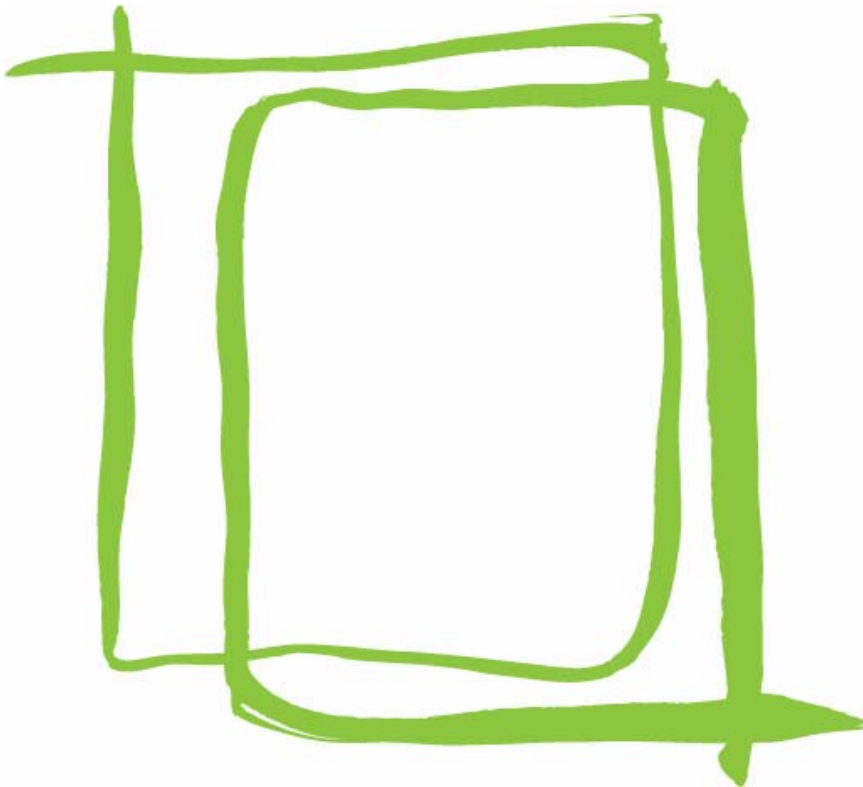


Use of Resources

Northumbria Police Authority

Audit 2008/09

December 2009



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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

This report summarises key findings from my assessment of how Northumbria Police Authority is managing and using its resources to deliver value for money and better and sustainable outcomes for local people.

- 1 Northumbria Police Authority's overall use of resources score notified by the Audit Commission is level 3, exceeds minimum requirements - performs well.
- 2 The Authority achieved a level 3 score for two use of resources themes - managing finances and governing the business - and achieved a level 2 score for managing resources (level 2 is meets only minimum requirements - performs adequately).
- 3 Within the detailed assessment of eight key lines of enquiry, there were six level 3 scores and two level 2 scores. The level 2 assessments were in respect of commissioning and procurement and workforce. In both of these areas, the Authority and Force have plans to deliver improvement.
- 4 Northumbria Police has the lowest crime rate per 1,000 population compared with forces of a similar demography. Latest performance outcomes are that crime has reduced by 2 per cent in 2008/09. Total recorded crime has fallen by over 44 per cent since 1992, one of the largest reductions in the Country.
- 5 The percentage of people that think that Northumbria Police do a good job ranks in the top ten of forces across England and Wales. The Force strives to deliver a high standard of service - satisfaction of users with the whole experience is fourth highest in England and Wales.
- 6 The Force has one of the highest detection rates in the Country at 39.3 per cent (top of comparator group and third nationally). This year the number of anti-social behaviour incidents has fallen by 16.5 per cent, reflecting some of the work undertaken by the Force and its partners.
- 7 However, the current economic climate is difficult and tight financial settlements can be expected in future. This, together with the adverse changes in Northumbria Police's share of the police funding formula, emphasise the importance of continuing to deliver significant improvements. The challenge for the Authority is to continue to identify savings and efficiencies, to refocus resources into priority areas, and generally deliver better outcomes using fewer resources.
- 8 The Force has significantly improved its approach to workforce planning but there is still work to do in delivering outcomes. There is also scope to improve arrangements with partners and to progress the development of a joint strategic risk register for the Authority and Force.
- 9 A summary of our findings against each theme are set out on the following pages, with more detail provided in Appendix 1.

Introduction

- 10 This report sets out my conclusions on how well Northumbria Police Authority is managing and using its resources to deliver value for money and better and sustainable outcomes for local people and gives scored use of resources theme judgements.
- 11 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](#).

Use of resources framework

- 12 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.
- 13 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 consistently.
- 14 The Commission specifies in its [annual work programme and fees document](#), which KLOE are assessed over the coming year.
- 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, please see Table 1. Level 1 represents a failure to meet the minimum requirements at level 2.

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](#)

Use of resources judgements

Scored judgements

16 Northumbria Police Authority's use of resources theme scores are shown in Table 2.

Table 2 Use of resources theme scores

Use of resources theme	Scored judgements
Managing finances How effectively does the organisation manage its finances to deliver value for money?	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?	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

Managing finances

- 17 The arrangements in place for managing finances, including robust financial planning linked to business planning processes, have contributed towards outcomes, for example, successful implementation of neighbourhood management, progress with workforce modernisation, improvements arising from the protective service review, and key decisions taken such as increasing the police officer complement by 110 officers last year.
- 18 Northumbria Police has the lowest crime rate per 1,000 population compared to forces of a similar demography. Latest performance outcomes are that crime has reduced by 2 per cent in 2008/09. Total recorded crime has fallen by over 44 per cent since 1992, one of the largest reductions in the country.
- 19 The percentage of people that think that Northumbria Police do a good job ranks in the top ten of forces across England and Wales. The Force strives to deliver a high standard of service - satisfaction of users with the whole experience is fourth highest in England and Wales.

