements that are consistent with established professional practice and guidance, meet statutory requirements and operate effectively.
- 22 To achieve a level three, authorities now need to demonstrate a higher standard of performance which includes the following:
- operating consistently above minimum requirements;
 - demonstrating a forward-looking and pro-active approach;
 - evidencing outputs and outcomes which demonstrate impact; and
 - effective partnership working.

- 23 This is a significant challenge and it follows that 2008/09 use of resources are not comparable with those for the previous year.
- 24 Our use of resources judgements and theme scores for Devon and Cornwall Police Authority are set out in the following section.

Acknowledgement

- 25 Our thanks are due to all the staff that helped us during the 2008/09 assessment.

Use of resources judgements

Scored judgements

- 26 Devon and Cornwall Police Authority has achieved an overall score of 'level 3'.
- 27 This overall score is determined by calculating the average of the following theme scores.

Table 2 Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances How effectively does the organisation manage its finances to deliver value for money?	Level 3
Governing the business How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for local people?	Level 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?	Level 2

-
- 28 The authority is exceeding minimum targets and performing well. However, continued emphasis must be placed on demonstrating specific outcomes as a result of decisions taken/plans implemented.
- 29 The organisation's performance must be excellent across the entire scope of the KLOE to achieve a score of 4 and strong evidence available that arrangements lead to demonstrably excellent value for money outcomes throughout the year under review.
- 30 Elements of level 4 are as follows:
- demonstrating innovation or best practice;
 - demonstrating strong outcomes for the community including through partnership working;
 - evidence of performing well above minimum acceptable levels; and
 - achieving excellent value for money.

Managing finances

The focus in this theme is sound and strategic financial management. It looks at how effectively the organisation manages its finances to deliver value for money. Our review of this theme found the following strengths.

- 31** The Police Authority (PA) and Force integrates its financial and corporate planning processes. There are comprehensive, balanced and realistic budgets set, supported by a structured medium term approach to deliver savings and efficiencies. A robust Treasury Management Strategy is in place. There are short and long term objectives/priorities supported by robust financial planning. The PA, in consultation with its local public service partners, has identified local priorities/targets and set aside funding to meet these local priorities. There is ownership and awareness of the financial planning process by management and staff. The Force operates within its budget whilst maintaining good service performance. Corporate management routinely challenge financial assumptions and performance. There is a good understanding of its costs and performance.

The Force makes good use of activity analysis data to analyse its performance and deploy resources effectively. It makes use of comparative data and benchmarking takes place at all levels, both strategically and at an operational level. Benchmarking is embedded into day to day operational activity. It is delivering on its efficiency agenda and has an excellent track record in achieving efficiency savings. Senior management and Members review efficiency plans.

- 32** Budget monitoring and forecasting information is timely, reliable, relevant and understandable and leads to prompt action to address any variances or other issues. In-year financial monitoring and forecasting information is consistent with the financial information reported externally to stakeholders at the year-end. Forecasts are subject to risk and sensitivity analysis. The PA considers financial information alongside related performance information linked to strategic objectives to monitor performance. PA reports include financial and non financial information and provide a written commentary that ensures sufficient and relevant information is given to support the decision making process.
- 33** The authority is exceeding minimum targets and performing well. Emphasis should be placed on demonstrating specific outcomes as a result of decisions taken/plans implemented.

Governing the business

The focus in this theme is the governance of the business. It looks at how well the organisation governs itself and commissions services that provide value for money and delivers better outcomes for local people. Our review of this theme found the following strengths.

- 34 The Procurement service has a clear vision which shapes service delivery. There is a robust sustainable procurement strategy in place that takes into account the social, economic and environmental impact that purchasing has on people and communities. The Force works well in ensuring potential suppliers are involved in the procurement process, supported and understand the Force's requirements.
- 35 The Force does not have an overarching Data Quality policy in place, but does have up to date guidance for each of the existing systems and databases, together with designated business owners who are responsible for ensuring compliance. There is a comprehensive and robust information sharing protocol with partners. The protocol covers all agencies, contractors and service partners engaged with the Force.
- 36 Performance summary reports are clear, provide good analysis of performance against targets and include trend analysis and recommendations for further action.
- 37 The PA has adopted a local code of corporate governance. Members and senior officers receive a thorough induction tailored to their role. The PA uses individual personal development plans for members that identify skill gaps and inform the training plans for the year ahead. The PA proactively disseminates information to staff, local people and communities that highlights the importance of the ethical agenda and in particular the importance of maintaining high standards of conduct.
- 38 The PA identifies and manages corporate business risks in line with its risk management strategy. It considers risks relating to significant partnerships and requires officers to obtain assurances about the management of those risks. Staff receive relevant training and guidance. Risk management is embedded within the organisation's business processes. There is a pro-active programme of counter fraud and corruption work which is adequately resourced, risk based and proportionate. The PA manages fraud as a corporate risk.
- 39 There is scope for strengthening the governance of partnership arrangements.

Recommendations	
R1	The Authority should ensure that the partnership strategy is adhered to for every strategic partnership in place.
R2	Maintain and develop the partnership database to monitor the partnerships in place and ensure that each of them has an appropriate form of governance in place that is formally documented.
R3	Review the effectiveness of partnership working and demonstrate that partnerships are providing effective outcomes and value for money.
R4	Development of an overarching Data Quality Policy.

Managing resources

The focus in this theme is the management of natural resources, assets and people. It looks at how well the organisation manages its natural resources, physical assets, and people to meet current and future needs and deliver value for money. Our review this year only looked at workforce planning.

