

Annual Governance Report

Sussex Police Authority

Audit 2008/09

Date

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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.
-

Key messages

This report summarises the findings from the 2008/09 audit which is substantially complete. It includes the messages arising from my audit of your financial statements and the results of the work I have undertaken to assess how well you use and manage your resources to deliver value for money and better and sustainable outcomes for local people.

Financial Statements	Results	Page
Unqualified audit opinion	Yes	7
Financial statements free from material error	Yes	7
Adequate internal control environment	Yes	8
Use of resources	Results	Page
Use of resources judgements	Yes	11
Arrangements to secure value for money	Yes	12

Audit opinion

- 1 I propose to issue an unqualified audit opinion on the Authority's financial statements.

Financial statements

- 2 The financial statements were complete, of a good standard and were supported by high quality working papers.
- 3 No adjustments have been made to the statements other than to correct some typographical errors and one disclosure note has been reformatted to improve its presentation.

Use of resources

- 4 I have assessed how well the Authority is managing and using its resources to deliver value for money and better and sustainable outcomes for local people. My assessment considers how well the Authority performs across three areas:
 - managing finances;
 - governing the business; and
 - managing resources.

Key messages

- 5 Across all areas the Authority is performing well, consistently above minimum requirements. The 2008/09 managing resources assessment was based on the arrangements for workforce planning. My assessment is that the Authority is performing strongly, well above minimum requirements in most aspects of the workforce planning theme and is able to demonstrate a number of strong outcomes, in particular as a result of the innovative Private Finance Initiative (PFI) scheme.

Audit Fees

- 6 I reported my best estimate of the fee for completing the opinion audit, £68,900, to the Statement of Accounts sub-committee on 25th June. Having now substantially completed the audit I do not propose any variation.

Next steps

This report identifies the key messages that you should consider before I issue my financial statements opinion, value for money conclusion, and audit closure certificate. It includes only matters of governance interest that have come to my attention in performing my audit. My audit is not designed to identify all matters that might be relevant to you.

7 I ask the Corporate Governance Committee to:

- consider the matters raised in the report (pages 7 to 14);
- note the VFM conclusion and use of resources score;
- approve the letter of representation on behalf of the Authority before I issue my opinion and conclusion (Appendix 2); and
- agree your response to the proposed action plan (Appendix 4).

Financial statements

The Authority's financial statements and annual governance statement are important means by which the Authority accounts for its stewardship of public funds. As Authority members you have final responsibility for these statements. It is important that you consider my findings.

Opinion on the financial statements

- 8** Subject to receiving a response to management representation letter and confirmation concerning the effectiveness of the role of Those Charged with Governance, I plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of my draft audit report.
-

Errors in the financial statements

- 9** The accounts were presented to a very high standard. We found only two accounting errors, which are of a trivial nature and, as such, are not reported.
- 10** In presenting the accounts for approval of the Committee on 25th June, the Treasurer highlighted that the accounting treatment adopted for the impairment of the Authority's investment in Heritable Bank complied with the SORP and guidance issued, but was not settled at that time and further consideration has continued to be given to this accounting treatment.
- 11** The Treasurer has now brought forward an alternative accounting treatment which sets aside aspects of guidance issued in LAAP Bulletin 82 and Financial Reporting Standard 26 on the grounds of prudence, transparency and consistency with other areas of the financial statements. I have reviewed the alternative treatment as part of my audit and am satisfied that the difference between that and the original treatment is not material.
- 12** International Auditing Standards require me to:
- report this to the Corporate Governance Committee as an unadjusted non-material misstatement as it is a departure from the requirements of the SORP; and
 - invite you to consider correcting this misstatement.

Where you decide not to do so, I require the reasons to be included within the representation letter. The Treasurer has provided me with a note setting out his reasons for the preferred treatment, which I have incorporated within the draft letter at Appendix 2.