- 20 The Force has one of the best detection rates in the country at 39.3 per cent (top of comparator group and third nationally). This year the number of anti-social behaviour incidents has fallen by 16.5 per cent, reflecting some of the work undertaken by the Force and its partners.
- 21 The availability of cost comparisons for police services is limited, but Northumbria compares well based on the information that is available. Significant efficiencies have been delivered, and, in addition the Authority is budgeting to pump prime improvements in front line service delivery, to be sustained by efficiency savings over the medium term.
- 22 Financial reporting arrangements are sound. Financial monitoring is effective and the Authority can link its financial decisions to improvements in performance and service outcomes. The arrangements for producing the statutory financial statements are effective. Reporting to the public has improved, but there is scope for further development in this area.

Table 3 Managing finances scores

Area	Score	Overall theme score
KLOE 1.1 Financial planning	3	Level 3
KLOE 1.2 Understanding costs	3	
KLOE 1.3 Financial reporting	3	

Governing the business

- 23 The arrangements for commissioning and procurement are sound, but there is scope for further development in this area. Officers are proactively involved in improving commissioning and procurement, but there is still scope to deliver more outcomes. The delivery of the Authority’s estates strategy presents an immediate test to the robustness of the commissioning and procurement arrangements in place.
- 24 The Force has a strong reputation for data quality, and produces relevant and reliable data and works with partners to ensure the quality of partnership data. Its track record demonstrates the commitment to accurate data and its use to drive improvement. IT systems fully support data quality management. A good example of the use of information to improve outcomes, was the use of crime data which indicated a dip in performance in one area command in the autumn of 2008 to take corrective action. The corrective action resulted in performance in the area command dipping by only 1 per cent, whereas the trend when the problem was spotted was a 14 per cent reduction in performance by the year-end.

Use of resources judgements

- 25 The Authority and Force have adopted, promoted and demonstrated the principles of good governance. There is an effective ethical framework and culture. In addition to the sound arrangements, there is no evidence of any governance failings. We have carried out a Good Governance survey of Members and officers at both the Authority and Force and this reinforces the view that robust governance arrangements are in place.
- 26 Risk management is well developed and there is a sound framework of internal control. There are arrangements in place to prevent and detect fraud and corruption and these appear to be operating effectively.
- 27 There is some scope to improve and better evidence arrangements with partnerships, and there is a need to progress the development of a joint strategic risk register for the Authority and Force.

Table 4 **Governing the business scores**

Area	Score	Overall theme score
KLOE 2.1 Commissioning and procurement	2	Level 3
KLOE 2.2 Data quality	3	
KLOE 2.3 Good governance	3	
KLOE 2.4 Risk management and internal control	3	

Managing resources

- 28 This year's assessment of managing resource is based on workforce alone.
- 29 We found that the Force has significantly improved its approach to workforce planning. Improvements have been made within the Human Resources Department and more widely. However, there is still work to do in delivering further improved outcomes.
- 30 One significant improvement relates to the measures taken to improve attendance management. These have resulted in a 10 per cent reduction in police officer sickness and a 20 per cent reduction in police staff. In addition, occupational health waiting times have reduced by 80 per cent.
- 31 An area where the benefits have still to be fully realised is workforce modernisation. A pilot in Sunderland demonstrated the scope for some significant improvements in arrangements and potential outcomes, but how the beneficial changes could be rolled out within the Force requires further consideration.
- 32 The economic climate, coupled with the adverse changes in Northumbria Police's share of the police funding formula, emphasise the importance of continuing to deliver significant improvements in workforce management.

Table 5 Managing resources scores

Area	Score	Overall theme score
KLOE 3.1 Sustainability	Not assessed this year	Level 2
KLOE 3.2 Asset Management	Not assessed this year	
KLOE 3.3 Workforce	2	

Detailed findings

- 33** The key findings and conclusions for the three themes, and the underlying KLOE, are set out in Appendix 1.

Use of resources 2009/10

34 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. My work on use of resources informs my 2009/10 value for money conclusion. In my letter of 28 April 2009 about the audit fee for 2009/10, I identified a number of significant risks in relation to my value for money conclusion. For each risk, I consider the arrangements put in place by the Authority to mitigate the risk and plan my work accordingly.

Table 6 Initial risk assessment

Risk	Planned work
Community engagement and partnership arrangements - risk that these arrangements are not developed and improved	We will review developments in community engagement and partnerships and provide feedback on improvements that are made
International Financial Reporting Standards (IFRS) - risk of not making adequate preparations to implement IFRS	We will maintain a dialogue with officers as the IFRS project is developed and implemented
Treasury management - risks relating to deposits following the banking crisis	We will review the arrangements to ensure that the Authority's deposits are adequately protected

35 KLOE 3.1 - Natural resources will be assessed for the first time for police authorities in 2009/10. KLOE 3.2 - Asset management and KLOE 3.3 - Workforce will not be assessed for 2009/10.

36 I have not identified any additional risks in relation to my 2009/10 value for money conclusion.

Changes to the use of resources assessment for 2009/10

37 To provide certainty and clarity about the assessment framework in year 2, the Commission will make minimal changes to it for 2009/10. In particular, it will make no changes to the KLOE, and it will only update the guidance to reflect statutory changes, changes in professional requirements, or to make it clearer. We will also take a more 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.

- 38 The Commission will publish examples of strong performance and outcomes to support learning for the 2009/10 assessment.
- 39 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.
- 40 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. 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, 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.

