

Financial Management Capability Review of Warwickshire Police

July 2020

FINAL VERSION

Contact

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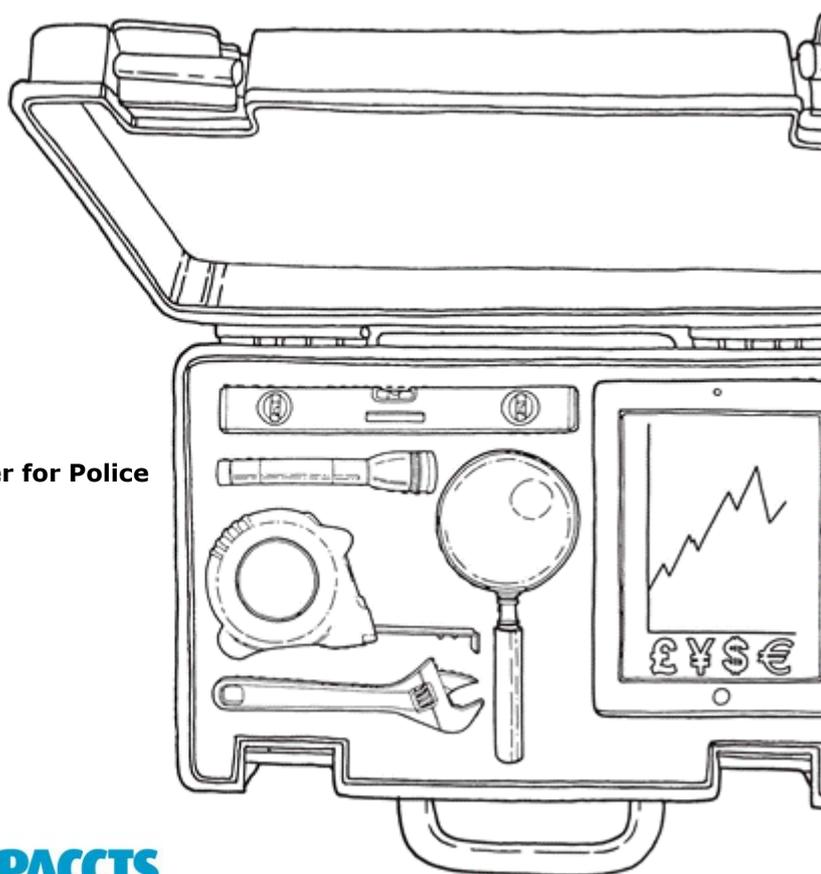


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Executive Summary

From April 2020 to June 2020, CIPFA conducted a Financial Management Capability Review (FMCR) at Warwickshire Police. Gathering data through an electronic survey, one-to-one interviews with staff and a review of key documentation and using a benchmark of best practice in the public sector, CIPFA has reviewed the financial resilience and quality of financial management of the organisation.

Financial Resilience Review

Medium Term Financial Plan (MTFP)

The MTFP presents a sustainable position over a relatively short time period. The MTFP is incorporates savings of £4.609m over the three years from 2020/21 to 2022/23 including target savings. £0.651m of these savings had been achieved before the 1 April 2020, plans exist to achieve the remaining savings by:

- increasing investigative capacity of existing officers removing the need for police staff to undertake these roles
- reducing the cost of goods and services
- reducing the cost of services provided through collaboration with West Midlands Police.

Detailed plans are yet to be drawn up for savings in years two and three 2021/22 and 2022/23.

Reliance on Central Funding

Warwickshire's dependency on central government funding was below average for UK police forces at 56% compared to an average of 65% in 2018/19. Over the period of the MTFP this dependency is predicted to be in the region of 51% to 52%.

Reserves

Prior to reaching a settlement with West Mercia Police for reasonable costs of separation, there is a planned reduction in Earmarked Reserves of £6.317m in the three years from 31st March 2020 to the 31st March 2023; with the budget, transformation and infrastructure reserves reducing to zero.

Warwickshire maintains its General Reserve at a healthy level in comparison with other forces at circa 4/5% of net spend over the period of the MTFP.

Financial Management Review

Overall Assessment

Using CIPFA's five-star rating system, Warwickshire was rated overall as three stars, although it was in the middle of the range. It scored highly in the management dimensions of 'Delivering Accountability', 'Leadership' and 'Stakeholders' but its main area of weakness is the 'Processes' dimension. Whilst its financial management style is strongest in 'Leadership' and 'Stakeholders', it is weakest in 'Supporting Performance'. A current snapshot of Warwickshire's ratings is provided below.

CURRENT SNAPSHOT	Management Dimensions			
	Leadership	People	Processes	Stakeholders
Financial Management Style				
Delivering Accountability	****	**	**	****
Supporting Performance	***	**	*	*
Enabling Transformation	***	***	*	***
Overall Rating	***			

Context

Relationships between the Chief Constable and the Police & Crime Commissioner are strong, productive and mature. Relationships between senior Finance staff across the Force and the Office for the Police & Crime Commissioner (OPCC) are also particularly good, manifested in good working relationships, trust and a mutual desire to achieve a common set of objectives for the citizens of Warwickshire.

There are healthy discussions between Force and OPCC on the future financial strategy. The OPCC has responsibility for estates and physical assets, and a clear strategy needs to be set for the development of these assets. Land, buildings and estates are already catered for in an Asset Register which is acceptable for accounting and valuation purposes. However, the Force and OPCC need to decide if there is merit in developing an asset register which has a greater degree of granularity. There is a strong business planning process which is investment-based on the prevailing annual priorities, working to longer term sustainable solutions.

The Force is experiencing a significant work programme to manage the dissolution of the Alliance shared working arrangements. As it plans its future partnership arrangements with West Midlands Police, shared governance arrangements between the two Forces is now underway. At more operational service levels, the organisations are running workshops to share ways of working and processes such the planned transition of transactional service delivery from West Mercia to West Midlands in March 2021 can be delivered as smoothly as possible. All the early signs are positive where both Forces are working together in an open and collaborative way. A new cultural shift is also underway: this is a partnership between the two Forces and not an alliance, mirroring more usual levels of collaboration between UK police forces.

The Internal Audit function delivers an effective scrutiny and challenge service. There is mutual respect between Audit and the Force, and they are able to have mature discussions on areas of focus. There is a culture of openness, results of audits are presented in a professional and constructive manner.

The Force has a well-led Finance team under Jeff Caruthers and whilst there is still more work to do on key strategies, policies and work processes, the Finance team (and their key stakeholders) share a common understanding of this year's work programme. Jeff Carruthers was appointed as Director of Finance on 1 November 2019 and was the first person appointed within Finance. Phase one of the re-building of a Force-specific Finance function was to establish the team and recruitment in the Finance Team concluded May

2020. Phase one will focus on establishing systems, policy and procedure and phase two commencing 1 April 2021 focused on improving performance.

Residual issues

Warwickshire has been in a strategic alliance (known as the Alliance) with West Mercia Police since 2012. This relationship was due to end in October 2019; however, it was extended until 8 April 2020 following Home Office intervention. A financial settlement was agreed in March 2020 and both parties agreed to move on in parallel with a range of separation activities that are now under way and will continue for the remainder of this financial year.

Warwickshire continues to work closely with West Mercia, especially with regard to the delivery of transactional Finance services, provided by West Mercia until March 2021 at which point Warwickshire will cut-over to a new partnering arrangement with West Midlands Police.

The dissolution of the Alliance has created a range of organisational, and procedural/process work for Warwickshire to consider and take forward. Firstly, the split of the Alliance-based Finance organisation has had an impact on Warwickshire's Finance function. However, looking at the relative skills and competency levels between the two Forces, Warwickshire has fared marginally better out of the split where more of the experienced staff opted to move to Warwickshire.

The Finance team, led by Jeff Caruthers, understand their short to medium term priorities and are now focused on delivering an effective Finance and business partnering service, within an agreed financial management framework, to their stakeholders whilst working through a series of more detailed plans to address gaps in financial strategies, procedures and policies etc.

Ways of working in Finance are very much a 'work in progress' as the team is forming and developing a style that fits with the Warwickshire culture. During our interviews, senior Finance staff confirmed that ways of working and Finance-related processes will also start to change alongside keeping up with the regular drum-beat of demands from the organisation, as this too evolves. Later in the report, we make an improvement point around

Consequently, the FD's vision for the team is to focus more on the strategic elements of service delivery and whilst leaving the transactional service's delivery to that which is already established under the West Mercia shared arrangements, until April 2021 and West Midlands Police thereafter. Strategically, the complexities and levers of Finance are held at a senior level within the organisation. As the organisation now moves forward on its journey to post Alliance separation it has plans to change the Finance narrative and to engender a greater understanding and competency of Finance into the middle and lower levels of the Force. Key to this will be accessible systems and greater transparency of the cost of services.