Letter of representation

- 13** Before I issue my opinion, auditing standards require me to obtain appropriate written representations from you and management about your financial statements and
-

governance arrangements. Appendix 2 contains the draft letter of representation I seek to obtain from you.

Key areas of judgement and audit risk

14 In planning my audit I identified specific risks and areas of judgement that I have considered as part of my audit. My findings are set out in Table 1.

Table 1 Key areas of judgement and audit risk

Issue or risk	Finding
<p>Our work on material financial systems including review of internal audit's work identified some weaknesses in controls. These are detailed in Internal Audit's report on Core Financial Systems. While most of the weaknesses were minor, a small number are more significant to the preparation of the financial statements:</p> <ul style="list-style-type: none"> • Annual completeness reconciliation between the Property Terrier, Fleet and Asset Register. • Vehicles are not entered into SAP until they are marked as goods received. 	<p>We tested the year end reconciliations between the asset and fleet registers, property terrier and statement of accounts. The reconciliations provided a check on completeness. After a small number of residual queries were dealt with we are satisfied with the reconciliation.</p> <p>In relation to vehicles, we tested a sample of additions; reviewed year end cut off and found no error.</p>
<p>The valuation of the Authority's land and buildings has been adversely affected by the economic downturn. In these circumstances it was necessary to consider the impact on the Authority's accounts and the accounting treatment adopted.</p>	<p>The Authority commissioned a specific impairment review to consider how the effects of the economic situation impacted on values between 1st April 2008 and 31st March 2009. The review identified the impairment issues affecting the Authority's property assets and calculated an impairment charge of £1.9m which has been appropriately applied to asset valuations.</p>
<p>The Authority invested £6.8m in Heritable Bank plc, a UK subsidiary of an Icelandic Bank which is in Administration. In May 2009, The Chartered Institute of Public Finance and accountancy (CIPFA) published Guidance on the impairment of deposits with Icelandic Banks. (LAAP Bulletin 82)</p>	<p>The Treasurer has recognised an impairment loss in the statement of accounts. In recognising the loss the Treasurer has departed from guidance issued in LAAP bulletin 82 and FRS 26 in that the Authority has taken the entirety of the anticipated cash loss in 2008/09, has not accrued income after the date of impairment and has not applied</p>

Financial statements

Issue or risk	Finding
	discounting to reflect future timing. The impact of the difference between the adopted treatment and the recommended treatment is to reduce the impairment by £568,000 in 2008/09 although over time the figures would be equalised.
CIPFA has also published specific guidance on the closure of 2008/09 and related matters (LAAP Bulletin 81), which includes the accounting treatment of government grants deferred. Finance officers have raised queries with us over the treatment and accounting policy that has been adopted.	Where capital grants have been received by the Authority they have been matched against specific items of capital expenditure or in the case of vehicles similar classes of assets and the grant has been written down to offset the depreciation charged on the asset. The practice is in line with CIPFA SORP.

Accounting practice and financial reporting

15 I consider the qualitative aspects of your financial reporting. Table 2 contains the issues I want to raise with you.

Table 2

Issue or risk	Finding
Presentational Issues	The accounts were prepared to a very high standard of completion and subjected to a range of internal review procedures before they were presented for audit. We found a small number of presentational errors which have been corrected in the final version. As part of our review of the presentation, we recommended that note 27 was represented in a changed format which more clearly demonstrated the link to the deficit for the year as reported in the Income and Expenditure account. This change has also been made.
Fully depreciated assets	A number of items of equipment which remain in continuing use have been fully depreciated to nil value. The original cost of these assets at the time they were acquired some years ago was £813,000. Their current value has not been

Issue or risk	Finding
	determined and would not be material to the accounts. An ongoing process of review is in place to re-evaluate asset lives.
Assets held for national use	Included within fixed assets are a number of assets which Sussex Police hold for national use. The assets have been fully funded by the Home Office and Sussex Police exercise limited control over their use. Note 17 has been expanded to make reference to the value of these assets.

-
- 16** The issues referred to above are minor in nature. The accounts generally were found to be prepared to a very high standard of completion.