Table 7 Key timeline for the 2009/10 assessment

Key stages	Deadline for police authorities
Submission of indicative scores by the auditor, prior to area challenge process	by 21 April 2010
Submission of final scores by the auditor	by 30 July 2010
National Quality Assurance Process	by 27 August 2010

Appendix 1 – Use of resources key findings and conclusions

1 The following tables summarise the key findings and conclusions for each of the three use of resources themes. This is set out for each of the 10 KLOEs (only 8 applied in the 2008/09 assessment).

Table 8 Theme 1 - managing finances

Theme 1 score	3
KLOE 1.1 - Financial planning score	3
Key findings and conclusions	
<p>Integrates financial planning with strategic and service planning processes on a medium- to long-term basis:</p> <ul style="list-style-type: none"> • Good link between service and financial planning; sound budgets and MTFS; evidence of outcomes delivered through this, for example, implementing neighbourhood management, workforce modernisation, protective service review, key decisions taken such as increasing police officer complement by 110 officers last year. Northumbria Police has the lowest crime rate per 1,000 population compared to forces of a similar demography. <p>Latest performance outcomes are that crime has reduced by 2 per cent in 2008/09, whereas the recession has meant performance has been more static or increased elsewhere. Total recorded crime has fallen by over 44 per cent since 1992, one of the largest reductions in the country.</p> <p>The percentage of people that think that Northumbria Police do a good job is in the top ten of forces across England and Wales. The force strives to deliver a high standard of service - satisfaction of users with the whole experience is fourth highest in England and Wales.</p>	

KLOE 1.1 - Financial planning score	3
Key findings and conclusions	
<p>The force has one of the highest detection rates in the country at 39.3 per cent (top of comparator group and third nationally). This year the number of anti-social behaviour incidents has fallen by 16.5 per cent, reflecting a lot of the work undertaken by the Force and its partners.</p> <p>Performance process maps were produced outlining service delivery issues, with a greater focus on quality of service and service standards.</p> <p>Local Policing Survey conducted which provides data to a sector level on fear and worry, visibility, confidence, perceptions, local priorities and problems, informing local activity, with considerable improvements achieved compared to previous year.</p> <p>There has been slippage in capital programme; it is focused on priorities, but considerable delays in delivering estates programme, although improvements in the last couple of years. Reserves very high but strategy clearly set out and much committed to estates strategy; also funding formula disadvantages Authority by c. £25m per annum, so some caution is justified.</p> <p>Engages local communities and other stakeholders in the financial planning process.</p> <ul style="list-style-type: none"> • There has been significant community and stakeholder consultation, particularly in terms of identifying key policing priorities. Recent developments include an annual Authority Stakeholder Conference and participatory budgeting. The Authority is developing its website and other communications and is also holding meetings more widely across its area. The Authority has launched a ‘Trust Us’ campaign to raise awareness of the Authority’s work. The Force have been high performing; some good partnership working, perhaps reflected in the 16.5 per cent reduction in anti-social behaviour incidents this year. In addition, neighbourhood policing has been effectively implemented meaning that the Force is closer to its communities and their needs. The policing pledge and citizen focus are providing further impetus in this area. <p>Manages spending within available resources and is financially sound over the medium-term</p> <ul style="list-style-type: none"> • Budget management good. Reserves very high but strategy clearly set out and much committed to estates strategy; also funding formula disadvantages Authority by c. £25m per annum, so some caution is justified. Budgeting to pump prime improvements in front line service delivery, to be sustained by efficiency savings over the medium term. Seeking efficiencies of £8m over the next three years, plans now being put in place through area commands and central departments. Force performance is good, but finances tend to be considered separately from performance. There is scope to make further improvements by drawing closer together financial and performance monitoring and providing a view on overall value for money. 	

Appendix 1 – Use of resources key findings and conclusions

KLOE 1.1 - Financial planning score	3
Key findings and conclusions	
Recognises individual and collective responsibilities for financial management and values and develops financial skills	
<ul style="list-style-type: none">Financial governance good; sound system of internal control. Leadership good. Force Director of Finance also a member of the Force management team. Business and financial skills in area commands and departments through Business Advisers and Financial Advisers. Member scrutiny we have observed is good, with Members seeking to hold officers to account. Audit and Scrutiny Committee considers a good range of information, including internal and external reports.	

KLOE 1.2 - Financial planning score	3
Key findings and conclusions	
<p>Understands its costs, including whole life, transaction and unit costs, the main factors that influence these and how they link to performance.</p> <ul style="list-style-type: none"> ● Very good ratio of cost to performance, clear commitment to data quality and use of efficiency savings to meet planned expansion of protective services. ● Comparative cost information is limited but compares well using latest VFM Profile data. ● Performance has remained high despite the impact of the recession. ● Analysis and understanding of costs through ABC, objective analysis and developments in command and control. ● Good understanding of staff costs with workforce plan clearly aligned to future requirements. ● CIPFA statistics and benchmarking used. ● Whole life costing used. ● Understanding of costs such as accrued overtime, vacancies and sickness. ● Sustainable development strategy in place. ● Financial implications clearly set out in reports to the Authority. ● Clear understanding of costs and drivers. ● Relatively low cost and excellent performance improvement slowing but overall very positive; Significant improvement in sickness rates. ● Unit cost benchmarking. ● Whole life costing for most decisions and sustainability now a key consideration. 	