The last 12 months has created a hiatus of activity across the Alliance where over 40 service areas were transitioned from West Mercia to Warwickshire under the Evolve change programme. Some services have been completely rebuilt whereas others have transferred as existing functions with an uplift in capacity. The initial transformation under Evolve has now been delivered successfully and within budget. Evolve 2 will seek greater efficiency

from existing resources and is key to delivering a balanced budget over the life of the MTFP.

For the 2018/19 accounts, the auditors provided a 'partly qualified' opinion. The main reasons for this were based largely around the fact that the Force did not pre-empt the difficulties within the Alliance and neither did they anticipate West Mercia serving notice. The auditors went on to say that when notice was formally served, Warwickshire did not respond as fast as they could have done and that this was a contributory factor in the rapid deterioration of the relationship and how it played out in the public domain.

The Force would recognise that there are deficiencies around forecasting and by way of example, there is further work to be done around capital forecasting, given the significant year-on-year slippage. In 2019/20, the Force was due to spend around £13m on capital, yet the outturn was around £3m. There were delays in the delivery of the ICT programme and the Force would accept that there is more work to do on developing a more integrated estates strategy and how estates and ICT can best support the policing model.

With regard to the savings programme, the Force has built certain savings forecasts against the Alliance cost envelope (in the provision of transaction services for the remainder of this fiscal). In terms of the Force's future direction of travel, they have agreed a year on year discounted price for delivery of transactional services with West Midlands Police, but accepting that, from 2021/22 there is more to do. The Force acknowledges that it needs a more sophisticated approach to savings in future years. The Force needs to be able to move on from the constant need to set a savings target in each refresh of the MTFP and must move to a funded standstill position, consolidating and supporting the existing policing model and being self-sufficient through a proactive approach to being an efficient force.

Wider change management programme

In line with best practice, budget holders should take responsibility for managing their own budgets and for understanding the financial consequences of their operational decisions, rather than simply generating a list of new requirements that in turn create pressure on existing resources; this allows Finance to play a more strategic role in decision making. Speaking to a range of senior operational managers, we concluded that this (required) culture shift has not yet been achieved and Finance have a key role to play in helping to facilitate wider organisational and cultural change.

Historically, budget holders still rely on the Finance function as a result of a lack of financial management capabilities, insufficient emphasis of the importance of financial management in their roles, and a lack of understanding of the strategic value of the Finance team, all too often the Director of Finance is relied on to identify funding and as a back stop to authorise purchases. Hitherto, many of the Finance functions have been delivered on a centralised basis, but Warwickshire want to provide a more 'local' service, from a central location, and wish to focus on the value-add, strategic elements of the service in the future.

We recommend a change management programme to deliver the culture shift. Key components should include:

- A Financial Management competency framework to help define roles, responsibilities and desired capabilities for budget holders, management and staff. The work being

done on delivering annual accountability (PDR) with individual budget holders should be continued and is actively encouraged by CIPFA.

- Training to build skills and confidence in budgeting, forecasting and financial literacy (awareness) for budget holders directed at both budget holders and Finance functions.
- A service plan to define and measure the performance targets for Finance in the new world, post Alliance. This will also help Finance to set out their service offer to the wider organisation as well as communicating to the Force what the boundaries of Finance's responsibilities are. Whilst SLAs are in place for the continuing West Mercia delivered transactional services, the service as a whole, lacks key performance indicators and this is another aspiration of Finance in the next 12 months.
- Further formal training on business partnering skills to enable the Finance team to be effective business partners (we note that this has been started, under the Alliance, but requires expansion and continue to be financed).
- Communication and engagement with budget holders on the strategic value of Finance as business partners will help to re-enforce the point about the boundaries and service offer from Finance. The work initiated in April by the DCC (relating to continuous improvement) is a welcome step in this direction and starts to integrate the picture of demand, performance and cost.
- Finance senior management to proactively provide support and promotion of business partnering across the organisation by selling the benefits of added strategic value to budget holders. We acknowledge that this work is underway.
- Finance senior management to, with immediate effect, publicise the savings and efficiencies regime (including the framework and the governance approach) for the current fiscal. Whilst the organisation has set an overall savings target, the organisation should develop a more sustained set of capabilities and processes to deliver in year and future year savings.

We appreciate that Warwickshire are moving into a new post-Alliance operating environment and with that comes a range of challenges. Some of the solutions are already known and new structures have been established. However, the Finance team are reliant on other key stakeholders within the Force to support them on this journey.

What is important, is that Finance sets out its stall early on in this process to ensure that the expectations are clear as to what can be delivered and by when. What was evident from our review is that the senior command team (including the FD) have built a strong and capable Finance team who are mobilised to deliver a new Finance offer across the organisation.

Introduction

About this Report

This report, in respect of Warwickshire Police (“Warwickshire”), is addressed to the Chief Constable, and the Director of Finance. It aims to highlight the key results from CIPFA’s Financial Management Capability Review (FMCR).

The FMCR encompasses a review of the organisation’s Financial Resilience and Financial Management and the report sets out findings in respect of each element. It seeks to highlight key observations, issues and recommendations, along with a more detailed Improvement Plan that has been agreed with Warwickshire.

Background

The Government’s provisional Police funding settlement for 2019-20 was approximately £14 billion, an increase of almost £970 million on 2018-19. Expectations of excellent financial management are high, as are the levels of local and national scrutiny on the performance of police forces.

The “Achieving Financial Excellence in Policing (AFEP)” programme, which has been driven by the Finance & Co-ordinating Committee of NPCC but is equally owned by the Police and Crime Commissioners Treasurers’ Society (PACCTS), seeks to raise the bar in financial management across UK forces and PCCs.

The programme has 11 objectives categorised into one of three key themes: Financial Management, Data and People. The FMCR is part of the Financial Management theme.

What is the FMCR?

The FMCR is an independent ‘as-is’ assessment of a force’s capability to effectively manage its current finances, internal process and operations, as well as how it plans future financial management. Key outputs include identification of areas of best practice and areas for improvement.

The process is repeated in 12 months’ time to review progress made and provide an updated report on the full FMCR.

The FMCR at Warwickshire was conducted from April 2020 – June 2020. CIPFA obtained data from Warwickshire as follows:

- Electronic survey – 49% overall completion rate (22 out of 45)
- One-to-one interviews – 26 staff from both Warwickshire PCC and Force
- Document reviews – eg, Medium-Term Financial Strategy, Reserves Strategy

More detailed information on the response to the electronic survey, those interviewed, and the documents reviewed can be found in the Appendix I: FMCR Information Sources.

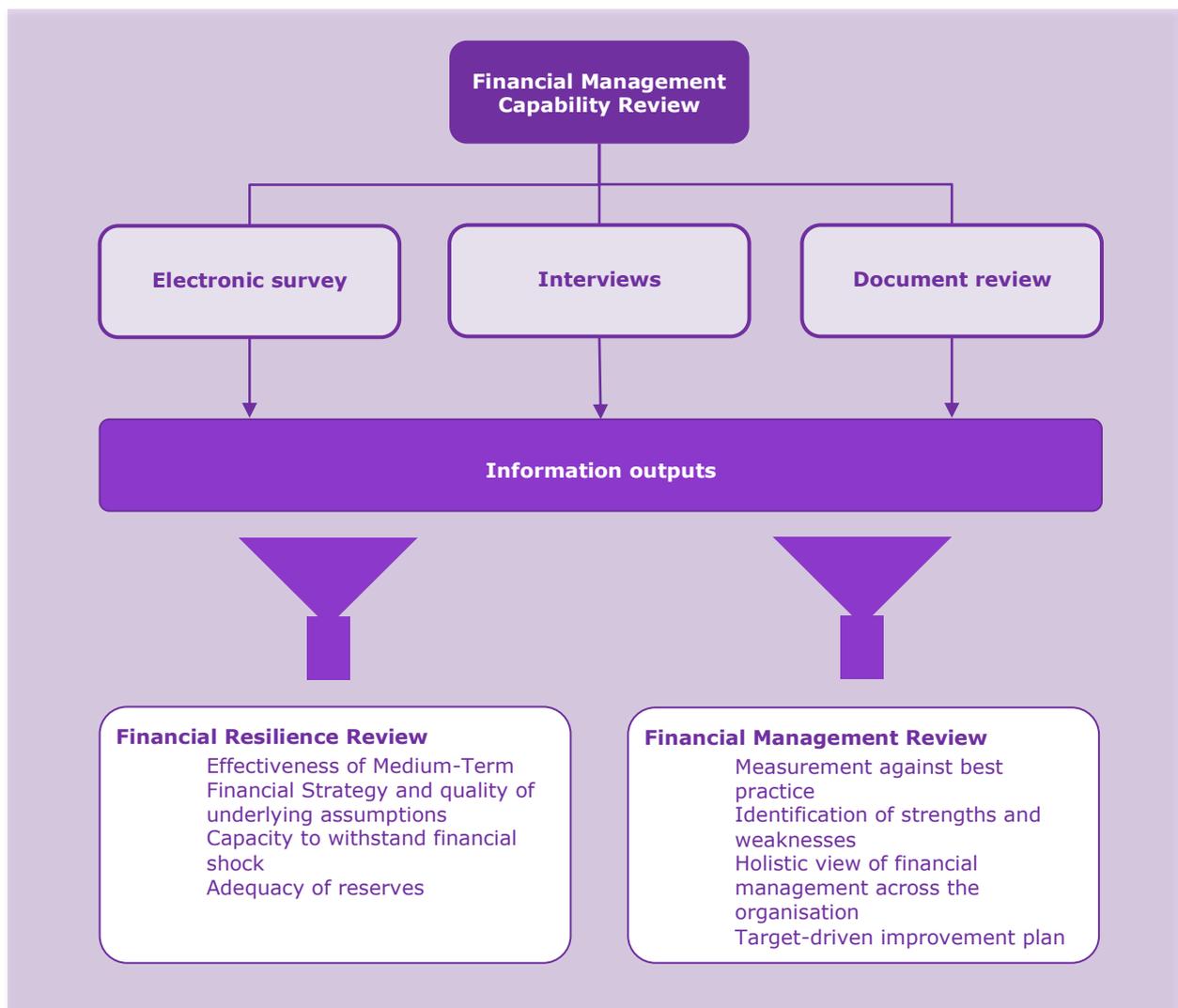
Further information about the FMCR approach is set out in the next section.

