

	Question	Answer	RAG	Areas for improvement
Section 1 - The Responsibilities of the Chief Finance Officer and Leadership Team				
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money			
1	Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team?	We have clear references to achieving VFM both as VFM or best value but also in the form of achieving efficiency, effectiveness and economy, productivity, improvement and best use of resources in the Police and Crime Plan annual revenue budget, medium term financial plan, capital programme, the Procurement Guidance and the Commercial Strategy.	A	Review documentation to make VFM more explicit
2	Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services?	<p>VFM is embedded in all procurement documentation and all procurement staff are fully au fait with the need to demonstrate VFM through tenders and contracts</p> <p>A corporate framework of management procedures and rules for securing value for money is incorporated in the PCC/Force 'Joint Corporate Governance Framework' and 'Financial Regulations'.</p> <p>At individual service level, the DCC holds LPAs to account for effective operational performance through quarterly performance reviews and through a quarterly force level delivery group.</p>	G	

		The Deputy Chief Constable chairs the monthly Service Improvement Board which is also attended by the PCC and/or OPCC staff.		
3	Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved?	<p>Actions are taken from the Force Service Improvement Board meetings and are followed up</p> <p>Procurement savings are reported to Blue Light Commercial on a quarterly basis</p> <p>Contract management is undertaken by service stakeholders, with strategic oversight from the Procurement department</p> <p>Cash savings removed from the annual revenue budget are monitored for delivery and reported to the Force Executive Board and West Mercia Governance Board.</p>	G	
B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government			
1	Is the authority's CFO a key member of the leadership team, involved in, and able to bring influence to bear on, all material business decisions?	Both CFOs (Force and OPCC) are members of their respective leadership teams. The force CFO is not a member of the Chief Officer team.	A	
2	Does the CFO lead and champion the promotion and delivery of good financial management across the authority?	Yes, both CFOs champion and lead the promotion and delivery of good financial management in the Force and OPCC	G	
3	Is the CFO suitably qualified and experienced?	Yes, both CFOs are suitably qualified and experienced	G	
4	Is the finance team suitably resourced and fit for purpose?	In an ideal world all managers would like more staff but both finance teams are properly resourced in terms of capacity and capability, and annual external audit opinions over many years	G	

		demonstrate that the two respective finance teams are fit for purpose. CIPFA has reviewed the Force finance team structure as part of its FM review.		
Section 2 - Governance and Financial Management Style				
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control			
1	Does the leadership team espouse the Nolan principles?	<p>Yes, the code of ethics is a key feature for all police officers and staff and is promoted during induction training and courses to police officers and member of staffs. Regular refresher training is also provided and followed up to ensure compliance</p> <p>All force policies and procedures embed the key principles from the Code of Ethics</p>	G	
2	Does the authority have in place a clear framework for governance and internal control?]	Yes, the PCC and Chief Constable review and update their joint corporate governance framework on an annual basis	G	
3	Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability?	<p>Good behaviour is discussed during all staff and officer PDRs</p> <p>There is a whistleblowing policy which is managed and reports investigated by the Professional Standards Department (PSD)</p> <p>The PCC and Chief Constable secure Internal Audit Services from Warwickshire County Council. There is a Service Level Agreement and Audit Charter in place. The Internal audit Plan is agreed</p>	G	In 2021/22 West Mercia Governance Board will challenge budget holders at its meetings.

		<p>annually by both the Joint Audit and Standards Committee (JASC) The Head of Internal Audit reports regularly to the Treasurer, Head of Commercial Services and Head of Audit Risk and Compliance. The Head of Internal Audit provides regular reports to each quarterly meeting of the JASC.</p> <p>Internal accountability is through individual PDRs with breaches being investigated through PSD and the Anti Corruption Unit.</p> <p>Business interests are approved and recorded by PSD and then reviewed annually.</p> <p>There is a force and PCC policy on gifts and hospitality, which is managed and promoted by PSD</p>		
4	Does the leadership team espouse high standards of governance and internal control?	<p>In accordance with the Corporate Governance framework, all key decisions are taken collectively by West Mercia Governance Board or the PCC individually with full backing documentation .</p> <p>The force has a system of boards escalating up to Executive Board that cover all main areas of business. All senior managers sign a memorandum of accountability for their budget.</p> <p>All key PCC decisions of significant public interest are published on his website including full supporting documentation. The PCC has established an OPCC Governance Board. He</p>	G	