Appendix 1 – Use of resources key findings and conclusions

KLOE 1.2 - Understanding costs and achieving efficiencies score	3
Key findings and conclusions	
Areas for further consideration.	
<ul style="list-style-type: none">• Limited evidence of outcomes from sustainable development initiatives at this time.• Need to understand impact on wider socio-economic factors.• Need to know the resources at the disposal of significant partnerships and how this influences resourcing against objectives. NEASU and CPS given as examples.	
Takes account of this understanding of its costs and performance in decision making and commissioning.	
<ul style="list-style-type: none">• Evidence of improvements to premises costs and an understanding of the impact of the modernisation process on staff profile.• Significant efficiencies previously delivered.• Budgeting to pump prime improvements in front line service delivery, to be sustained by efficiency savings over the medium term. Seeking efficiencies of £8m over the next three years, plans now being put in place through area commands and central departments.• Good example of recent action to improve efficiency - Effective attendance management policy and procedure focusing on early intervention, prompt treatment, proactive wellbeing initiatives, effective monitoring and trigger mechanisms, clear agreement on restrictive duty posts. Resulted in a 10 per cent reduction on police officer sickness and 20 per cent reduction in police staff. (£970k), occupational health waiting times reduced by 80 per cent.• Appropriately detailed analyses of costs are readily available, detailed in project initiation documents including anticipated efficiencies.• All capital bids are considered as part of the Corporate Planning Process undertaken by the Force. Bids are supported by business cases, which identify links to strategic priorities.• The capital programme is approved by the Authority on an annual basis, linked to Force priorities through the Corporate Planning Process and managed through the Property Management Group, ITMG and relevant PSG. Quarterly monitoring is made to Members.	

KLOE 1.2 - Understanding costs and achieving efficiencies score	3
Key findings and conclusions	
<ul style="list-style-type: none"> ● Good budgetary control evident. ● Scenario analysis set out in MTFS. <p>Identifies the scope for making efficiencies and is on track to achieve planned efficiencies.</p> <ul style="list-style-type: none"> ● Modernisation programme used effectively to support growth needed for protective services. ● Track record of efficiency savings and low overall costs. Savings for 2008/09 £1.1 above target. Budgeting to pump prime improvements in front line service delivery, to be sustained by efficiency savings over the medium term. Seeking efficiencies of £8m over the next three years, plans now being put in place through area commands and central departments. ● Good example of recent action to improve efficiency - Effective attendance management policy and procedure focusing on early intervention, prompt treatment, proactive wellbeing initiatives, effective monitoring and trigger mechanisms, clear agreement on restrictive duty posts. Resulted in a 10 per cent reduction on police officer sickness and 20 per cent reduction in police staff. (£970k), occupational health waiting times reduced by 80 per cent. ● Regular review of costs. ● Overall costs are reducing and generally lower than MSF against significant and sustained overall service improvement. ● Performance significantly stronger than MSF group. Clear evidence that high priority areas perform well. 16.5 per cent reduction in anti-social behaviour incidents, for example. ● Lowest precept. ● Local factors dictate resourcing model across BCUs and NPTs. ● One of the leading forces in the modernisation demonstration and evaluation programme. Process review and local level 5x5x5 problem solving/innovation days are having an impact and involving front line staff in the process to ensure buy-in. ● Not fully clear how partner resources and approach influences this. 	

Appendix 1 – Use of resources key findings and conclusions

KLOE 1.3 - Financial reporting score	3
Key findings and conclusions	
<p>Produces relevant, timely and reliable financial monitoring and forecasting information</p> <ul style="list-style-type: none">• Good systems of monitoring and performance by the Force and Authority, including timeliness and accuracy. Good coverage by Internal Audit. Consistency of in-year information (as far as is practical) with year-end reporting. There is a history of very effective budget monitoring and control. Corrective action is taken to address any budget variances on a timely basis. The financial position is reviewed monthly by officers, including oversight by the Treasurer, and there is quarterly monitoring by Members. <p>Uses financial and related performance information to monitor performance during the year and Produces financial reports that are clear, relevant and concise to support strategic decision making</p> <ul style="list-style-type: none">• Reports considering decisions do balance financial information and performance information, with consideration of all relevant factors relating to the decision. Reports are generally clear and concise. <p>Routine monitoring looks at financial and performance information separately - each is covered comprehensively though. As noted above, the financial position is reviewed monthly by officers, including oversight by the Treasurer, and there is quarterly monitoring by Members. Performance is monitored quarterly by Members. Members receive a report from the Force on the latest performance information. This is usually formally presented by the Deputy Chief Constable with ample time allowed for debate and questions / issues to be raised and discussed. There is scope to make further improvements by drawing closer together financial and performance monitoring and providing a view on overall value for money.</p> <p>Prepares accounts that meet statutory requirements, financial reporting standards and present fairly, or give a true and fair view of, the financial performance and position:</p> <ul style="list-style-type: none">• 2008/09 accounts unqualified with relatively few errors. Financial statements are comprehensive, well presented and compliant with SORP requirements. There has been a continuing dialogue with officers, and any emerging issues have generally been addressed by officers at an early stage; for example, fixed assets impairments.	

KLOE 1.3 - Financial reporting score	3
Key findings and conclusions	
<p>The preparation of the accounts and the audit are managed through an Opinion Audit Protocol, which sets out audit requirements and a clear timetable. Consequently, the working papers prepared are exemplary, and are provided electronically. A sharepoint intranet site has been set up for dealing with auditor queries. This has been very effective in managing the audit process, and providing a clear trail to show how audit queries have been dealt with.</p> <p>Publishes reports that provide an objective, balanced and understandable assessment of the organisation’s performance in the year.</p> <ul style="list-style-type: none"> • Previous findings were that the Police Authority needed to improve accessibility to the website, particularly for diverse groups. Both the Force and Authority websites have been improved. There is some excellent external reporting through the Local Policing Plan and more particularly, through the Local Policing Summaries delivered to every household in the Force area (six versions, one tailored for each area command). These are available in a wide range of formats. The Authority website includes copies of the budget, MTFs, annual accounts, summary accounts, annual audit letter and police use of resources reports. The summary accounts are very well presented. • There is still scope for further improvement, for example, seeking the public's views on what is required from external reporting and responding appropriately, further improving the accessibility of the website, reporting on the Authority and Force's environmental footprint, and using the Local Policing summaries to explain the use of resources in local areas, ie what do services cost in an area and what are the unit costs of particular services, which could then be related to the extensive performance information that already exists? 	