Financial Capability Review Approach

How is the FMCR conducted?

As explained by the diagram below, the FMCR consists of two elements:

- 1) **A financial resilience review** – an assessment of the financial sustainability of an organisation and its ability to withstand financial shock.
- 2) **A financial management review** – an assessment against best practice and other organisations who have also been reviewed using the FM model to identify issues and create an improvement plan that can be tracked.



Financial Resilience Review

Key Findings

The review of Financial Resilience encompassed three key areas:

- Robustness of the Medium-Term Financial Plan (MTFP)
- Reliance on Central Government Funding
- Level of Reserves

Each of these areas is explored in more detail further on, however the key findings are summarised below

Summary	Key points
	<i>Robustness of the MTFP</i>
Sustainable financial position to 2022-23	<ul style="list-style-type: none">• The MTFP covers a relatively short time period (three years including the current financial year rather than the expected five years).• The MTFP is incorporates savings of £4.609m over the three years from 2020/21 to 2022/23 including target savings. It is not clear whether these target savings are fully supported by detailed plans.• Otherwise, the MTFP presents a sustainable position over a relatively short time period.
	<i>Reliance on Central Government Funding</i>
Below average dependency on central government funding	<ul style="list-style-type: none">• Warwickshire’s dependency on central government funding was below average for UK police forces at 56% compared to an average of 65% in 2018/19. Over the period of the MTFP this dependency is predicted to be in the region of 51% to 52%.• Warwickshire has maximised the local funding available through maximum allowable increases in the precept in both 2019/20 and 2020/21.• Warwickshire is less vulnerable to reductions in government funding than the vast majority of other forces.
	<i>Level of reserves</i>
Stable reserve position through to 2022/23	<ul style="list-style-type: none">• Prior to reaching an agreement on a settlement with West Mercia Police, there is a planned reduction in Earmarked Reserves of £6.317m in the three years from 31st March 2020 to the 31st March 2023; with the budget, transformation and infrastructure reserves reducing to zero.• The MTFP requires contributions from reserves to support the Net Revenue Budget of £3.855m in 2020/21 and of £0.452m in 2021/22.• Warwickshire maintains its General Reserve at a healthy level in comparison with other forces at circa 4/5% of net spend over the period of the MTFP.

Robustness of the MTFP 2020-21 to 2022-23

Warwickshire's MTFP is summarised below.

MTFP 2020/21 to 2022/23	2020/21 £m	2021/22 £m	2022/23 £m
Previous year's net budget	102.719	111.590	110.805
Pay and non-pay inflation	2.207	1.997	2.097
Uplift officers	1.233	1.728	1.792
PCC's police officer uplift (full year impact)	0.962	0.000	0.000
Other non-inflation related cost pressures and budget reductions (net)	7.584	(1.274)	1.310
Savings	(1.401)	(1.758)	(1.450)
Additional income	(0.500)	(0.500)	(0.500)
Uplift grant - officers	(1.153)	(1.728)	(1.792)
Capital financing and revenue contributions	0.901	0.750	0.750
Net revenue budget	111.590	110.805	113.012
<u>Financed by:</u>			
Central Government Grants	57.592	57.592	57.592
Council tax	50.143	52.761	55.420
Contribution from reserves to provide glide-path to transition/transformation	3.855	0.452	0.000
Remaining budget gap	0.000	0.000	0.000

Source: Warwickshire Budget 2020/21 and Medium-Term Financial Plan 2020/21 – 2022/23

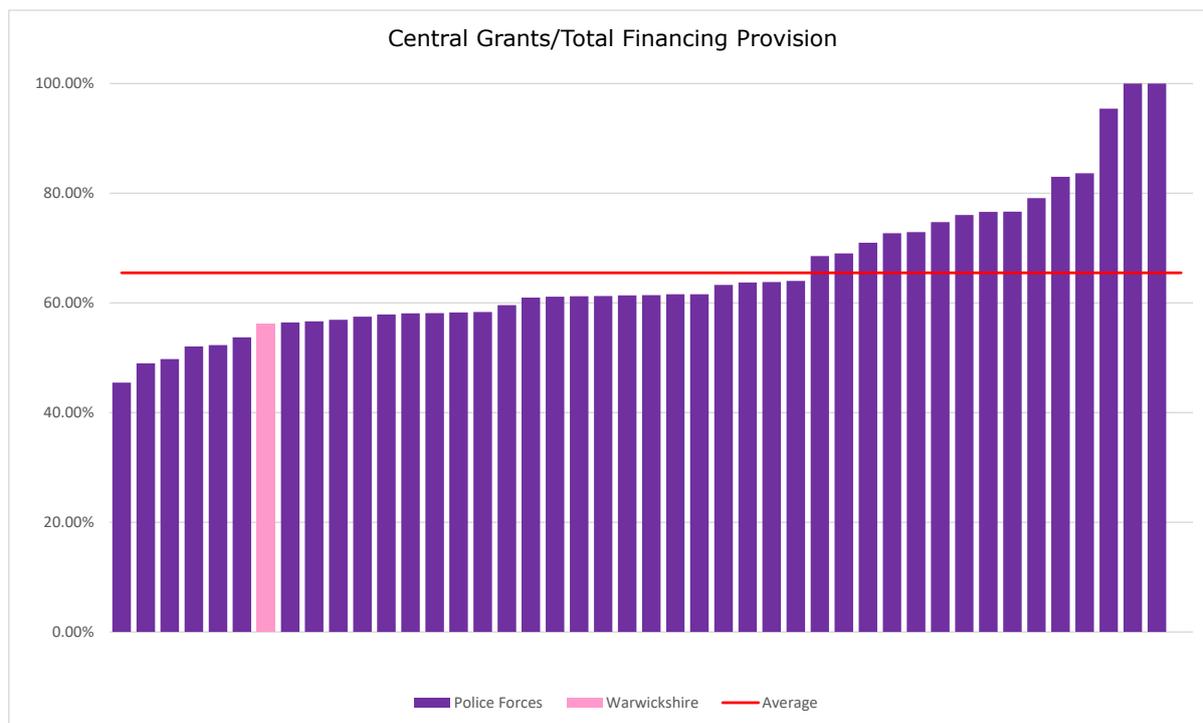
The MTFP covers a limited timescale of only three years. Usually, the MTFP would be expected to cover a period of five years including the current financial year and, therefore, extend to 2024/25.

The MTFP incorporates savings of £4.609m over the three years from 2020/21 to 2022/23 with £1.401m of these savings expected in 2020/21. This includes savings derived from the Evolve zero-based budgeting exercise that has been carried out together with savings targets included in the budget 'in the spirit of continuous improvement and to deliver productivity and efficiency gains'. It is not clear to what extent these targets are fully supported by detailed plans.