Use of resources

I am required to consider how well the Authority is managing and using its resources to deliver value for money and better and sustainable outcomes for local people, and give a scored use of resources judgement.

I am also required to conclude whether the Authority put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

Use of resources judgements

- 17** In forming my scored use of resources judgements, I have used the methodology set out in the [use of resources framework](#). Judgements have been made for each key line of enquiry (KLOE) using the Audit 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.
- 18** I have also taken into account, where appropriate, findings from previous use of resources assessments (updating these for any changes or improvements) and any other relevant audit work.
- 19** The Authority's use of resources indicative theme scores are shown in Table 3 below. The key findings and conclusions for the three themes, and the underlying KLOE scores, are summarised in Appendix 3.

Table 3 Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances	3
Governing the business	3
Managing resources	3

- 20** Sussex Police demonstrates forward looking arrangements to manage its finances which comply with professional best practice and statutory requirements. The Authority and Force plan finances effectively to deliver strategic priorities and secure sound financial health. There is a sound understanding of costs and performance, and how to achieve efficiencies in its activities. Financial reporting is timely, reliable and meets the needs of internal users, stakeholders and local people.
- 21** There are strong and embedded arrangements for governance and internal control. Sussex Police has successfully developed collaborative arrangements with others to commission and procure services. For instance in relation to jointly funded posts for the Counter Terrorism Intelligence Unit and collaboration with other South East forces

on integrating activities within protective services. Services have been effectively shaped by the involvement of local people, partners, staff and suppliers. In particular Sussex Police has been awarded the Disability Equality Scheme award in recognition of its approach to working with that group.

- 22** Its arrangements are underpinned by a well established performance management culture and robust data quality which includes an ongoing programme of surveys with victims of crime. This approach has led to increased victim satisfaction with being kept informed.
- 23** Sussex Police plans, organises and develops its workforce effectively to support the achievement of its strategic priorities. It demonstrates a range of strong outcomes from these activities. In particular delivering numbers of police officers and staff within financial constraints, effectively managing organisational change through the Serving Sussex vision and building a force which is becoming more representative of the community it serves. The Authority and Force have strong arrangements in place across the majority of the focus areas assessed in workforce planning. Plans are in place to improve its performance in relation to diversity and equality, but the Force has not yet reached the target it set for BME representation.
- 24** We will issue a more detailed report to officers and the Corporate Governance Committee once the final scores have been released.

Value for money conclusion

- 25** I assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year which of the use of resources KLOE are the relevant criteria for the VFM conclusion at each type of audited body. My conclusions on each of the areas are set out in Appendix 3.
- 26** I intend to issue an unqualified conclusion stating that the Authority had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources. Appendix 1 contains the wording of my draft report.

Independence

- 27** The Code of Audit Practice and the Audit Practices Board's (APB) Ethical Standards with which auditors must comply require that auditors act, and are seen to act, with integrity, objectivity and independence.
- 28** We confirm that we comply with the APB's Ethical Standards, that we are independent and that our objectivity is not compromised.
- 29** We communicate to you:
- any relationships between us and the Authority, its members and senior management that might affect our objectivity and independence and any safeguards put in place;
 - total fees charged to you for audit and non-audit services; and
 - our arrangements to ensure independence and objectivity.

Relationships with the Authority

- 30** We have identified the following relationship that might affect objectivity and independence and have put appropriate safeguards in place.

Table 4 Relationships and safeguards

Relationship	Safeguard
An audit manager working within Sussex for the Audit Commission is married to the Financial Accountant for the Force.	The relationship has been declared. The audit manager has had no involvement in the audit of the Authority.

Our arrangements to ensure independence and objectivity

- 31** We have comprehensive procedures to ensure independence and objectivity. These are outlined in Table 5.