Appendix 1 – Use of resources key findings and conclusions

Table 9 Theme 2 - governing the business

Theme 2 score	3
KLOE 2.1 - Commissioning and procurement score	2
Key findings and conclusions	
<p>Has a clear vision of intended outcomes for local people which shapes its commissioning and procurement, and is based on an ongoing analysis and understanding of needs.</p> <ul style="list-style-type: none"> The Force and Authority consult widely with diverse communities in a variety of ways, and pro-actively seek views from the community. Examples of this are CDRPs, community engagement forums and an annual stakeholder day. Priorities identified are then fed into the Local Policing Plan. In particular, the Force has recently commissioned a report considering the impact of the recession across the Force area. This will be used at internal strategic meetings to determine future directions and tactics. Funding is targeted at very specific needs which have been identified as priorities by local communities, eg driver improvement training. Performance information from the quality of service questionnaire is used to assess Force performance in respect to citizen focus. Authority members and officers use their scrutiny role to ensure the best methods are used for delivering local policing. Collaborative working is a key priority for the Force, with numerous examples of this provided. A procurement strategy is in place, and this is monitored by members. <p>Involves local people, partners, staff and suppliers in commissioning services.</p> <ul style="list-style-type: none"> The Force and Authority consult widely with diverse communities in a variety of ways, and pro-actively seek views from the community. Examples of this are CDRPs, community engagement forums and an annual stakeholder day. Priorities identified are then fed into the Local Policing Plan. Funding is targeted at very specific needs which have been identified as priorities by local communities, eg driver improvement training. The sustainability policy demonstrates that the Force is looking to ensure that services are delivered in a way that is socially, economically and environmentally sustainable. 	

KLOE 2.1 - Commissioning and procurement score	2
Key findings and conclusions	
<p>Although service users and the wider community are involved in assessing needs, establishing priorities and reviewing performance it is unclear how they are involved in designing services. Although feedback is widely obtained, it is not clear whether this is systematically obtained from all sources. The procurement strategy did not seem accessible on the Authority website.</p> <p>Seeks to improve the customer experience, quality and value for money of services through service redesign, making effective use of IT.</p> <ul style="list-style-type: none"> IT has been used as a key enabler of business change, both internally and externally. The Force website has been updated to provide useful information to service users on a wide range of issues. It is possible to report a crime online, and also to provide online feedback on the police response. The site is also linked to various social networking sites. The IT strategy feeds into 2020 Vision and the Policing Plan. There are numerous examples of IT driving business change including e-procurement and the diary system. The Force has clearly demonstrated a commitment to using technology to drive service improvements and savings, however, this needs to be further developed to include partnerships, to further improve customer experience and secure efficiencies. <p>Understands the supply market and seeks to influence and develop that market.</p> <ul style="list-style-type: none"> Staff involved in procurement are aware of the need to optimise competitiveness, choice and flexibility. This is reflected in the procurement guide, and in the business case form required for each contract. Awareness of procurement considerations is provided for members and staff. Guidance is provided for suppliers wishing to do business with the Force and procurement officers meet regularly with prospective suppliers to discuss procurement opportunities. In addition, the Force is represented on the ACPO National Procurement Group. Collaborative working is a key priority for the Force, with numerous examples of this provided. The third sector are supported in their provider role. An example of this is the recent Home Office pilot of Participatory Budgeting, where various community, voluntary and residents groups were invited to bid for funding for projects which would reduce crime and fear of crime, and build trust in the community. 	

Appendix 1 – Use of resources key findings and conclusions

KLOE 2.1 - Commissioning and procurement score	2
Key findings and conclusions	
<p>Evaluates different options (internal, external and jointly with partners) for procuring services and supplies and Reviews the competitiveness of services and achieves value for money, while meeting wider social, economic and environmental objectives.</p> <ul style="list-style-type: none">• The Force carries out regular service reviews. This is currently being done as part of a regional procurement group, which allows the Force to benchmark costs against other similar Forces. Northumbria Police are members of the Police Benchmarking club, and use its key performance indicators to assess performance. <p>The Authority is a member of the North East Purchasing Organisation, which gives access to savings on bulk purchases.</p> <p>The Force is currently going through a value for money exercise, with the aim of saving £8m over the coming years. Each department needed to identify a 7 per cent savings target by April 2009, Area Commands needed to identify a 3 per cent savings target by November 2009, the split recognising the priority given to front line policing.</p> <p>Performance information is reported monthly to the Strategic Management Board and quarterly to Audit and Scrutiny Committee.</p> <p>Scrutiny by members - Reports go forward to Members on all policies/strategies, there is an annual report on contracts, and every high value contract goes to Members for approval.</p> <p>The Authority could develop its role further to compare the procurement approach with other organisations and sectors.</p> <p>Internal inspections for both Area Commands and Departments involve scrutiny of performance information and service standards and where necessary, areas for improvement are highlighted and addressed.</p> <p>The sustainability strategy needs to become further embedded.</p>	

KLOE 2.2 - Data quality and use of information score	3
Key findings and conclusions	
<p>Produces relevant and reliable data and works with partners to ensure the quality of partnership data.</p> <ul style="list-style-type: none"> ● Excellent track record demonstrates commitment to accurate data and its use to drive improvement. IT systems fully support Data quality management. ● Clear commitment and track record of getting incident and crime data quality to required standard. ● Data quality policy in place, information policy clearly defines count principle. ● NMIS is being implemented - will improve COUNT. ● Performance soft removes need for data management at department level. ● 5x5x5 process involves frontline staff in improvement process that includes clear use of data and identification of weaknesses in data. ● Robust year round monitoring/scrutiny of data quality. ● Exemplary track record. ● data sharing with CDRP clear and open. ● Delivery of Isas with partners and very proactive in establishing joint systems for multi-agency data (vault). ● Excellent approach to dip sampling control room quality through customer call back. ● Focus on officers reporting arrival to ensure compliance with policing pledge on grade 2 response. ● Possible issue with a lack of understanding of child protection arrangements in partner agencies. ● Not clear how partner data is used or managed (including risk identification). 	