The Net Revenue Budget is supported by contributions from reserves in 2020/21 of £3.855m and £0.452m in 2021/22. Prudent assumptions in relation to local funding from the precept and from central government are the basis for a sustainable MTFP albeit over a relatively short time period.

Reliance on Central Government Funding

In 2018/19, Warwickshire had a below average reliance (56% compared to a 65% average) on central government funding than other police forces, as is illustrated below.



Source: Police Actuals

The Warwickshire Police precept was increased by £9.99 (4.38%) for a band D property in 2020/21 and by £24 for a band D property in 2019/20. Both increases were at the maximum allowable and have, therefore, maximised the level of local funding available to Warwickshire Police. The current MTFP assumes a precept increase of 2.99% in 2021/22 and 2022/23 together with an increase in the council tax base of 2% in both these years.

Central government funding increased from £53.941m in 2019/20 to £57.592m in 2020/21 an increase of £3.651m (6.8%). The current MTFP assumes that central government funding will remain at £57.952m in 2021/22 and in 2022/23.

Based on the assumptions set out in the MTFP, the reliance on central government funding in 2020/21 is circa 52% (the proportion of the net revenue budget funded by central government) and will decline marginally to circa 51% in 2022/23.

On the basis of the prudent assumptions made in the MTFP in relation to local and central government funding, Warwickshire will remain less reliant on central government funding than the vast majority of forces and, thus, less vulnerable to changes in the level of central government funding than most other forces.

Level of Reserves

The table below, illustrates anticipated levels of usable reserves through to 31 March 2023:

Description	Balances as at 31/3/19 £m	Estimated balances as at 31/3/20 £m	Estimated balances as at 31/3/21 £m	Estimated balances as at 31/3/22 £m	Estimated balances as at 31/3/23 £m
General Reserve	5.000	5.000	5.000	5.000	5.000
Earmarked Reserves:					
Budget reserve	0.639	0.639	0.452	0.000	0.000
Transformation reserve	0.862	0.585	0.000	0.000	0.000
Infrastructure reserve	8.091	4.783	1.000	0.000	0.000
Safer roads reserve	1.596	1.527	1.527	1.527	1.527
PCC grants & initiatives reserve	0.300	0.265	0.265	0.265	0.265
Redundancy reserve	0.400	0.346	0.346	0.346	0.346
Insurance & legal reserve	0.300	0.300	0.000	0.000	0.000
Income reserve	0.500	0.000	0.000	0.000	0.000
Total Earmarked Reserves	12.688	8.445	3.590	2.138	2.138
Total Reserves	17.688	13.445	8.590	7.138	7.138

Source: Warwickshire Budget 2020/21 and Medium-Term Financial Plan 2020/21 – 2022/23

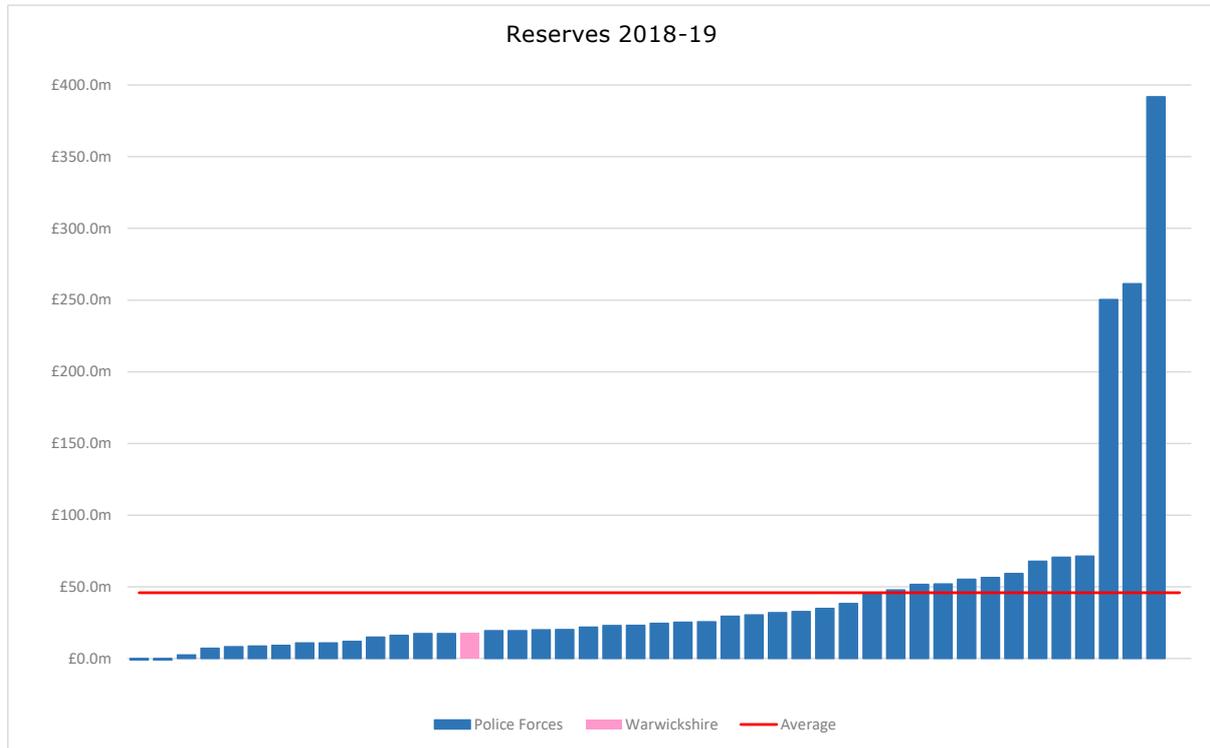
Prior to reaching an agreement with West Mercia Police (or the settlement of reasonable costs of separating), there is a planned reduction in Earmarked Reserves of £6.317m in the three years from 31 March 2020 to the 31 March 2023; with the budget, transformation and infrastructure reserves reducing to zero.

The MTFP states “The use of a significant proportion of the Commissioner’s reserves over the life of the MTFP is an important element of the financial and reserves strategy” and “The reserves strategy for Warwickshire shows a faster and more significant reduction in reserve balances over the next two years, largely as a result of the local circumstances relating to the ending of the alliance” It is also recognised that post settlement the reserves position has improved, thereby improving Warwickshire’s resilience and as a consequence the reliance on borrowing to fund transformation.

Planned use of reserves to support the revenue budget in 2020/21 amounts to £3.855m with a further contribution from reserves in 2021/22 of £0.452m reducing to zero in 2022/23. This use of reserves is described in the MTFP as providing a ‘glide-path to transition/transformation’.

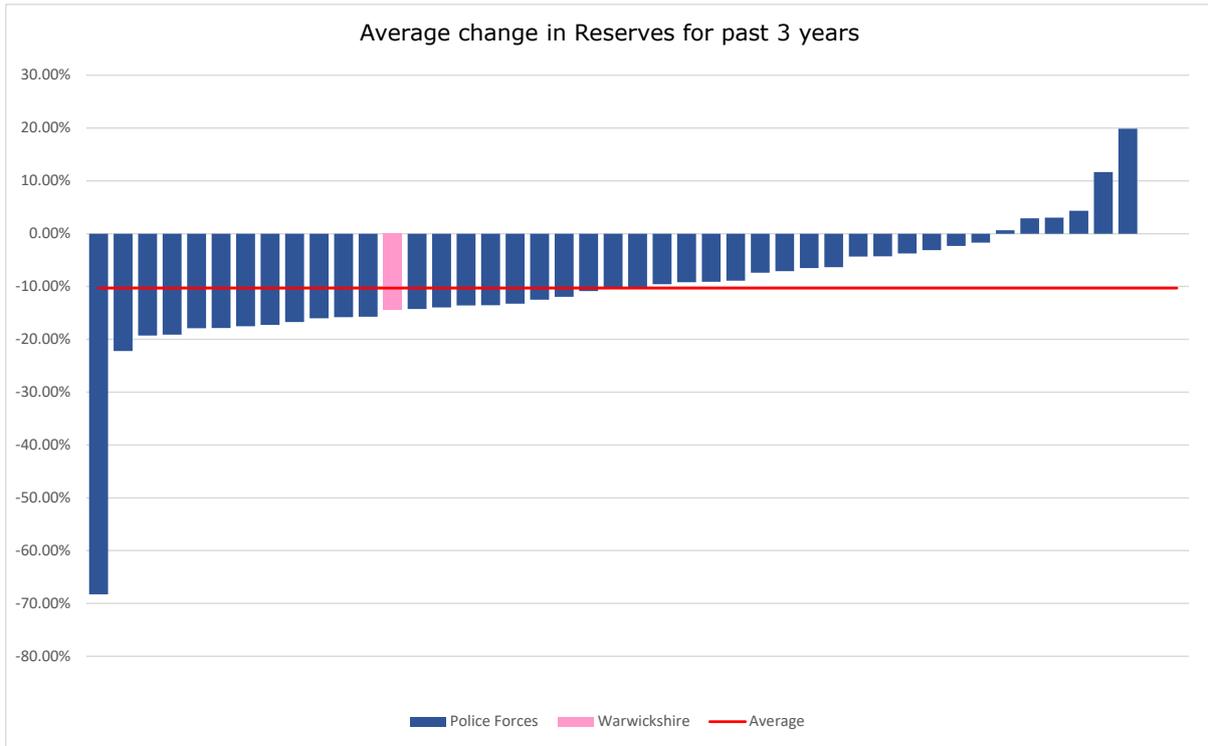
It is anticipated that General Reserves will remain at £5m over the period of the MTFP, having been reduced from £7.7m in 2015/16. The General Reserve is around 4.5% of the net revenue budget in 2020/21 and through to 2022/23. This compares well with the level of General Reserves held by other police forces as a proportion of net spend.