- 40 The Force has in place a clear strategy for being a top performing force by 2012. The Force is making progress in developing a workforce planning strategy. It has determined its recruitment needs for the next ten years and has increased the numbers for frontline police officers by 200 through a programme of civilianisation and disestablishment of around 196 posts. The Force has an annual plan that is reviewed monthly to ensure operational police officer numbers are maintained.
- 41 The Force anticipates retirements of police officers and bases its recruitment activities on this data, and integrates this with training and induction provision. During 2008 changes made to the Force's learning and development unit resulted in the provision of modular training courses which address identified skills gaps in staff going through the assessment. The course is now embedded as a permanent refresher course. There are plans in place to increase the types of training provided through E-learning. Improvements in training provision have resulted in cost reductions and increased trainer contact with students. Plans are well advanced for future training with Plymouth University but this is not yet in place.
- 42 The Force has revised its approach to implementing Performance Development Reviews (PDRs) but has not yet achieved completion for all staff members. The Force undertakes staff surveys on a quarterly basis and this provides good quality, up to date information on staff attitudes and response rates are good at over 50 per cent. Results show a breakdown of responses by rank, location, gender and ethnicity, providing managers with useful insights into staff attitudes. Satisfaction with the Force as an employer is overall mixed. Trends show concerning responses from staff from minority ethnic groups who are significantly less satisfied with the Force as an employer, their BCU or department as a good place to work. There is a staff satisfaction improvement group chaired at chief officer level at which all local and some corporate actions are reviewed to address issues raised in the staff surveys.

Use of resources judgements

- 43 The Force has developed effective measures to engage and communicate with staff in order to achieve organisational change. There are formal consultation processes involving the Police Federation, GMB and Unison. The Partnership Group meetings take place weekly and consider all proposals for structural and policy changes. One-to-one meetings have been established to ensure that staff are consulted with directly and personal issues addressed.
- 44 The Force is managing the implications of a failed job evaluation exercise from 2005. There are currently over 300 equal pay claims outstanding (these are not related to the job evaluation exercise) and these present the Force with significant financial liabilities. The Force is working with partners to resolve these and is developing plans to complete a new job evaluation in 2010/11. Equality impact assessments completed in 2004 are expected to be reviewed annually, but there is little evidence that this is done. Recruitment processes are manual with no opportunity for on-line applications.
- 45 The Force has made improvements in its approach to achieving equality and diversity objectives with the Chief Constable taking a personal lead. While the Force has achieved an overall workforce that reflects its community, progression remains an issue with no black or ethnic minority police officers above the rank of inspector, and a balance of males and females in a number of specialist areas has not been achieved. The Force has targets for the recruitment of officers from black and ethnic minority communities which are supported by a wide range of positive actions and a dedicated positive action officer. The People Gold group, comprising senior managers, now oversees all recruitment and promotion activity, providing clear direction for the delivery of the Force's people related objectives. Equality impact assessments were completed in 2004 and are expected to be reviewed annually.

Next steps

- 46 The Commission is making minimal changes to the assessment framework for 2009/10. It plans to make no changes to the KLOEs and will only update the guidance to reflect statutory changes, changes in professional requirements, or to make it clearer.
- 47 In 2009/10 we will be taking a proportionate and risk based approach to use of resources. To that end the 2009/10 assessment will build on the work done to support the 2008/09 assessment, which established a baseline against which auditors will assess progress.
- 48 The Audit Commission has identified a range of best practice to help authorities:
- the use of resources guidance that is available to auditors and to anyone else via the Commission website contains details of good practice source material;
 - on the website there is a specific 'good practice and case studies' section;
 - the Commission regularly publishes research in particular areas that contain similar case studies; and
 - the Improvement Network, for which the Commission is one of the sponsors, provides improvement tools and can be accessed directly or via the Commission's website.

- 49 In addition, the Audit Commission has worked with the National School of Government to produce a unique web-based learning scheme on core skills in financial management for local government. The scheme is free to use and covers the following key areas of financial management:
- financial planning and control;
 - accounting for income and expenditure;
 - financial reporting;
 - strategic and business planning;
 - budget management;
 - performance indicators;
 - market economics;
 - investment appraisal and evaluation;
 - interpretation of financial accounts; and
 - corporate finance.
- 50 An email is being sent to all local authorities with a link to the tool during the week beginning 26 October 2009.
- 51 The Commission will also be publishing the results of analysis of 2008/09 use of resources assessments and identifying best practice identified by this work.

Detailed findings

- 52 The 2008/09 key strengths and development areas for the three themes and sub-themes are summarised in Appendix 1.

Use of Resources 2009/10

- 53** The key lines of enquiry specified for the assessment are set out in the Audit Commission's work programme and scales of fees 2009/10. Our work on use of resources informs our 2009/10 value for money conclusion.
- 54** In our 2009/10 audit fee letter we identified an initial risk to our value for money conclusion (see Table 3) in relation to the new area of work on Natural Resources (KLOE 3.1). We will consider the arrangements put in place by the Authority to mitigate the risk and plan our work accordingly. KLOE 3.3 – workforce planning will not be re-assessed in 2009/10.