Appendix 1 – Use of resources key findings and conclusions

KLOE 2.2 - Data quality and use of information score	3
Key findings and conclusions	
<p>Understands the needs of its decision makers and provides them with information that is fit-for-purpose and is used to support decision making.</p> <ul style="list-style-type: none">• Crime and incident data is available to management teams in an accessible format and is routinely used to drive improvement.• High quality data is presented in a range of formats that allow for effective challenge (radar chart for PC, NPT, PCSO deployment for example). MSF and national performance comparison presented in order to contextualise performance.• Triggers are set for all targets to quickly identify falling performance and notable practice.• Local quarterly local policing survey - working with partners on content.• Crime statistics updated quickly (less than two days old). To beat level• Crime mapping on website one month in arrears.• Stakeholders involved in reporting methods.• ABC data continues to be used but advances to C&C now give accurate information on officer deployment and ongoing availability.• Performance system changed to reflect customer focus. Potential notable practice.• Clear evidence of close monitoring leading to positive action on detection slip and Northumberland performance downturn. <p>Ensures data security and compliance with relevant statutory requirements.</p> <ul style="list-style-type: none">• Some risk found due to complexity of MOPI implementation plan and possible barrier to prioritisation of action. Some strategic risks due to possible increase in workload due to MoPI implementation.• All departments have business continuity plans.• Data protection key issue in developing partnership sharing arrangements. - central ISA repository available on intranet.• MoPI on track.	

KLOE 2.2 - Data quality and use of information score	3
Key findings and conclusions	
<p>Monitors performance against its priorities and targets, and addresses underperformance.</p> <ul style="list-style-type: none"> ● Good performance management arrangements in place. Clear evidence of effective management response to emerging issues. ● Performance against priorities. ● Clear links between force priorities and BCU objectives and partners objectives within CDRPs. ● Use of prince2 methodology. ● Good response to HMIC/AC findings. ● Broad range of information sources used to manage performance (regular user satisfaction to strategic assessment). ● Clear use of indicators supporting objectives and exception reporting used where appropriate. ● Clear use of sickness and other workforce data as part of performance management. Regular use of MSF comparison and national findings to drive improvement. ● Research into recession undertaken linked to projections for crime rates and detections. ● Excellent track record of efficiency savings and reinvestment into protective services, etc. ● Clear evidence of self-awareness in considered responses to challenges from AC over the years. ● Response to falling performance in Northumberland was prompt and effective and clearly demonstrated an understanding of issues beyond the performance data. ● Process approach to improvement. ● Limited information linking specific initiatives to generally very positive outcomes. 	

Appendix 1 – Use of resources key findings and conclusions

KLOE 2.3 - Good governance score	3
Key findings and conclusions	
<p>Has adopted, promotes and demonstrates, the principles of good governance</p> <ul style="list-style-type: none">• Previously Use of Resources work involved a review of financial regulations, standing orders and scheme of delegation (these were updated in 2007). Regular meetings held with senior officers (eg. Treasurer, Chief Internal Auditor, Monitoring Officer) as part of our continuous planning work. AGS reviewed as part of statements work. Also considered the local Code of Corporate Governance. <p>The Authority and Force leadership carries out a robust assessment of local needs and is committed to engaging with stakeholders and local people, including minority and vulnerable groups. This is done via a stakeholders day with partners, and regular meetings between the police and community forums. From this is developed an assessment of needs, which is also informed by various surveys. Priorities thus identified feed into '2020 Vision' and from this the local policing plan is developed.</p> <p>The Authority and Force's culture is open and outward facing with a clear focus on the needs of the local community. The leadership in the police authority and force maintains focus on delivering the organisation's strategic priorities, and there are excellent working relationships between members and officers.</p> <p>Maintains focus on its purpose and vision</p> <ul style="list-style-type: none">• Vision and purpose is in the '2020 Vision' plan. This feeds down into local policing plans and the MTFs. This then feeds down into local business plans. There has been discussion with us on the contents of reports going forward and attendance at the Audit and Scrutiny Committee where Members consider the annual governance statement. <p>Appropriate standing orders and a scheme of delegation are in place that clearly define the roles and responsibilities of members and senior officers. There are constructive working relationships between authority members, the force corporate management team and staff. Appropriate induction arrangements are in place for Members and senior officers. Members and senior officers are clear about each others roles. Take-up of training is high, including long-standing members, but individual personal development plans are at the pilot stage.</p>	