Reserves – Comparison with other Police Forces



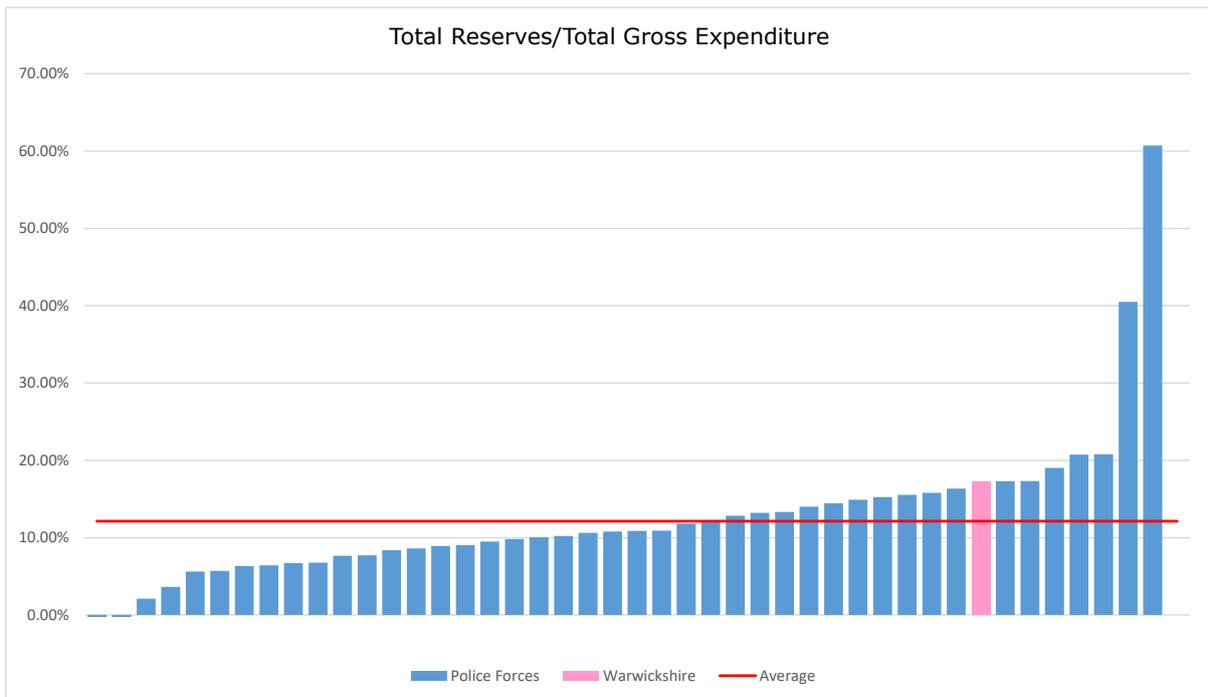
Source: Police Actuals

As at 31 March 2019, total general and earmarked reserves (including provisions) were circa £17.7m which was below the average of circa £45m but is to be expected given the size of Warwickshire Police.



Source: Police Actuals

The average change in reserves in the three years to 31March 2019 of circa 15% was marginally higher than the average of 11%. Reserves are finite and once used cannot be reused. Reserves cannot be relied on to balance the budget over the long-term.



Source: Police Actuals

Warwickshire’s reserves as a proportion of spend were significantly higher (17%) than the average (12%).

Financial Management Review

Context

Up until 2019, the Force worked collaboratively across a whole range of shared services with West Mercia Police. On the whole, those that we interviewed thought that the service provided by Finance, under the Alliance, was a good service although a number of interviewees felt that the service was provided from a distance and had too much of a 'corporate' feel to it. Managers cited examples where, often, they did not get the help and support they required at the time that they needed it.

The Force now finds itself on a different change trajectory and has re-organised the Finance function such that it can deliver an effective service to its stakeholders and within the bounds of what the Force considers affordable. There have been a number of changes at senior management level in Finance where a number of the new Warwickshire team have transferred from the Alliance, giving them career advancing opportunities by fulfilling new roles under the new structure. There are also some new faces bringing a diverse range of experience to the team.

Policies and procedures for Finance (and Procurement) are still Alliance-focused but the teams recognise that they need to update the policies and procedures during this financial year. The teams also recognise that in doing so, they can use the re-launch of such policies and procedures as a springboard to influencing further culture change within the wider corporate stakeholder community.

Key issues arising

Separating from the Alliance consumed a significant amount of management attention to ensuring that disruption was as minimal as and the transition as smooth as possible. This diverted focus from developing more solid foundations for a new Finance service sooner and some day-to-day functions deteriorated. The Finance Director and his immediate team have been sometimes focused on resolving lower level transactional issues as a result of the separation, (including banking, procurement cards and payroll) and this has had an affect on the overall deliverability of a re-cast Finance service for the Force.

There has also been demand created for Procurement through the demand for contracts to be put in place. This has been either to replace existing ones or as part of the Evolve transformation work. However, this has often been knee jerk, last minute and has required an excessive number of exemptions to Force Contract Standing Orders. Better planning by those responsible for generating this demand and greater awareness of the rules would lead to greater compliance and efficiencies.

Budget holders (and especially those at operational manager level in the Force) were surprised at the lack of budget reporting when they joined and even now they believe the system used is complicated and they feel that it is hard to get access to the underlying data.

The general standard of understanding of basic financial aspects is acceptable, but some managers informed us that they did not understand their budget allocation and others were even confused by the differences in the definitions of capital and revenue. Some

cited a key reason being that, under the Alliance, Finance took a more controlling and centralised approach which weakened the capability and knowledge of budget managers.

However, governance structures are now beginning to integrate to the new ways of working and clearer lines of approvals (which are financially led) are beginning to be weaved into the change structure.

Post Alliance, the Force is making some big investments in ICT and whilst the programme (referred to as Evolve 2) is well structured and organised, Finance needs to maintain close scrutiny not only of the spend on ICT, but also to ensure that value for money is being achieved. This point also extends to the wider Evolve 2 programme where significant investments are being made across a range of enabling and support services. Delivery of transformation to tie and budget is critical to Warwickshire's success.

Some budget holders we spoke to were concerned that at middle management level the organisation is too centralised and exerts too much control over budgets which, in their view, is in direct contrast to the approach of the Chief and his team who seek a more devolved culture of accountability. However, there are inconsistencies in the language of Chief Officers. For example, seeking greater accountability from senior leaders is difficult from a largely centralised budget (Police and Staff pay accounts for 80% of the annual budget).

The message of not submitting a business case without identifying where the budget is coming from will remain a challenge without budget holders having access to police staff pay. Flexibility is further restricted by placing strategic budgets with specialists (eg, ICT, fleet and premises). Budget holders are in effect being held accountable for overtime and a few minor items of goods yet expected to deliver efficiency and self-finance business growth. Many felt that that this issue would resolve itself as Finance found its feet, although budget holders anticipate a new 'service offer' from Finance setting out roles and responsibilities including clearer arrangements for budget delegation and budget holder autonomy. However, this will need to reflect the financial regime that the Chief Constable endorses.

A positive direction of travel

Despite the issues around the dissolution of the Alliance and all of the associated distractions that have come with that split over the last 12 months the Finance team has emerged under a new structure. Warwickshire have made great strides to improve - a view shared by many budget holders and Finance staff.