Table 5 Arrangements to ensure independence and objectivity

Area	Arrangements
Independence policies	<p>Our policies and procedures ensure that professional staff or an immediate family member:</p> <ul style="list-style-type: none"> • do not hold a financial interest in any of our audit clients; • may not work on assignments if they have a financial interest in the client or a party to the transaction or if they have a beneficial interest in a trust holding a financial position in the client; and • may not enter into business relationships with UK audit clients or their affiliates. <p>Our procedures also cover the following topics and can be provided to you on request:</p> <ul style="list-style-type: none"> • the general requirement to carry out work independently and objectively; • safeguarding against potential conflicts of interest; • acceptance of additional (non-audit) work; • rotation of key staff; • other links with audited bodies; • secondments; • membership of audited bodies; • employment by audited bodies; • political activity; and • gifts and hospitality.
Code of Conduct	<p>The Code of Conduct forms part of the terms and conditions of all Audit Commission employees. The Code of Conduct states that staff have to comply with ethical guidance issued by their relevant professional bodies.</p>
Confidentiality	<p>All staff are required to sign an annual undertaking of confidentiality as a condition of employment.</p>

Appendix 1 – Independent auditor’s report to Members of Sussex Police Authority

Opinion on the financial statements

I have audited the accounting statements, the police pension fund accounting statements and related notes of Sussex Police Authority for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, Statement of Movement on the General Fund Balance, Balance Sheet, Statement of Total Recognised Gains and Losses, Cash Flow Statement, and the related notes. The police pension fund accounting statements comprise the Fund Account, the Net Assets Statement and the related notes. The financial statements and police pension fund accounting statements have been prepared under the accounting policies set out within them.

This report is made solely to the members of Sussex Police Authority in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Treasurer and auditor

The Treasurer’s responsibilities for preparing the financial statements, including the police pension fund accounting statements, in accordance with applicable laws and regulations and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities.

My responsibility is to audit the accounting statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements, the police pension fund accounting statements and related notes present fairly, in accordance with applicable laws and regulations and the Code of Practice on Local Authority Accounting in the United Kingdom 2008:

- the financial position of the Authority and its income and expenditure for the year; and

Appendix 1 – Independent auditor’s report to Members of Sussex Police Authority

- The financial transactions of its police pension fund during the year and the amount and disposition of the fund’s assets and liabilities, other than liabilities to pay pensions and other benefits after the end of the scheme year.

I review whether the governance statement reflects compliance with ‘Delivering Good Governance in Local Government: A Framework’ published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Authority’s corporate governance procedures or its risk and control procedures.

I read other information published with the accounting statements, the police pension fund accounting statements and related notes and consider whether it is consistent with the audited accounting statements, the police pension fund accounting statements and related notes. This other information comprises the Treasurer’s Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements, the police pension fund accounting statements and related notes. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements, the police pension fund accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements, the police pension fund accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority’s circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements, the police pension fund accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements, the police pension fund accounting statements and related notes.

Opinion

In my opinion:

- The accounting statements and related notes present fairly, in accordance with applicable laws and regulations and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended; and

Appendix 1 – Independent auditor’s report to Members of Sussex Police Authority

- The police pension fund accounting statements present fairly, in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial transactions of the police pension fund during the year ended 31 March 2009 and the amount and disposition of the fund’s assets and liabilities as at 31 March 2009, other than liabilities to pay pensions and other benefits after the end of the scheme year.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority’s Responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor’s Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for police authorities. I report if significant matters have come to my attention which prevent me from concluding that the Authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for police authorities specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, Sussex Police Authority made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Appendix 1 – Independent auditor’s report to Members of Sussex Police Authority

Helen Thompson

Appointed Auditor

Audit Commission

Suite 2, Ground Floor

Bicentennial Building

Southern Gate

Chichester

West Sussex, PO19 8EZ

24th September 2009

Appendix 2 – Draft letter of representation

Helen Thompson
Appointed Auditor
Audit Commission
Suite 2, Ground Floor
Bicentennial Building
Southern Gate
Chichester
West Sussex, PO19 8EZ

Sussex Police Authority - Audit for the year ended 31st March 2009

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers, of Sussex Police Authority the following representations given to you in connection with your audit of the Authority's financial statements for the year ended 31st March 2009. All representations cover the Authority's accounts and Police Pension Fund accounts included within the financial statements.