Table 3 Initial risk assessment

Risk	Planned work	Timing of work
Natural resources is an additional criterion in 2009/10	We will assess the Police Authority's arrangements.	November 2009 – March 2010

- 55** The Commission plans to phase bringing forward the timeline for auditors to complete their assessment so they complete most of their work by the end of the financial year to which the assessment relates (see Table 4). This is to reduce the overlap with the final accounts audit and smooth the workload to decrease the burden on auditors and audited bodies during September. For 2009/10 the national quality assurance will start at the beginning of August, providing more opportunity for audited bodies to share any significant examples of outcomes identified after the area challenge than allowed for in 2008/09.
- 56** Work on natural resources will start in November/December 2009 and the remaining fieldwork will take place from January to March 2010. Self assessment is optional but if the Authority chooses to share its assessment with us this will need to fit in with the revised timetable. We will continue to liaise with officers about the detailed arrangements and timetable.

Table 4 2009/10 Use of Resources key dates

In 2009/10 there will be an earlier timetable for use of resources assessment and reporting.

	2008/09 Timeline	2009/10 Timeline
Initial moderation		
Indicative submission to AC	by 31 May 2009	by 21 April 2010
Internal 'area challenge' meetings	22 June – 2 July 2009	10-21 May 2010
National quality assurance		
Final submission to AC	by 14 August 2009	by 30 July 2010
National quality assurance	24 August – 11 September 2009	2 August – 27 August 2010

- 57 The Commission will publish examples of strong performance and outcomes to support learning for 2009/10 assessment.
- 58 The Commission is currently undertaking a post-implementation review of use of resources which will consider the need for more substantial changes for the 2010/11 assessment. This will seek to maximise the impact of the assessment whilst ensuring a proportionate approach.

Appendix 1 – Use of resources conclusions

The following tables summarise the key finding and conclusions for each of the use of resources themes and sub-themes.

Table 5 Managing finances

The authority/force has sound arrangements for managing its finances. It integrates its financial and corporate planning processes. The authority, in consultation with its local public service partners, has identified local priorities and targets and set aside funding to meet these. The force operates within its budget which is supported by a structured medium term financial strategy to deliver savings and efficiencies. There is ownership and awareness of the financial planning process by management and staff. Police Authority reports include both financial and non financial information to support the decision making process.

<p>Key Line of Enquiry – KLOE 1.1 Financial planning</p>	<p>Score = 3 VFM Criterion Met = Yes</p>
<p>Strengths</p> <ul style="list-style-type: none"> • The Police Authority integrates its financial and corporate planning processes. It has set and approved a comprehensive, balanced and realistic budget, supported by achievable savings plans. There is a structured medium term approach to delivering savings and efficiencies. • A robust Treasury Management strategy is in place. Performance is monitored against this. • The Police Authority has set itself short and long term objectives/priorities. Financial planning contributing to improved outcomes in relation to these objectives/priorities can be seen in the Frontline Policing Programme where efficiencies (removal of 196 back office posts) have been identified in order to increase frontline officer resources and as a result of efficiencies being delivered 173 officers (31 March 2009 – 200 officers) have been redeployed to the frontline from administration duties. 	<p>Areas for Development</p> <ul style="list-style-type: none"> • Demonstrate that financial plans of significant partnerships are regularly reviewed. • Demonstrate clear outcomes and impact as a result of decisions taken.

Strengths	Areas for Development
<ul style="list-style-type: none"> • The Police Authority, in consultation with its local public service partners, has identified local priorities/targets and set aside funding to meet these local priorities. Eg Community safety partnerships where need has been identified within local communities and partnership arrangements entered into with the financial implications flowing through to the Medium Term Financial Strategy. • There is ownership and awareness of the financial planning process by management and staff • The Police Authority involves its external stakeholders in the financial planning process to deliver organisational and shared objectives. Eg through consultation exercises carried out (QSR victim survey, anti social behaviour survey and general public survey, Partners and Communities Together initiatives) in line with its community engagement strategy and the regular panel meetings held. The outcomes are joint financial plans for areas such as drugs, youth offending, and safety camera partnership. • The Police Authority has involved its stakeholders and consulted local people/communities by holding consultations at various times of the day, in different formats (ie surveys, panel meetings, attendance at local community events/places), and has worked with a strategic independent advisory group that represents all areas of diversity in order to ensure interaction with various minority groups across the force area. • The Police Authority has consistently performed within its budget and levels of balances have been maintained within the range determined by its policy (between 2 and 3 per cent). • Financial standing at the Authority is sound. It has a track record of operating within its budget while maintaining good service performance. 	

Appendix 1 – Use of resources conclusions

Strengths	Areas for Development
<ul style="list-style-type: none"> ● Performance indicators such as satisfaction levels have remained consistent if not improved whilst the authority has delivered its efficiency savings over the last year ie 83.9 per cent satisfaction with service whilst delivering savings (such as reducing support costs) and achieving budgets. ● Individual and collective responsibility for the stewardship of use of resources and financial accountability is set out in scheme of delegation and includes all senior officers and members. ● The Police Authority and Force corporate management routinely challenge financial assumptions and performance and a culture of transparency about the financial position, this is evident in the presentations and reports presented to committees/working groups, external reporting and the delivery of balanced budgets. ● The Police Authority incorporates action plans relating to internal and external audit reports into its database for management. A recommendations closure group ensures that all accepted recommendations are implemented. ● Police Authority members and the corporate management team provide constructive challenge and scrutiny to financial plans and financial management arrangements to ensure that they remain robust and fit for purpose. 	