Whilst CIPFA's scoring in relation to best practice reflects the current position, it is important to acknowledge that Warwickshire has a number of planned or current initiatives to improve, including:

- At chief officer level there is a good transparent understanding to the historic, current and future position to a balanced budget.
- The DCC, as recently as April 2020, has been delivering a series of presentations on the future framework for business planning. The key objectives are to engage senior leads in the Force approach to business planning including delivery of a five year corporate strategy. The sessions also provide senior leaders with an understanding of the framework and tools including the Force Management Statement and the Strategic Assessment, that underpin business planning. The whole aim of the sessions is to develop a greater shared understanding and engagement with financial planning.

- The Force has also refreshed its change management process and now operates a series of boards to manage the process of change through the organisation. A new Technical Review Board assesses ICT-related changes; a Business Review Board assesses changes against the Force's overall corporate strategy and Change Board assesses the financial and investment allocations and the feasibility of delivery.
- Bringing together financial and operational activity in relation to performance management. Our interviews, desk-based research and review of key documents was relatively silent on the link between performance management and Finance, but we did detect a willingness to address this area in the coming months.
- From a HR perspective, the competency model framework is embryonic and the Force has some way to go as an organisation to developing a solution that has corporate wide application. Whilst the Force deploys coaching and other aspects of people development, there is a lack of a cohesive competency-based approach that links people's skills to their expected levels of attainment, but there is an aspiration to develop more structure to this and to make people more commercially minded - a necessary skill to support the project to commercialise the National Vetting Service.
- Under the Alliance, the respective Force budgets were allocated on a 39:61 budget allocation. However, in the post Alliance world, the Warwickshire-only budgets do not exactly match actual usage and consumption and this will need to be addressed in the next 12 months. It would be counterproductive to devolve budgets that are not appropriate, realistic yet set a challenging target. Some strategic budget holders currently feel they are being asked to manage within unrealistic budgets. Whilst his position has been created in part by transition out of the Alliance it is also represented by a focus on growing police officers and staff numbers without consolidation the infrastructure or being mature in its ability to deliver efficiencies for re-investment.
- Risk management is good and the overall approach to risk is well thought through at corporate level. The approach to identifying new risks and managing current key risks is robust. Strategic risk are regularly reviewed at senior management level (Executive Board) and key risks/updates are presented to the Audit Committee. Many of the key strategic risks are financially themed. We also reviewed the risk approach and risk plans for the Evolve programme and we are satisfied that programme risk, on such a complex scale, is well structured and managed and accommodated in the MTFP.
- A number of the key policy documents have been updated and will be formally presented to the next Joint Audit Committee.

The general outlook for the Force is positive and CIPFA are confident that the new Finance team will establish itself as a strong and effective player within the organisation. Finance have been subject to constant change activity for some time and trying to re-orientate the team from delivering a centralised set of services under the Alliance to a more devolved and local delivery model has been challenging at times. Whilst Finance has capacity to support change and innovation there are core elements built around a routine cyclical environment driven by key dates in the financial year. The upheaval created by change and uncertainty in recent years has impacted on Finance's ability to focus on core and day-to-day activity. Finance have adapted and by and large done what is required of them, but this has impacted on resilience.

Whilst many of those we interviewed understood the challenges around the changes either required or those that have already taken place, they were supportive of a new model for Finance that would enable to Force to sustain a strong financial outlook for the future. The

Chief Constable and the PCC have also been clear that they want to reconnect finance and money with policing (eg, cost of services) and to become more efficient and effective.

Overall Assessment

Warwickshire’s Financial Management was assessed against best practice and results are shown in the first table below ‘Current Snapshot’. It is envisaged that, in 12-18 months, following a series of developments and improvements within an Improvement Plan Programme Warwickshire could attain a higher star rating. The plan will be discussed and agreed with Warwickshire following discussion and included within the final report.

CURRENT SNAPSHOT	Management Dimensions			
	Leadership	People	Processes	Stakeholders
Financial Management Style				
Delivering Accountability	****	**	**	****
Supporting Performance	***	**	*	*
Enabling Transformation	***	***	*	***
Overall Rating	***			

Current Snapshot: Overall Star Rating

CIPFA has independently assessed 81 organisations against best practice using its Financial Management Model.

Overall, Warwickshire received a **three-star rating** when compared with these other organisations, although it was at the middle of this range.

CIPFA’s Definition of a Three-Star Rating:

“The organisation has sound financial management capability and has arrangements in place that are adequate in supporting the organisation under stable conditions and enables it to incrementally develop but is not sufficient for challenging times or driving transformational change. There is a medium-term financial strategy and competent investment programme management that ensures that most programmes are implemented although invariably not all projects will come within budget and timescales. Commercial capabilities exist but are only partially developed.”

Note: Notwithstanding the standard CIPFA definition of a three star organisation, Warwickshire would like to acknowledge that despite the success of the Finance team in supporting the organisation through the separation of the Alliance, Finance’s future capacity may prove to be more challenging and the FD and the Finance team will closely assess the demands on Finance over and above the regular, day-to-day demands of the service.

Warwickshire Police's star rating in relation to each of the FM Model statements is set out in Appendix II: FM Model Statement Definitions and Scoring.

Current Snapshot: High Level Assessment

Analysis of the information gathered showed that Warwickshire is:

- Reviewing the model dimensions Warwickshire scored best in the 'Enabling Transformation' area with strong scores in Leadership, People and Stakeholders. With Leadership and Stakeholders achieving 4*. This is also endorsed by the fact that the Force has invested in its resources on the Evolve programme over the past 12-15 months where the Force's competency and capability in transformation is well developed.
- The weakest was 'Supporting Performance' where Warwickshire was weak in Processes and Stakeholders. The Force acknowledges that it has more work to do in increasing the competencies of budget holders and senior managers.
- Particularly weak however was the process-related dimension that scored 1* in 'Supporting Performance' and 'Enabling Transformation' areas. This is not uncommon often as a consequence of issues around a lack of a finance competency framework and a lack of accountability for financial performance, resulting in high levels of dependency from budget holder on the Finance function. We acknowledge that Warwickshire is on its improvement journey post the Alliance and this would appear an accurate reflection of the 'as is' position.

Key Strengths

The remainder of this document is dedicated to highlighting issues identified through the FM review. However, it is important to acknowledge that the review also identified a number of areas in which Warwickshire is particularly effective:

- Strong risk management and internal control arrangements including effective oversight groups.
- Strong and well developed transformation governance with regard to the Evolve programme.
- A clear on-boarding plan with regard to the transfer of transactional Finance services from West Mercia to West Midlands Police.
- Good, close working relationship between the respective Chief Financial Officers of the Chief Constable and the Police and Crime Commissioner.
- Timely preparation of the financial statements.
- Importantly, despite the issues around the dissolution of the Alliance and all of the associated distractions the Finance team in Warwickshire have made great strides to improve and has a clear direction of travel.

Improvement Target

This section of our review sets out how financial management might operate – the transition and improvement plan is addressed in the following section. On this basis, it is envisaged that, in 12-18 months, Warwickshire Police could attain the results below, which we have denoted as the 'Improvement Target'.

IMPROVEMENT TARGET	Management Dimensions			
	Leadership	People	Processes	Stakeholders
Financial Management Style				
Delivering Accountability	****	***	***	****
Supporting Performance	****	***	**	**
Enabling Transformation	****	****	**	****
Overall Rating	****			

Issues and Recommendations

The issues outlined below are all linked and therefore the accompanying recommendations are interdependent. The recommendations regarding the wider change management programme should enable the 'culture shift' such that budget holders become more proactive with their budget management responsibilities and the Finance team act more fully as strategic Finance Business Partners.

These recommendations will be translated into a more detailed Improvement Plan when agreed with Warwickshire.

Summary	Issues	Recommendation
PR1: The organisation identifies its financial competency needs and puts arrangements in place to meet them.	Finance staff shift focus between strategic and transactional support. Senior finance managers require a better understanding of the business partnering and senior financial adviser role.	Force needs to put in place a financial competency framework for Finance team and wider organisation including budget holders.
PR2: The Force struggles to link its financial data to performance and demand data.	Force finds it difficult to extract, deploy and utilise data in a consistent and integrated fashion to make decisions.	Force needs to develop a process of joining-up its financial data with demand and wider performance data. In post Alliance world, Force needs to re-visit its service budgets to align with the Force's strategic objectives and make a mindset change away from the 39:61 sharing ratio under the Alliance.
PR3: Policies and procedures	Policies and procedures covering transactional services are not all in place. Procedures are Alliance focused.	All policies and procedures should be reviewed in priority order as agreed between the CFO and key departmental heads. This to include strategies (e.g., Estates and Procurement).
PR4: Lack of Investment Strategy	Lack of Investment Strategy and little evidence of a cohesive Estates Strategy. Lower outturn position with regard to planned capital spend last fiscal (£3m actual versus £13m planned).	Development of an integrated Investment Strategy linked to an Estates Strategy feeding into the MTFP.
PR6: Incomplete asset register	Making it difficult to gain a complete picture on asset valuation across Force and OPCC. Difficult to drive replacement strategies and make adequate provision in MTFP. General reliability/confidence on asset life is inconsistent.	Provide more focus on asset strategy and asset register, especially post Alliance world. The Force and OPCC need to agree the level of granularity of asset detail that is required. For the avoidance of doubt, high level asset details are held for land, building and vehicle assets.