Compliance with the statutory authorities

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice which present fairly the financial position and financial performance of the Authority and for making accurate representations to you.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Authority have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Authority meetings, have been made available to you.

Irregularities

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect fraud or error.

There have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements; and
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Law, regulations, contractual arrangements and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Authority.

The Authority has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Fair Values

I confirm the reasonableness of the significant assumptions within the financial statements. For Financial Instruments fair value assumption, I confirm:

- the appropriateness of the measurement method;
- the basis used by management to overcome the presumption under the financial reporting framework;
- the completeness and appropriateness under the financial reporting framework; and

Appendix 2 – Draft letter of representation

- if subsequent events require/do not require adjustment to the fair value measurement.

Assets

The following have been properly recorded and, where appropriate, adequately disclosed in the financial statements:

- losses arising from sale & purchase commitments;
- agreements & options to buy back assets previously sold; and
- assets pledged as collateral.

Compensating arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts. Except as disclosed in Note X to the financial statements we have no other lines of credit arrangements.

Contingent liabilities

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements; and
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

Related party transactions

I confirm the completeness of the information disclosed regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements.

Post balance sheet events

Since the date of approval of the financial statements by the Authority, no additional significant post balance sheet events that have occurred which would require additional adjustment or disclosure in the financial statements.

The Authority has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Specific representations- Impairment of Investments in Heritable Bank

We have set aside LAAP82 and FRS26. Instead our preferred treatment is to take the entirety of the anticipated loss (equal to £1.36m) in 2008/09. We consider this to be preferable to the guidance in terms of prudence (recognising and financing the loss in the year it occurs; not recognising interest accrued after the date of impairment), transparency (showing the actual cash loss anticipated in the financial statements) and consistency (treatment of the time value of money elsewhere in the financial statements). The value of this treatment in terms of intelligibility for the users of the accounts outweighs the benefits of slavishly following accounting standards in this instance. This is placing, correctly, content over form.

The difference in treatment between adopting LAAP 82 and FRS 26 treatment and the adopted treatment is £568,000, will equalise out over time and is not considered material.

Signed on behalf of Sussex Police Authority

I confirm that the this letter has been discussed and agreed by the Authority on 24th September 2009

Signed

Name

Position

24th September 2009

Appendix 3 – Use of resources key findings and conclusions

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

Table 6 Managing finances

Theme score 3	
<p>Sussex Police demonstrates forward looking arrangements which comply with professional best practice and statutory requirements. The Authority and Force plan finances effectively to deliver strategic priorities and secure sound financial health. Through its approach Sussex Police have secured over £10m in efficiency savings and have directed resources at priority areas. The Authority and Force have a sound understanding of its costs and performance and achieve efficiencies in its activities. The use of cost and performance information allows informed business decisions to be taken which contribute to better value for money, for example in reconfiguring CCTV monitoring and improved performance in incident management and customer contact. Financial reporting is timely, reliable and meets the needs of internal users, stakeholders and local people. Sussex Police is an accredited accountancy training organisation. Following exposure to potential losses from Icelandic bank investments in 2008 Sussex Police formed a critical incident group which reviewed the investments and confirmed that they had been made in accordance with approved policies and procedures and that adequate reserves existed to manage the associated risk. To score at a higher level, the Force and Authority would need to more clearly demonstrate innovative approaches which are recognised at a national level.</p>	
<p>KLOE 1.1 (financial planning) Score VFM criterion met</p>	<p>3 Yes</p>
<p>KLOE 1.2 (understanding costs and achieving efficiencies) Score VFM criterion met</p>	<p>3 Yes</p>
<p>KLOE 1.3 (financial reporting) Score VFM criterion met</p>	<p>3 Yes</p>