KLOE 2.3 - Good governance score	3
Key findings and conclusions	
<p>Demonstrates a strong ethical framework and culture</p> <ul style="list-style-type: none"> • Our regular meetings with senior officers confirm sound arrangements are in place. Breaches covered by detailed internal audit work. For Police officers there is a Professional Standards dept, new starters and those on leadership programmes are made aware of ethical standards. Confirmed at authority no breaches of members code of conduct, satisfactory work carried out by IA to support governance statement. Suitable arrangements in place at Force and Authority re interests and gifts and hospitality. Standards committee open to public, minutes on internet. Whistle-blowing policy embedded at Force and Authority. Our review last year indicated that there are strong policies and procedures in place for the ethical framework. There is a strong counter fraud culture in place. <p>The Authority and Force have arrangements in place that are designed to promote and ensure probity and propriety in the conduct of their business. They proactively raise standards of ethical conduct, and also proactively raise public awareness of this. All Members have signed model code of conduct and a code for staff exists. Its standards committee has two independent members, who are not members of the authority .The Authority's Standards Committee was formerly established in accordance with the requirements of the Local Government Act 2000. No complaints have been received in the last 12 months. All Members of the Authority are aware of the need to register gifts and hospitality. All complaints received by the Authority are dealt with by the Chief Executive to the Authority and are reported to the Authority's Complaints Committee on a monthly basis. At the Force the Professional Standards Department deal with breaches of conduct by civilian staff and officers, and continually work to raise understanding of the issues involved. Expected codes and procedures are in place, including standing orders, standing financial instructions and a scheme of delegation, codes of conduct and registers of interests, gifts and hospitality. Breaches of these are investigated by internal audit or the Integrity unit as appropriate. Complaints procedure is clearly communicated.</p> <p>Applies the principles and values of good governance to its partnership working</p> <ul style="list-style-type: none"> • Request sent out to all Area Commands to list partnerships and separately identify those deemed significant. (Definition of significance based on Cipfa./Solace guidelines). List almost complete. An assurance statement is requested from each Area Command for partnerships to support the governance statement. Limited arrangements in place for business continuity plans at partnerships, but Force is going to address this. Work is being undertaken on Force development of partnerships following our previous audit review. 	

Appendix 1 – Use of resources key findings and conclusions

KLOE 2.3 - Good governance score	3
Key findings and conclusions	
<p>Good progress has been made on partnership working, with the development of a partnership register linked to strategic priorities. Significant partnerships have appropriate governance arrangements in place although there is work to be done on monitoring governance arrangements for smaller partnerships. Partnership working is embedded and well managed at Area Command level, and a significant project is underway for sharing data. Work to be done on a procedure for resolving disputes.</p> <p>Areas for improvement</p> <ul style="list-style-type: none">• Partnership governance: Good progress has been made towards improving partnership working. A Strategic Partnership Lead has been appointed and she has developed a comprehensive partnership register linked to strategic priorities. However, there is still some way to go on improving monitoring of partnership arrangements which the Force recognises. There is a project brief for the Strategic Partnership Lead which includes improving performance monitoring arrangements and further developing risk management arrangements. Currently the robustness of risk management strategies is being audited. A joint risk register is to be developed for partnerships. In addition, the register is now being audited to ensure that those partnerships where there is no statutory requirement for governance arrangements etc, do actually have suitable arrangements in place. Counter fraud and corruption arrangements have yet to be fully extended to partnerships and outsourced functions. <p>In addition to the evidence of comprehensive arrangements, there is no evidence of any significant failings in the governance framework.</p> <p>We have carried out the Good Governance Survey within the Authority and Force and this provides positive feedback on the governance arrangements in place.</p>	

KLOE 2.4 - Risk management and internal control score	3
Key findings and conclusions	
<p>Has effective risk management which covers partnership working</p> <ul style="list-style-type: none"> • The Authority and Force manage their significant business risks. The Force's arrangements are embedded in business processes, with risk registers in place for all area commands and central departments and a strategic risk register for the Force. However, work is still being done to encourage partnerships to develop risk registers. Training is provided on risk management to heads of service, business managers and local risk co-ordinators. Corporate Risk Management Advisor runs risk awareness workshops. Authority provides members with risk awareness training. All reports have to specifically consider risk. Project management - database links into risk register. <p>The Authority and Force continue to manage their significant business risks well. The Force's arrangements are embedded in business processes, with risk registers in place for all area commands and central departments and plans are underway to combine the strategic risk registers for the Force and Authority. Adequate risk management arrangements are in place for partnerships, and these are being developed further. The Audit and Scrutiny Committee monitor strategic risks for the Force and Authority on a quarterly basis. The Authority's strategic risk register is an example of notable practice.</p> <p>Members and staff regularly receive update training on the principles of risk management.</p> <p>As part of every area audited by internal audit, risk management arrangements are considered. In addition, there is a corporate audit of risk management arrangements. Confirmed with internal audit that there have been no significant matters arising in-year from these reviews.</p> <p>Partnership risk management arrangements - Returns provided by Area Commands on governance arrangements to feed into Annual Governance Statement. Return specifically asks about assurance over risk management arrangements with partnerships. Internal audit have checked a sample of these and found everything to be in place.</p> <p>Partnerships also have risk registers. Risk for partnerships is considered in two ways - credibility, ie risk of adversely affecting the Force's reputation, and risks associated with the entity itself, eg failure of performance. Significant partnerships are administered by local authorities who have suitable governance arrangements in place.</p>	

Appendix 1 – Use of resources key findings and conclusions

KLOE 2.4 - Risk management and internal control score	3
Key findings and conclusions	
<p>Has a clear strategy and effective arrangements, including allocation of appropriate resources, to manage the risk of fraud and corruption</p> <ul style="list-style-type: none">• The Authority and Force have arrangements in place that are designed to promote and ensure probity and propriety in the conduct of their business. All Members have signed model code of conduct and a code for staff exists. Its standards committee has two independent members, who are not members of the authority. All Members of the Authority are aware of the need to register gifts and hospitality. All complaints received by the Authority are dealt with by the Chief Executive to the Authority and are reported to the Authority's Complaints Committee on a monthly basis. At the Force the Professional Standards Department deal with breaches of conduct by civilian staff and officers, and continually work to raise understanding of the issues involved. At the Force, the Integrity Unit focuses on dealing with potential fraud and corruption, and has a counter corruption action plan which feeds into the Strategic Assessment on corruption for the Force. The size of the unit increased recently demonstrating the importance placed on its role. <p>Both The Force and Authority have Professional Standards Policies in place and options for staff to report alleged fraud and corruption available on the Northumbria Police Intranet, and via a whistle-blowing hotline. Regular training is provided to members and heads of service.</p> <p>Internal audit have carried out work on fraud and corruption arrangements at both Force and Authority. No major issues found.</p> <p>All staff, civilian and officers, undergo checks at the start of their employment. In addition, the force has signed up to National Vetting Policy.</p> <p>Both the Force and Authority actively participate in NFI and follow up any matches. Proven cases of fraud are well-publicised internally and in the local media.</p> <p>However, counter fraud and corruption arrangements have yet to be fully extended to partnerships and outsourced functions.</p>	