<p>PR12: Little focus on value for money</p>	<p>Budget savings tend to focus on reductions in staff workforce headcount.</p>	<p>More sophisticated savings strategy based on some interventions with regard to value for money including benchmarking. CIPFA acknowledges work done to agree a year-on-year discount for Finance transactional service delivery with West Midland Police.</p>
<p>PR15: Existing financial systems do not provide accurate, integrated reporting on change projects</p>	<p>Limited sophistication of reporting from current finance system to support cross-cutting corporate change projects with over reliance on spreadsheets. Performance information is not prioritised to inform a more informed basis for benchmarking.</p>	<p>Agree a series of benchmarking interventions.</p>
<p>S3: Force has work to do in developing a more sophisticated approach to VFM</p>	<p>Force needs to develop a more sophisticated approach to determining VFM and should present a stronger story in its annual report. Senior Force managers understand the need for a more sophisticated approach, but this needs to be socialised and agreed with the wider organisation, led by Finance.</p>	<p>Savings targets in future years should also (in part) be influenced through more informed VFM initiatives led by Finance.</p>
<p>Finance needs to ensure it has capacity to support all the systems projects, drawing on appropriate resource as necessary</p>	<p>Finance is a new service and should ensure that it now has the necessary resources to take forward the challenging work programme for this fiscal.</p>	<p>Review Finance resource alongside detailed implementation plans and timescales and consider whether the Finance function can reasonably and realistically support these implementations, factoring in a newly formed team and a number of recent new recruits. Finance is currently judged on a post-Alliance environment as opposed to being assessed against a “steady state” environment once all of the requirements of the business are known.</p> <p>Develop mitigation plans for shortfall with appropriate lead times to acquire and embed suitable resource.</p>
<p>Budgeting and forecasting processes can be improved through a new approach</p>	<p>The budgeting process is highly incremental which tends to perpetuate inefficiencies.</p> <p>Managers require more sophisticated reporting on the budgets they manage.</p>	<p>Deliver training on budgeting and forecasting to improve skill levels (as per recommendations overleaf) for both budget holders and staff.</p> <p>Use a bottom-up budgeting process (at least intermittently) to encourage larger-scale efficiency savings and to drive up overall financial competency across the Force.</p>

<p>Clarity and measurement of responsibilities required for both budget holders and finance function</p>	<p>Many budget holders are not actively managing their budgets which means they are less aware of the financial consequences of their decisions. Instead, they rely on the Finance function which ties up valuable resource.</p> <p>There was also no evidence of defined finance service metrics which suggests that responsibilities and accountabilities are unclear and that it is not possible to measure performance against targets.</p>	<p>Ensure that performance appraisal systems for budget holders include financial management responsibilities so as to incentivise proactive behaviours. This should be linked to a competency framework – see below.</p> <p>Create a Finance Service Plan to define responsibilities, ensure that performance of the Finance function can be measured, and also resource can be planned and monitored. This will encourage the finance function to focus on strategic tasks.</p>
<p>Financial Management competency framework required to clarify responsibilities and capabilities</p>	<p>There was no evidence of a Financial Management competency framework.</p> <p>This suggests insufficient emphasis on the importance of financial management responsibilities (vs. core/functional responsibilities) and lack of clarity around expectations and desired capabilities. This makes it easier and more likely for budget holders to ‘side-step’ their budget management responsibilities and rely on the finance function.</p>	<p>Create a Financial Management competency framework to articulate the various accountabilities and responsibilities for financial management across the organisation. This should clarify the budget management expectations of budget holders as well as the more strategic responsibilities of the finance function.</p> <p>The competency framework should be used as a basis to assess current performance, desired performance and the skills gap.</p>
<p>Provide budget management & forecasting training to budget holders build skills and confidence and help to improve attitudes</p>	<p>Budget holders lack the skills required to effectively manage their budget. These skills include financial management literacy, forecasting, VFM and contract management.</p> <p>Some budget holders (particularly those with operational responsibilities) are also resistant to taking on these responsibilities. This is a particular problem when it comes to forecasting.</p> <p>These issues make them more inclined to rely on the Finance function.</p>	<p>Review development needs across the organisation, ideally against the aforementioned competency framework) and provide necessary training programmes to improve financial literacy, budget management and forecasting skills, VFM and contract management, as well as the confidence to use those skills.</p> <p>Training programmes can also contribute to the changing of attitudes through clear messaging about the importance of budget holders carrying out budget management responsibilities and the evolving strategic role of the Finance team.</p>
<p>Embed Finance Business Partnering by continuing to upskill the Finance team and promoting the value of their strategic role to budget holders</p>	<p>The role of Finance business partners is still not fully established but shows positive signs of success. Not all budget holders appreciate the potential value-add of a Finance business partner; this, combined with their own lack of proactivity in budget management, results in the Finance team performing lower-value tasks which conform to the traditional role of Finance. This is</p>	<p>Communicate with budget holders to clarify the role and responsibilities of the Finance team (as Finance Business Partners) versus the rest of the organisation and how they can support the organisation. Change of mind set is required for budget holders.</p> <p>Continue to upskill the Finance team with the necessary skills to effectively perform the Finance business partnering role.</p>

time consuming and perpetuates dependence.

Change of mindset is required for Finance staff.

The success of the Finance business partnering model depends on the implementation of the finance systems and the shift of responsibilities towards more self-service using existing systems where possible. Much of this will only be realized post April 2021 with the transfer of transactional Finance to West Midlands and the rollout of Oracle Fusion across the Force.

Improvement Plan

The table below details the steps required to implement the recommendations which have been made. These actions have been agreed with Warwickshire, together the appropriate persons to take responsibility.

Actions required	Current position	Lead responsibility	Timescale
Finance change programme covering budget holder competency and skills. Specific training to build an improved competency in financial and commercial matters across the organisation.	Varying degrees of competency leading to variable and inconsistent response from Finance.	Force FD	31.03.21
Specific business partner training for Force Finance team	Many of the recipients of BP training are now in West Mercia's Finance team.	Force FD	Commence immediately- will take two years to roll out
Specific budget manager training	The organisation needs to consider what other training is required (specifically but not exclusively focused on budget manager training.	Force FD	31.03.21
Service offer and service plans for Finance team. Setting out performance targets, KPIs, clearer arrangements for budget delegation and budget holder autonomy.	Finance is lacking a service offer. Some budget holders are frustrated and lack knowledge on their boundaries of responsibility.	Force FD	31.03.21
Development of multi-year savings and efficiencies programme in relation to the MTFP. A more informed approach to savings is required to include wider efficiency agenda including benchmarking and VFM.	Currently not available. MTFP is refreshed year on year to reflect savings targets.	Force FD	31.03.21
Finance to maintain close scrutiny of ICT and wider Evolve 2 work programme to ensure that programme slippage/scope creep is minimized.	Finance are represented on appropriate programme boards, but there are a number of key programme risks, that if realised could significantly impact	Head of Financial Management & Business Planning	31.03.22 (Full transition to separation)

on the programme's
cost base.

**Develop a package of
measures to upgrade
Finance and commercial
related policies and
procedures.**

Currently, many
processes and
procedures are
reflective of the
Alliance world.

Head of Accounting &
Financial Control

31.03.21

<p>Re-connect Finance with policing with more focus on how budgets relate to operational policing including a more sophisticated approach to performance management and service demand.</p>	<p>Force demand is not linked to the Finance view of the world in any consistent way. New approaches set out by DCC in April 2020 start to address this area of concern.</p>	<p>Force FD</p>	<p>31.03.21</p>
<p>Improve the linkages between Estates and Assets ensuring that future replacement strategies are better informed by a more strategic view of physical assets, asset life and emerging market opportunities.</p>	<p>Up-to-date Estates and Asset Strategy, but granularity for improved control needs to be assessed.</p>	<p>OPCC Finance Director</p>	<p>31.03.22</p>
<p>Develop approach to VFM and wider efficiency programme incorporating selective benchmarking.</p>	<p>Bring together the efficiency challenges of the Force into one Efficiency Approach/Strategy</p>	<p>Force FD</p>	<p>31.03.22</p>

Appendix I: FMCR Information Sources

Electronic Survey

22 out of 45 people surveyed submitted data/evidence; this represents an overall response rate of 49%.