<p>Key Line of Enquiry – KLOE 1.2 Understanding costs and achieving efficiencies</p>	<p>Score = 3 VFM Criterion Met = Yes</p>
<p>Strengths</p> <ul style="list-style-type: none"> • The Force and Authority can demonstrate a good understanding of its costs and performance. This understanding is supported by an effective Financial Management System which allows the Force to analyse its costs and the Force are in line with the best practice set out in the Police Objective Analysis. • It makes good use of activity analysis data underlying Activity Based Costing to analyse its performance and deploy resources. It also makes extensive use of comparative data and benchmarking takes place at all levels, both strategically and at an operational level. There are high level reports of family comparisons and BCU comparisons. • Benchmarking is embedded into day to day operational activity. • The Force undertakes whole life costing well and has a well established business case approach for evaluating major investment projects. • Investments during the year have improved the quality of performance management data which has led to better presentation and delivery of information. This has helped readers better understand information presented. There are high quality reports in place but these are always evolving and the Force continually strives to improve these. They have also recently developed a balanced scorecard approach which is linked to deliverables. • The Force is delivering well on its efficiency agenda and has an excellent track record in achieving efficiency savings. In 2008/09 it achieved efficiency savings above the 3 per cent targets set by the Home Office. There are good efficiency plans in place and these are challenging but realistic. These are reviewed regularly by senior management and Members. 	<p>Areas for Development</p> <ul style="list-style-type: none"> • Demonstrate understanding of the total resources at the disposal of significant partnerships. • Implement innovative ways of delivering services to achieve efficiencies.

Appendix 1 – Use of resources conclusions

Strengths	Areas for Development
<ul style="list-style-type: none"> The Force has also adopted the HO Productivity and Efficiency Strategy and works hard to identify efficiencies for example it has identified the scope for making efficiencies through QUEST and Corporate Services Transformation. Also there is further scope to deliver significant efficiency and productivity savings through the many initiatives planned to deliver the Force Vision 2012. 	
<p>Key Line of Enquiry – KLOE 1.3 Financial reporting</p>	<p>Score = 3 VFM Criterion Met = Yes</p>
Strengths	Areas for Development
<ul style="list-style-type: none"> Budget monitoring and forecasting information is timely, reliable, relevant and understandable and leads to prompt action to address any variances or other issues. In-year financial monitoring and forecasting information is consistent with the financial information reported externally to stakeholders at the year-end, with no significant variances. Forecasts are subject to risk and sensitivity analysis ie illustrative cost of borrowing and the effect on the council tax of various spending plans. Internal financial monitoring and reporting during the year is relevant, understandable and accruals based, ensuring a clear link between the budget, in-year forecasts and actual year-end position, and helps timely and efficient accounts closure – the authority has closed down its accounts and produced its financial statements and supporting working papers in line with deadlines. This year the authority was able to produce its financial statements three weeks in advance of the June deadline. 	<p>Strengthen scrutiny of the accounts and working papers and implement quality assurance to eliminate unnecessary errors.</p>

Strengths	Areas for Development
<ul style="list-style-type: none"> • Financial information is produced in a timely manner with a set timetable for monthly closedown and budget statement production. As part of the monthly closedown process the Authority's internal audit department run a continuous auditing programme on its payroll output to identify any large spikes in expenditure and obtain explanations for these variances. • The authority considers financial information alongside related performance information linked to strategic objectives to monitor performance. • The police authority and force's financial systems are accessible and provide for timely, tailored and useful information as they allow budget holders to access monitoring and forecasting information, enable ad-hoc specialist reports to be run and produce profiles financial monitoring reports for budget holders. Police authority reports are provided with a written commentary that ensures sufficient and relevant information is provided to support the decisions the user will have to make. 	

Table 6 Governing the business

The procurement service has a clear vision which shapes service delivery. There is a robust sustainable procurement strategy that takes into account the social, economic and environmental impact that purchasing has on people and communities. There is a comprehensive information sharing protocol with partners. The Police Authority has adopted a local code of corporate governance. It identifies and manages corporate business risks in line with its risk management strategy.

<p>Key Line of Enquiry – KLOE 2.1 Commissioning and procurement</p>	<p>Score = 3 VFM Criterion Met = Yes</p>
<p>Strengths</p>	<p>Areas for Development</p>
<ul style="list-style-type: none"> • There is a robust sustainable procurement strategy in place. • The purchasing of goods and services takes into account the social, economic and environmental impact that such purchasing has on people and communities. • Within the Sustainable Procurement strategy the Constabulary has stated that it will ensure that the sourcing strategy agreed for all goods and services fully supports sustainability. All tender opportunities ensure that local suppliers have the opportunity to bid by allowing geographical awards of business, where practical and cost effective. • The Constabulary actively engages with the local supply market through local business events, and encourages local suppliers to bid for contract opportunities. Within the public procurement rules, the key opportunity to consider environmental issues is at the earliest stage of the process, in defining user requirements. The Constabulary requires all suppliers awarded contracts to have sustainable and environmental policies to ensure that the end to end supply chain is sustainable. • There is a clear vision for procurement and a robust Strategy in place, and most procurement decisions are supported by National Policy and collaborative working. 	<ul style="list-style-type: none"> • Demonstrate wider community outcomes of procurement decisions ie environmental. • Demonstrate Partnership outcomes.