KLOE 2.4 - Risk management and internal control score	3
Key findings and conclusions	
<p>Has a sound system of internal control including internal audit:</p> <ul style="list-style-type: none"> The Authority and Force have arrangements in place to maintain a sound system of internal control. The Audit and Scrutiny Committee approve the governance statement at a special meeting planned in June each year. The governance statement assurance framework report outlines how risk, internal control mechanisms, and assurances fit in with achieving the Authority's objectives. There are standing orders, standing financial instructions and a scheme of delegation in place, which were updated in 2007. There are procedure notes for key financial systems. The roles of statutory officers/Force finance director are clearly defined. Business continuity plans are in place at the Force and Authority. The business continuity plans have been further developed and successfully tested this year, at both the Force and Authority. <p>Work done by internal audit confirms that sound systems are in place. Audit commission triennial review of internal audit work shows this is of a good standard.</p> <p>There is an effective audit and scrutiny committee in place.</p> <p>In addition to the evidence of sound arrangements, there is no evidence of any significant failings resulting from any weaknesses in risk management, counter fraud and corruption arrangements or internal control failings.</p>	

Appendix 1 – Use of resources key findings and conclusions

Table 10 Theme 3 - managing resources

Theme score	2
KLOE 3.1 - Use of natural resources score - not applicable to police authorities in 2008/09	n/a
Key findings and conclusions	
Not applicable for 2008/09	
KLOE 3.2 - Strategic asset management score - not applicable to police authorities in 2008/09	n/a
Key findings and conclusions	
Not applicable for 2008/09	

KLOE 3.3 - Workforce planning	2
Key findings and conclusions	
<p>Has a productive and skilled workforce</p> <ul style="list-style-type: none"> ● High performing Force (cost v performance); Good discipline and motivation. ● Senior business leaders meetings to invest in leadership of chief officers and other senior officers; emphasis on business principles; both the Force Director of Finance and HR are civilian posts, sit on top management team and have a strong professional influence on chief officers. ● Dedicated unit (resourcing) established to ensure full integration of strategic and workforce planning. ● IT solutions ensure vacancy factors can be closely monitored, and promotion and retirement predictor tools in use. ● Clear focus on ensuring learning and development is effective and less disruptive to service delivery through better planning and delivery of 'learning solutions' that rely more on electronic delivery and workplace based learning. ● Restructure of HR released equivalent of 30 full time officers to the frontline. ● Training police officers required to work operationally during periods of peak leave; this is efficient and allows officers to retain essential skills. ● Effective procedures for restrictive working and flexible retirement ● Working on developing the leadership skills of sergeants as part of wider strategic review of leadership. ● Modernisation agenda delivering significant reduction in administrative burden of frontline staff. ● Monitoring of use of PCSOs - NPTs and response officers ensures effective use of resources in line with skills and specialisms. ● Lip assessment recognised performance in creating effective and flexible workforce. ● Review of student PC NVQ programme reduced repetition and made significant savings. ● PDR process based on competency framework; Covers performance in existing role and suitability for promotion and other career pathways. Better career paths identified for support staff. ● Conversion course for PCSO-PC promotion reduces costs. 	

Appendix 1 – Use of resources key findings and conclusions

KLOE 3.3 - Workforce planning	2
Key findings and conclusions	
<ul style="list-style-type: none">• Strategic review of HR services resulted in significant restructure following KPMG review.• Effective attendance management policy and procedure focusing on early intervention, prompt treatment, proactive wellbeing initiatives, effective monitoring and trigger mechanisms, clear agreement on restrictive duty posts. Resulted in a 10 per cent reduction on PO sickness and 20 per cent reduction in police staff. (£970k), occupational health waiting times reduced by 80 per cent.• Northumbria and Durham Constabulary share in a collaborative arrangement for the training of all student officers via North East Centre for Policing Skills.• Surveillance training is delivered on a regional basis.• North East Air Support Unit is a collaborative venture between Durham and Northumbria to make best use of expensive resources.• Delivery of e-learning packages limited at the moment (more planned).• E-recruitment from April 2009. <p>Knows in the medium to longer term what staff it will need, with what skills, and has plans to achieve this: and Engages and supports staff in organisational change.</p> <ul style="list-style-type: none">• Evidence of planning and delivery of significant development in workforce to meet changing needs (protective services, neighbourhood management).• Good track record of organisational change.• Excellent track record of managing significant change such as the reduction from 15 to 6 BCUs, the introduction of neighbourhood teams and the management of the NCRS.• Annual force conference effective for getting strategic message across to managers.• Significant restructure of HR involved staff in redesign of roles and processes. Managed under price2 methodology and delivered in packaged projects.	

KLOE 3.3 - Workforce planning	2
Key findings and conclusions	
<ul style="list-style-type: none"> ● Same approach to workforce modernisation project in Sunderland. ● Finalists in CIPD awards for workforce engagement. ● New people strategy only introduced April 2009. ● Tripartite Equality, Diversity and Human rights strategy under consultation. ● Limited information on outcomes (mainly policy related). <p>Has policies which support diversity and good people management.</p> <ul style="list-style-type: none"> ● Evidence that data collection and quality support monitoring of diversity issues. ● Strategy in place linked to national strategy. ● Diversity strategy forum in place and clear procedures are in place for assessing impact of legislative and other changes. 	

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