Appendix 3 – Use of resources key findings and conclusions

Table 7 **Governing the business**

Theme score	3
<p>Sussex Police Authority and Force have strong and embedded arrangements for governance and internal control. It has successful collaboration arrangements with others to commission and procure services which involve local people. Sussex Police won the Royal Association for Disability and Rehabilitation ‘Disability Equality Scheme Award in recognition of its work with disabled people. Procurement has been used successfully to gain value for money, for example in letting Force wide contracts and through collaboration with other forces. Its arrangements are underpinned by robust data quality, which is used to inform decisions and identify areas for improvement; for example reviewing customer satisfaction through focused surveys and targeting satisfaction measures led to an increase from 57% in 2006 to 70% in 2009 in victim satisfaction with being kept informed. Good use is made of available skills and high standards of probity promoted through whistle-blowing initiatives such as ‘break the silence’. Risk management arrangements are thoroughly embedded. To score at a higher level, the Force and Authority would need to more clearly demonstrate innovative approaches which are recognised at a national level.</p>	
KLOE 2.1 (commissioning and procurement)	
Score	3
VFM criterion met	Yes
KLOE 2.2 (data quality and use of information)	
Score	3
VFM criterion met	Yes
KLOE 2.3 (good governance)	
Score	3
VFM criterion met	Yes

Appendix 3 – Use of resources key findings and conclusions

KLOE 2.4 (risk management and internal control)	
Score	3
VFM criterion met	Yes

Table 8 Managing resources

Theme score	3
<p>Sussex Police has forward looking arrangements to ensure a productive and skilled workforce. Workforce modernisation is fully supported. Growth plans for police officers and PCSO's have been delivered. Skills gaps are systematically identified and are managed e.g. creating new Sexual Offence Liaison Officers, accredited Professional Investigators and Family Liaison Officers. A talent management process is operated through the promotion process and nominating and supporting officers on a High Potential Development Scheme.</p> <p>The Force demonstrates excellent practice in managing absence. In April 2007 the average absence amongst PCSO's in one division was 21 days. Action taken and the robust application of the attendance policy resulted in reduction to 10.63 days in April 2008 and 6.59 days by April 2009. Workforce modelling takes place over 3 to 5 years based on predicted turnover and staff growth. This modelling is integrated with finance and budgeting allowed a re-profiling of staff budgets in 2008/09, reducing them by around £1m.</p> <p>Substantial organisational change achieving excellent value for money has been delivered by using a mixed economy approach to delivery of services. The Private Finance Initiative (PFI) agreement used to create 6 custody centres has enabled wholesale change across the custody estate and working practices. The average time an arresting officer arriving at a Detainee Handling centre has to wait before their detainee can be processed is less than 9 minutes, waits of an hour or more are not uncommon in other Forces. Organisational change has been led from the top. The significant change programme achieved £10m cashable savings mostly through reductions in establishment and reconfiguring resources.</p> <p>A workforce is being built which represents the community it serves. Good success has been achieved in increasing the proportion of new recruits who are female from 25% to 45% since 2007. There is action to improve the recruitment of BME people, with targeted recruitment campaigns, currently BME representation is at 1.7% for police officers, which is below the 6% level within the community. Recently a campaign to recruit Polish speaking PCSO's in response to a growing Polish community led to recruitment of 4 Polish speaking PCSO's. Sussex Police has been recognised as achieving the Stonewall</p>	

Appendix 3 – Use of resources key findings and conclusions

'Equality Champion' status and position within their top 100 employer list. Sussex Police outcomes have been achieved with lower than median costs and continued good performance on crime statistics. The score has not been awarded at level 4 (demonstrating best practice) as the Force has not yet achieved the level of BME representation it aspires to.

KLOE 3.3 (workforce planning)	
Score	3
VFM criterion met	Yes

Appendix 3 – Use of resources key findings and conclusions

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a Force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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