Strengths	Areas for Development
<ul style="list-style-type: none"> • The procurement service drives a purchasing regime which engages wider social, economic and environmental issues. It continually strives to deliver improvements in purchasing, efficiencies and value for money. It has undertaken a service review and improvements include the updating of Financial Standing Orders. Further improvements include a central purchasing hub and changes in Policies. In particular a procurement options appraisal is to be undertaken for all contract requirements up to the value of £40,000. This is to ensure that the most appropriate route is followed based on the assessment of the risks relative to the commodity being purchased. Such considerations will include supply market analysis, materiality, collaborative opportunities, operational significance, timeliness and corporate social responsibility. • The Force works well in ensuring potential suppliers are involved in the procurement process, supported and understand the Force requirements. For example, it has used e-procurement methodology for a number of years and supports businesses in using this forum. Also the Force is planning to undertake a bidders' day which includes a presentation to anyone who has expressed an interest to bid for the command and control system. The aim of the day is also to stimulate interest and maximise the number of potential appropriate bidders so that the Force can create a strong and competitive field of suppliers. It also aims to focus suppliers on the need to give best value and enabling consortium building between bidders. • The Force works well in collaboration, for example as part of the Devon Procurement Partnership they have collaborated with other public sector bodies in Devon for the supply of gas and electricity. There is good evidence that the Force undertakes option appraisals in purchasing decisions. There are good examples of purchasing decisions that have achieved savings and improved services for users, for example, the Employee assistance programme. Work was undertaken in close liaison with the Occupational Health Support Unit which has resulted in annual savings of £76,000 and an employee assistance programme which is available to all staff and their family members. 	

Appendix 1 – Use of resources conclusions

Strengths	Areas for Development
<ul style="list-style-type: none"> E-procurement has developed well in the Force. DCPA has been proactive and a front runner in the development of e-procurement. It has led on a national e-procurement project which has resulted in the development of a national contracts database which is utilised nationally by all Forces and Fire and Rescue Services (Blue Light Procurement Database (BLPD)). They are also currently working with the NPIA and Office of Government Commerce, to upload contracts awarded by them, which are open to Police forces to use. 	
<p>Key Line of Enquiry – KLOE 2.2 Data quality and use of information</p>	<p>Score = 2 VFM Criterion Met = Yes</p>
Strengths	Areas for Development
<ul style="list-style-type: none"> The Force has developed strengths in the management of its information, but there remain some areas for improvement. The absence of a fully integrated electronic system for recording HR and duty management information, together with cultural obstacles in some BCUs, results in the Force not having consistently accurate information about its employees or their deployments. The Force does not have an overarching Data Quality policy in place, but does have up to date guidance for each of the existing systems and databases, together with designated business owners who are responsible for ensuring compliance. There is also a comprehensive and robust information sharing protocol with partners. The policy, approved in 2007 and revised in 2008, addresses all legal and statutory requirements and requires all personal data to reach the standard of BS7666. All the Force's partnerships are listed together with nominated officers in each partnership. The protocol covers all agencies, contractors and service partners engaged with the Force. 	<ul style="list-style-type: none"> Development of a fully integrated electronic system for recording HR and duty management. Development of an overarching Data Quality Policy for the Force Demonstrate that relevant financial and non-financial indicators used to assess the achievement of VFM in the delivery of services drive improvement.

Strengths	Areas for Development
<ul style="list-style-type: none"> • The Force has made recent improvements to its performance management information through the purchase of new software. This enables senior managers and the performance team to interrogate 55 different databases to produce a corporate scorecard, providing a good overview of a wide range of organisational indicators. Each BCU and departmental teams have access to the system and can drill down into finer detail on a range of operational information. Performance summary reports are clear, provide good analysis of performance against targets and include trend analysis and recommendations for further action. Some reports, such as serious crime rates, provide weekly trend data, allowing more rapid operational decisions to be made. Other reports provide updates on organisational matters such as completion rates of PDRs. This helps managers to target action on under-performing areas. • Further investment is being made through the Quest programme to improve business processes across the force. This includes a detailed assessment of call handling and grading in control room, resulting waste and inefficiencies being identified. Estimates show that 20,000 staff hours are being wasted through the wrong call gradings being applied to calls, resulting in police attendance at incidents which should not require a police presence. • The Force has in place up to date and comprehensive policies to safeguard its data. This includes an Information Security, Data Protection and Freedom of Information policies. The Force tracks security incidents, which reached a peak of 307 in 2007, reducing to 168 in 2008. The reduction was achieved as a result of a security audit, raised awareness programme and changes to incident recording to British Standards. • There are robust policies in place for business continuity and disaster recovery. 	

Appendix 1 – Use of resources conclusions

Strengths	Areas for Development
<ul style="list-style-type: none"> Performance management arrangements are evolving and being strengthened. New groups chaired by senior managers, including the Performance Improvement and Tasking Group and Recommendations Closure Group, take an active role in performance matters and provide good corporate oversight of key business areas and performance matters. This is intended to improve accountability, however, the benefit arising from these new groups is varied; while there is evidence of robust challenge to project progress and delivery there are also examples of significant slippage. 	
<p>Key Line of Enquiry – KLOE 2.3 Good governance</p>	<p>Score = 3 VFM Criterion Met = Yes</p>
Strengths	Areas for Development
<ul style="list-style-type: none"> The Authority constitution was updated in 2008. This contains a comprehensive protocol for member officer relations, a protocol for lead members (which clearly defines their role) and Terms of Reference for Committees. Respective roles are also clearly set out in the scheme of delegation. This provides clarity to members and senior officers about their and each other's respective roles. The Authority has adopted a local code of corporate governance. Members and senior officers receive a thorough induction tailored to their role in the police authority and force. The authority uses individual personal development plans for members that identify skill gaps and inform the training plans for the year ahead. All members have had a one to one meeting with an external advisor tasked with drawing up personal development plans. These plans feed the training plan for the year ahead. 	<ul style="list-style-type: none"> Establish a partnership database to monitor the partnerships in place and ensure that each of them has an appropriate form of governance in place that is formally documented. Review the effectiveness of partnership working and demonstrate that partnerships are providing effective outcomes and value for money.