The minimum level acceptable as evidence is normally 50% for each survey group and this

was surpassed in total for each survey group.

Response rates for each of the survey groups are set out in the table below:

Group	Survey Groups	Invited	Completed
SG1	Strategic/Corporate Finance	3	2
SG2	Operational Finance	8	5
SG3	Service Directors	16	6
SG4	Operational Managers	11	5
SG5	Board Members/Stakeholders	7	4
	Total	45	22

List of Interviewees

Interviewee	Role
Phillip Seccombe	PCC
Sara Ansell	PCC Treasurer
Martin Jelley	Chief Constable
Richard Moore	DCC
Ben Smith	Ch Supt - Local Policing
Emma Bastone	Supt - Operations
Mick Gillick	Vetting Manager
John Denley	D/Ch Supt - Protective Services
Steve Russell	Risk Manager
Steve Russell	Head of AS&I
Tania Coppola	Dir of Enabling Services
James Davies	Head of Business Operations
Alison Hall	Head of HR
Kate Quilley	Head of Corporate Communications
Berni Gaughan	Head of Learning & Development
Nikki Greenway	Head of ICT
Jeff Carruthers	Dir of Financial Services
Caroline Plane	Head of Contracts & Procurement
Wendy Knox	Head of Accounting & Financial Control
Andy Oliver	Head of Financial Planning & Business Management
Jason Downes	Supt
Paul Clarke	Chief Internal Auditor
John Anderson	Chair of Audit Committee
David Carter	Audit Committee Member
Jayne Parkin	Justice Centre
Alex Walling	External Audit Lead - Grant Thornton

List of Documents Reviewed

The documents reviewed by CIPFA included but were not limited to the following:

- Annual Governance Statement
- Annual Report 2018-19
- Warwickshire Budget Report 2019-20
- Warwickshire Capital Strategy 2019-20
- Procurement Strategy
- Procurement Guidance
- Procurement Risk Register
- Exemption Template (Procurement)
- New Requirement Template (Procurement)
- 2021 Corporate Governance Statement (WPCC)
- Joint Corporate Governance Statement
- Joint PCC and CC Financial Regulations 2020
- Signed Warwickshire MOU 2020
- 2020-21 Budget & MTFP Post Settlement
- Finance Directorate Aims and Objectives (Draft)
- CIG Presentation Pack – Business Planning 2020
- TS Collaboration – Programme Level
- Transactional Services OBC
- Evolve Collaboration Programme Definition Document
- Joint Audit & Standards Committee – meeting minutes (2019)
- Warwickshire Medium Term Financial Plan 2020/21 to 2022/23
- Reserves Strategy 2020-21
- Schemes of Delegation 2020 (discussed but not provided due to officer's names being present in the document)

Appendix II: FM Model Statement Definitions and Scoring

Three Financial Management styles:

Delivering Accountability

Emphasis on control, probity, meeting regulatory requirements and accountability.

Supporting Performance

Responsive to customers, efficient and effective, and with a commitment to improving performance.

Enabling Transformation

Strategic and customer-led, future orientated, proactive in managing change and risk, outcome focused and receptive to new ideas.

Four Management dimensions

Leadership

Strategic direction and business management, and the impact on financial management of the vision and involvement of the organisation's Board members and senior managers.

People

Includes both the competencies and the engagement of staff. This aspect generally faces inward to the organisation.

Processes

Examines the organisation's ability to design, manage, control and improve its financial processes to support its policy and strategy.

Stakeholders

Relationships between the organisation and those with an interest in its financial health; customer relationships within the organisation, between finance services and its internal users.

Rating	Qualifying Scoring	
*****	4.0	World Class
	3.75	Totally evidenced
	3.50	Strong
****	3.25	Highly evident
	3.0	Highly evident
***	2.75	Evident
	2.50	Mostly
**	2.25	Competent
	2.0	Basic
*	1.75	Lower than basic
	1.5	Minimal
	1.25	Weak
	1.0	Weak
	0.75	Inadequate
	0.5	Inadequate
	0	Not at all

Warwickshire Police Scoring by Statement

	Leadership		Warwick	Warwick
Delivering Accountability	L1	Financial capability is regarded as integral to supporting the delivery of the organisation's objectives. The CFO is an active member of the board, is at the heart of corporate strategy/business decision making and leads a highly visible, influential and supportive finance team.	****	3.25
	L2	The organisation has an effective framework of financial accountability that is clearly understood and applied throughout, from the board through executive and non-executive directors to front line service managers.	****	3.25
	L3	Within an annual budget setting process the organisation's leadership sets income requirements including tax and allocates resources to different activities in order to achieve its objectives. The organisation monitors the organisation's financial and activity performance in delivering planned outcomes.	***	2.75
Supporting Performance	L4	The organisation has a developed financial strategy to underpin medium and longer term financial health. The organisation integrates its business and financial planning so that it aligns resources to meet current and future outcome focussed business objectives and priorities.	****	3.25
	L5	The organisation develops and uses financial/leadership expertise in its strategic decision-making and its performance management based on an appraisal of the financial environment and cost drivers.	***	2.50
Enabling Transformation	L6	The organisation's leadership integrates financial management into its strategies to meet future business needs. Its financial management approach supports the change agenda and a culture of customer focus, innovation, improvement and development.	***	2.75

	People		Warwick	Warwick
Delivering Accountability	P1	The organisation identifies its financial competency needs and puts arrangements in place to meet them.	*	1.75
	P2	The organisation has access to sufficient financial skills to meet its business needs.	****	3.00
Supporting Performance	P3	The organisation manages its finance function to ensure efficiency and effectiveness.	**	2.25
	P4	Finance staff provide business partner support by interpreting and explaining performance as well as advising and supporting on key business decisions.	****	3.00
	P5	Managers understand they are responsible for delivering services cost effectively and are held accountable for doing so. Financial literacy is diffused throughout the organisation so that decision takers understand and manage the financial implications of their decisions.	**	2.25
Enabling Transformation	P6	The organisation develops and sustains its financial management capacity to help shape and support its transformational programme.	***	2.50

	Processes	Warwick	Warwick	
Delivering Accountability	PR1	Budgets are accrual-based and robustly calculated	***	2.75
	PR2	The organisation operates financial information systems that enable the consistent production of comprehensive, accrual based, accurate and up to date data that fully meets users' needs.	*	1.25
	PR3	The organisation operates and maintains accurate, timely and efficient transactional financial services (eg creditor payments, income collection, payroll, and pensions' administration).	*	1.75
	PR4	The organisation's treasury management is risk based. It manages its investments and cash flows, its banking, money market and capital market transactions, balancing risk and financial performance.	*	1.50
	PR5	The organisation actively manages budgets, with effective budget monitoring arrangements that ensure 'no surprises' and trigger responsive action.	***	2.75
	PR6	The organisation maintains processes to ensure that information about key assets and liabilities in its balance sheet is a sound and current platform for management action.	*	1.25
	PR7	Management understands and addresses its risk management and internal control governance responsibilities.	***	2.50
	PR8	Management is supported by effective assurance arrangements, including internal audit, and audit and risk committee(s).	****	3.25
	PR9	The organisation's financial accounting and reporting are accrual based and comply with international standards and meet relevant professional and regulatory standards.	****	3.00
Supporting Performance	PR10	The organisation's medium-term financial planning process underpins fiscal discipline, is focussed upon the achievement of strategic priorities and delivers a dynamic and effective business plan.	****	3.00
	PR11	Forecasting processes and reporting are well developed and supported by accountable operational management. Forecasting is insightful and leads to optimal decision making.	**	2.25
	PR12	The organisation systematically pursues opportunities to reduce costs and improve value for money in its operations.	*	1.25
	PR13	The organisation systematically pursues opportunities for improved value for money and cost savings through its procurement, commissioning and contract management.	**	2.25
Enabling Transformation	PR14	The organisation continually re-engineers its financial processes to ensure delivery of agreed outcomes is optimised.	***	2.50
	PR15	The organisation's financial management processes support organisational change.	*	1.75

	Stakeholders	Warwick	Warwick
Delivering Accountability	S1 The organisation provides external stakeholders with evidence of the integrity of its financial conduct and performance, and demonstrates fiscal discipline including compliance with statutory/legal/regulatory obligations.	****	3.25
Supporting Performance	S2 The organisation demonstrates that it achieves value for money in the use of its resources.	*	1.00
Enabling Transformation	S3 The organisation is responsive to its operating environment, seeking and responding to customer and stakeholder service and spending priorities that impact on its financial management.	***	2.50
			2.50
		Total Score	76.25
		Average Score	2.63
		Overall Star Rating	***