Strengths	Areas for Development
<ul style="list-style-type: none"> • The Authority and force leadership has a vision of what it wants to achieve for its local communities and this is set out in its annual local policing plan. • The Authority is committed to engaging with stakeholders and local people, including minority and vulnerable groups. This is done via various consultation exercises. The results of the consultation exercises are developed into policing strategic priorities. The Authority has set up an initiative called 'Operation Talents' where small amounts of Force resources have been used in partnership with other local authorities and commercial partners and in consultation with local residents to achieve outcomes for the community – an example of this is the joint working with local Co-op stores to improve CCTV coverage which has led to a reduction in anti-social behaviour. • The leadership in the Police Authority and force maintains focus on delivering the organisation's strategic priorities and is not distracted by internal disputes. There are good working relationships between members and officers with these often working together on joint projects (community safety partnerships) to deliver improvements and priorities. • The Police Authority has a standards committee in place to receive and investigate allegations of breaches of proper standards of conduct. • Professional standards and codes of conduct are in place for police officers and police staff. • The Authority and Force monitors compliance with its codes and procedures. • The Police Authority proactively disseminates information to staff, local people and communities that highlights the importance of the ethical agenda and in particular the importance of maintaining high standards of conduct within the authority and force to ensure probity. This is evident in the local policing plan issued by the authority along with the policing pledge. The Police Authority communicates progress made in developing the ethical environment to stakeholders and local people and communities. This is done via its local policing plan. 	

Appendix 1 – Use of resources conclusions

Strengths	Areas for Development
<ul style="list-style-type: none"> The Police Authority and Force has identified its significant partnerships (Partnership Strategy) and this has been presented to members of the Community Engagement Committee. Internal Audit undertook a review of strategic partnerships in early 2009. It concluded that controls set out in the strategy will mitigate exposure to identified risk but that the new strategy was not being adhered to for every partnership at present. Work in this area is ongoing. 	
<p>Key Line of Enquiry – KLOE 2.4 Risk management and internal control</p>	<p>Score = 3 VFM Criterion Met = Yes</p>
Strengths	Areas for Development
<ul style="list-style-type: none"> The Police Authority identifies and effectively manages corporate business risks in line with its risk management strategy. The Corporate Governance Committee, along with the Risk Management Group, ensures that there are regular reviews and effective management of current and future risks. The Authority's risk management process considers risks relating to significant partnerships and requires officers to obtain assurances about the management of those risks. Authority staff receive relevant training and guidance. Risk management is embedded within the authority and force's business processes. The Police Authority equips all authority members to effectively undertake their roles and responsibilities for risk management – risk and uncertainty training delivered annually. The Police Authority has a sound system of corporate governance evidenced by the Annual Governance Statement and internal and external reviews. 	<ul style="list-style-type: none"> Develop risk management arrangements to include potential fraud in significant partnerships. <p>Continue to embed risk management in project management, and show how effective risk management leads to innovative and challenging projects.</p>

Strengths	Areas for Development
<ul style="list-style-type: none"> ● The Police Authority and Force has a counter fraud and corruption strategy approved by the police authority and made available and communicated to all staff. ● The Police Authority and Force has a pro-active programme of counter fraud and corruption work which is adequately resourced, risk based and proportionate, and which aims to create a zero tolerance culture. ● The Police Authority manages fraud as a corporate risk. ● The Police Authority can demonstrate effective participation in the National Fraud Initiative. ● The Police Authority and Force assesses its counter fraud arrangements and performance against professional guidance, best practice and the findings of its own reviews. It strengthens its systems and procedures in response. ● The Police Authority has effective working arrangements and shares intelligence with relevant partner organisations – for example DWP, HMRC and Devon Pensions services. ● The Police Authority ensures that there is a sound system of internal control which includes – delivering the core functions of an audit committee; providing effective internal audit in accordance with relevant requirements; an assurance framework informing transparent governance reporting; standing orders, standing financial instructions and a scheme of delegation; ensuring compliance with relevant laws and regulations and that expenditure is lawful; and sound internal financial control for key systems. 	

Table 7 Managing resources

This is a continuing area of development for the Force and we have assessed it as level 2.

<p>Key Line of Enquiry – KLOE 3.3 Workforce planning</p>	<p>Score = 2 VFM Criterion Met = Yes</p>
<p>Strengths</p>	<p>Areas for Development</p>
<ul style="list-style-type: none"> • An overarching strategy to increase numbers of frontline police officers and reduce numbers of civilian staff has been implemented and is linked to other strategic plans. • The force anticipates retirements of police officers and bases its recruitment activities on this data, and integrates this with training and induction provision. • During 2008 changes made to the Force's learning and development unit resulted in the provision of modular training courses which address identified skills gaps in staff going through the assessment. The course is now embedded as a permanent refresher course. There are plans in place to increase the types of training provided through E-learning. Improvements in training provision have resulted in cost reductions and increased trainer contact with students. Plans are well advanced for future training with Plymouth University but this is not yet in place. • The force is making progress with implementing personal development reports, but as yet has not achieved a full implementation of the system for all staff members. 	<ul style="list-style-type: none"> • Demonstrate how the workforce is benefiting the community, for example staff identifying and implementing efficiencies and innovations, backed by a strong improvement culture. • Continue to build a workforce broadly representative of the community at all levels. • Modernise recruitment processes to include on-line applications • Respond to issues raised in staff attitude surveys

Strengths	Areas for Development
<ul style="list-style-type: none"> • The force undertakes staff surveys on a quarterly basis and this provides good quality, up to date information on staff attitudes and response rates are good at over 50 per cent. Results show a breakdown of responses by rank, location, gender and ethnicity, providing managers with useful insights into staff attitudes. Trends show concerning responses from staff from minority ethnic groups who are significantly less satisfied with the Force as an employer, their BCU or department as a place to work and to feel they are kept informed by their manager. There are formal consultation processes with trade unions taking place weekly, senior management briefings supplemented with one-to-one meetings with any staff affected by new policies or changes. • The force currently has around 300 equal pay claims outstanding, but has completed an equal pay liability assessment. • Equality impact assessments completed in 2004 are expected to be reviewed annually. • Recruitment processes are manual with no opportunity for on-line applications. • While the Force has achieved an overall workforce that reflects its community, progression remains an issue with no black or ethnic minority police officers above the rank of inspector, and a balance of males and females in a number of specialist areas has not been achieved. The force is making progress with equality and diversity, but there remains more to do. The force has a 'positive action' officer to help increase the recruitment and retention of black and ethnic minority staff, however demographic and cultural factors are seen as an obstacle – particularly for new black staff living in predominantly white rural communities. • The force has not yet implemented a fully integrated electronic system for recording HR and duty management information, and this, together with cultural obstacles in some BCUs results in the Force not having consistently accurate information about its employees or their deployments. 	

Appendix 1 – Use of resources conclusions

Strengths	Areas for Development
<ul style="list-style-type: none"><li data-bbox="163 336 1435 443">• The People Gold group, comprising senior managers, now oversees all recruitment and promotion activity, providing clear direction for the delivery of the Force's people related objectives.	

Appendix 2 – Action Plan

Pg no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
10	R1 The Authority should ensure that the partnership strategy is adhered to for every strategic partnership in place.	3	Force - Assistant Chief Constable Territorial Policing PA - Community Engagement Committee	Y	The Authority has recently undertaken an internal audit of the governance arrangements of its strategic partnerships. This has shown that the governance arrangements envisaged in the Partnership Strategy are largely in place. Governance arrangements need to be commensurate with the risks in place and recognise the mandatory nature of many partnerships. The Force will continue to seek to strengthen governance arrangements for strategic partnerships in line with the Partnership Strategy.	

Appendix 2 – Action Plan

Pg no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
10	R2 Maintain and develop the partnership database to monitor the partnerships in place and ensure that each of them has an appropriate form of governance in place that is formally documented.	3	Force - Assistant Chief Constable Territorial Policing PA - Community Engagement Committee	Y	The Authority and the Force will continue to maintain the database of information collected on partnerships.	
10	R3 Review the effectiveness of partnership working and demonstrate that partnerships are providing effective outcomes and value for money.	3	Force - Assistant Chief Constable Territorial Policing PA - Community Engagement Committee	Y	As part of its work to establish a Blueprint operating model the Force is undertaking a review of all partnership activity to measure the impact of the activity on key outcomes and the overall objectives of the Authority and the Force	
10	R4 Development of an overarching Data Quality Policy.	2	Force - Assistant Chief Constable Justice and Professional Standards PA - Performance Management	Y	The Force will seek to develop an overarching data quality policy over the next 12 months. The policy can be fully realised as part of the new Systems Integrator work for the 2012 programme. This will ensure data is as accurate at point of entry and storage (a 1*1*1* system – entered once, stored once and retrieved in only one way).	

Appendix 3 – Areas for Development

Areas for Development	Responsibility	Comments
Service and Financial Planning		
1. Demonstrate clear outcomes and impact as a result of decisions	Force – Deputy Chief Constable/ Interim Director of Finance and Resources PA – Resources Committee	<p>The Police Authority and the Force have a good record over recent years of making clear connections between financial decisions and the service impact. In developing the Three-Year Financial Strategy for 2010/11 the Force will identify the potential impact of resource decisions on service delivery, performance and the Force programme to be a top performing Force by 2012. This will help demonstrate the connection between budget decisions and service outcomes.</p> <p>The Force will explore ways that BCU budgets can be aligned to the outcomes that are measured via LAA targets.</p>

Appendix 3 – Areas for Development

Areas for Development	Responsibility	Comments
<p>2. Implement innovative ways of delivering services to achieve efficiencies.</p>	<p>Force – Deputy Chief Constable PA – Resources Committee</p>	<p>The Force is currently undertaking two major projects that are aimed at implementing innovative ways of delivering services and achieving efficiencies. These are:</p> <ul style="list-style-type: none"> • the QUEST project – this project will deliver major efficiency savings that will be recorded in the Force efficiency plan • the project to develop a Blueprint Operating Model for the Force. This aims to translate key improvement principles from the Force programme into an operating model for the Force. Specific account will be taken of reducing risk and harm to the public, increasing public confidence and achieving standards defined within the policing pledge. The objective is to be a top performing Force by 2012 within the forecast budget constraints
<p>3. Demonstrate how the workforce is benefiting the community, for example staff identifying and implementing efficiencies and innovations, backed by a strong improvement culture</p>	<p>Force – Deputy Chief Constable PA – Resources Committee</p>	<p>A consultation process is taking place with all senior managers as to how the Force can improve public confidence. The performance improvement unit will create a framework of indicators that monitors progress. These will shape the way the Force drives performance in the areas of keeping people safe, protecting people from harm and improving confidence and satisfaction</p>

Areas for Development	Responsibility	Comments
Partnership Working		
4. Demonstrate that financial plans of significant partnerships are regularly reviewed.	Force – Assistant Chief Constable Territorial Policing/ Director of Finance and Resources. PA – Community Engagement Committee	The Force aims to integrate the review of the financial plans of strategic partnerships into its overall financial planning and monitoring processes
5. Demonstrate understanding of the total resources at the disposal of significant partnerships.	Force – Assistant Chief Constable Territorial Policing PA – Community Engagement Committee	The Force’s review of partnerships (as part of the programme of work on the Blueprint operating model) will identify the total resources at the disposal of partnerships.
Procurement		
6. Demonstrate wider community outcomes of procurement decisions ie environmental.	Force – Head of Procurement PA – Resources Committee	Procedures will be developed during 2009/10 to monitor the outcome of procurement decisions on the wider community.
7. Demonstrate Partnership outcomes.	Force – Head of Procurement PA – Resources Committee	Procedures will be developed during 2009/10 to monitor and cost the benefits of partnership and collaborative procurement exercises.

Appendix 3 – Areas for Development

Areas for Development	Responsibility	Comments
Financial Reporting		
8. Strengthen scrutiny of the accounts and working papers and implement quality assurance to eliminate unnecessary errors.	Force – Head of Finance PA – Corporate Governance Committee	Year-end and Statement of Accounts timetable will be updated to include more opportunity for scrutiny of working papers and draft accounts.
Data Quality and Use of Information		
9. Development of a fully integrated electronic system for recording HR and duty management.	Force – Programme Director PA – Chairs Committee	<p>The development of a fully integrated electronic system for recording HR and duty management information is a key element of the Force Programme. The timeline for delivery is as follows:</p> <ul style="list-style-type: none"> • November 2009 Demand analysis completed • December 2009 Consultation on proposed shift changes commences • October 2010 Resource Management Units established • December 2010 New Duty Management System rollout • February 2011 Forcewide training on DMS commences • August 2011 Project closure

Areas for Development	Responsibility	Comments
<p>10. Demonstrate that relevant financial and non financial indicators are used to assess the achievement of VFM in the delivery of service drive improvement.</p>	<p>Force – Deputy Chief Constable/ Interim Director of Finance and Resources PA – Performance Management</p>	<p>The Force has well developed and relevant financial and non-financial data streams. Further work will be undertaken in 2009/10 to develop appropriate financial indicators that will contribute to the achievement of VFM. This includes taking an active part in the development of the Police Objective Analysis project and joining a VFM Indicators group that cover all corporate services. There will be further development of the performance scorecard to include financial information. Introduction of some indicators will depend national guidance for example the further development of the Police Objective Analysis mode</p>
<p>Risk Management</p>		
<p>11. Develop risk management arrangements to include potential fraud in significant partnerships.</p>	<p>Force – Deputy Chief Constable PA – Corporate Governance Committee</p>	<p>Partnership Risk Management arrangements need to be further enhanced as a likely consequence of CAA. There will be opportunities then to further discuss the arrangements around potential fraud and the control measures that need to be identified.</p>
<p>12. Continue to embed risk management in project management, and show how effective risk management leads to innovative and challenging projects.</p>	<p>Force – Deputy Chief Constable PA – Corporate Governance Committee</p>	<p>Risk Management within Project & Programme Management continues to reflect the Corporate Risk Management process; however the development of opportunity management as that element of risk management that reflects innovation and challenge will need further development, which will occur in line with work ongoing across the rest of the public sector.</p>

Appendix 3 – Areas for Development

Areas for Development	Responsibility	Comments
Workforce Planning		
13. Continue to build a workforce broadly representative of the community at all levels.	Force – Director of HR PA – HR Committee	<p>The People Strategy reinforces our commitment to ensure:</p> <ul style="list-style-type: none"> • We are a workforce made up of people who are representative of our communities which we serve. • We are recognised by our communities, partners and staff as an organisation that treats its staff fairly and with respect. • We are an employer of choice. <p>The strategy sets out the top level activities to achieve the aspiration of achieving a representative workforce. This is further reinforced by objectives in the HR business plan.</p>
14. Modernise recruitment processes to include on-line applications.	Force – Director of HR PA – HR Committee	<p>Following the re-structure of the HR function and the introduction of a centralised resourcing team, it has given the opportunity to standardise and enhance the delivery of all recruitment processes, with some elements accessible via the Force Intranet. Such enhancements include internal email access to police staff application forms and police officer application booklets, on-line advertising, psychometric testing, personality questionnaires, step by step manager's guides etc.</p> <p>Dialogue is ongoing to procure a new HR system, which will include an on-line recruitment solution, in the meantime we will continue to review and make appropriate revisions to our processes.</p>

Areas for Development	Responsibility	Comments
15. Respond to issues raised in staff attitude surveys	Force – Director of HR PA – HR Committee	<p>The trend identified in the 5 quarterly staff satisfaction surveys have shown two major areas for further work – appropriate recognition and reward for good performance and the practices relating to career progression and promotion.</p> <p>Messages to reinforce existing if often unrecognised benefits of working for the organisation (Final salary pension scheme, Flexible working etc) have been delivered. Work is continuing to develop a ‘total rewards’ strategy that will bring together existing local and force wide reward packages and benefits within a corporate ‘basket of options’ whilst also seeking to develop a more explicit and wide ranging culture of ‘recognition’.</p> <p>A review of our selection processes is being undertaken as part of CST. In addition, the likely service wide move to workplace assessment for promotion to sergeant may help improve perceptions of fairness.</p> <p>Recent work in developing more explicit career pathways for police staff in functional areas such as volume crime investigation and forensics offer real career progression opportunities. The development of job families to support both horizontal and vertical career progression is also an option for consideration, particularly within the context of the upcoming job and grading review.</p>

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