		<p>chairs this and it is attended by the Deputy PCC, Chief Executive, Treasurer and managers within the OPCC.</p> <p>Code of Conduct & business interests – see C1 and C3 above</p>		
5	Does the leadership team nurture a culture of effective governance and robust internal control across the authority?	<p>The Joint Framework of Corporate Governance includes Finance Regulations. These are reviewed and updated annually. These are supported by more detailed Chief Constable Accounting Instructions and Standard Operating Procedures which provide guidance at the practitioner level.</p> <p>The data quality team In Audit Risk and Compliance reports to the DCC.</p> <p>HMICFRS undertake regular data quality audits and all recommendations are acted upon by WMP</p> <p>PSD publish regular updates (via email) which promote good governance arising from investigations to share best practice and learning</p>	G	
D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)			
1	Has the authority sought to apply the principles, behaviour and actions set out in the Framework to its own governance arrangements?	Yes, as evidenced through the Annual Governance Statement	G	
2	Does the authority have in place a suitable local code of governance?	Yes, the PCC and Chief Constable publish a Joint Corporate Governance Framework, which	G	

		includes a local West Mercia code of corporate governance. This is reviewed by JASC annually.		
3	Does the authority have a robust assurance process to support its AGS?	The AGS is produced by senior managers within the OPCC Policy Team and SPI within the Force. It is reviewed by the two CFOs and the PCC Chief Executive. It takes into account the work and formal opinion of Internal Audit and External Reviews such as HMICFRS and IOPC. A draft version of the AGS is then reviewed by JASC before approval by the PCC and Chief Constable.	G	
E	The Financial Management Style of the authority supports financial sustainability			
1	Does the authority have in place an effective framework of financial accountability?	Yes, through the framework of corporate governance, including Financial Regulations and contract regulations, and supported by the Chief Constable Accounting Instructions and Standards Operating Procedures	G	
2	Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?	<p>The PCC has set out his commitment to reform policing and deliver economy, efficiency, effectiveness and equity of its service in his Police and Crime Plan.</p> <p>The Force is implementing priority based planning which includes the requirement for continuous improvement.</p>	G	
3	Does the authority's finance team have appropriate input into the development of strategic and operational plans?	<p>The CFO is a member of Executive Board which has collective decision making responsibility but is not a member of the CO team</p> <p>The Treasurer/CFO is a member of the PCC's Governance Board.</p>	A	

		<p>Both the Treasurer and the Head of Commercial Services (Force CFO) attend West Mercia Governance Board</p> <p>Senior finance representatives sit on all key decision making and informative boards e.g. Change and Transformation Board.</p>		
4	Do managers across the authority possess sufficient financial literacy to deliver services cost effectively and to be held accountable for doing so?	<p>Each key stakeholder in the organisation has a named finance contact. The Force Corporate Finance Department has been restructured to include specific finance business partner representation to strengthen the link between business and finance</p> <p>The transformation of finance will also include reviewing and enhancing the level of financial info provided to stakeholders</p>	A	Following the introduction of Finance Business partners budget holders have been given additional financial awareness training. In 2021/22 West Mercia Governance Board will challenge budget holders at its meetings.
5	Has the authority sought an external view on its financial style, for example through a process of peer review?	CIPFA has undertaken a review of the financial management capability which gave West Mercia a two-star rating. An improvement plan has been agreed and is being implemented.	G	
6	Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?	<p>Yes, as set out in Financial Regulations, Accounting Instructions and Standard Operating Procedures</p> <p>Skills and training are reviewed as part of the PDR process. Training is commencing in 21/22.</p>	A	
Section 3 - Long to Medium Term Financial Management				

F	The authority has carried out a credible and transparent Financial Resilience Assessment			
1	Has the authority undertaken a Financial Resilience Assessment?	Whereas the CIPFA Financial Resilience Assessment toolkit has not been extended to cover local policing bodies, CIPFA did undertake a review of financial resilience as part of its Financial Management Capability Review	G	A review will be undertaken as soon as the toolkit is ready
2	Has the Assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios?	CIPFA recommended in this review that the MTFP should be updated and expanded. It noted that the 2020/21 MTFP did not reflect known pressures and is limited in scope and that there was limited recognition of sensitivities and contingency plans. The 2021/22 Medium Term Financial Plan now covers a longer time period. In preparing the budget a range of alternative scenarios was considered. The 2021/22 Reserves Strategy also includes an estimate of the financial impact of key elements such as the yield from Council Tax, delays in the delivery of savings and major investigations in calculating the level of General Reserve and provision was made in earmarked reserves for other items such as Legal Costs and Insurance Claims.	A	Further work is required to develop alternative scenarios for inclusion in the budget report for 2022/23.
3	Has the authority taken appropriate action to address any risks identified as part of the assessment	Yes. New monitoring and reporting arrangements have been put in place to assess the achievement of savings targets with action being taken to address shortfalls. Improved communications were put in place with billing authorities leading to timely and regularly updated information. Regular reporting of the major investigation is now in place via Money Matters. Increased	A	

		provision in reserves has been made specifically for Legal and Insurance Claims.		
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to Members			
1	Does the authority have a sufficiently robust understanding of the risks to its financial sustainability?	The key risks are highlighted in the annual budget and medium term financial plans. Both the Force and the OPCC have risk registers which include financial risks. These risks registers are reviewed regularly and reported to JASC quarterly.	G	
2	Does the authority have a strategic plan and long-term financial strategy that address adequately these risks?	Yes, we have a medium term financial plan which is reviewed and updated annually. We also publish a separate report on reserves. The MTFP is being developed to improve the inputs.	A	
3	Has the authority sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (e.g. using a technique such as scenario planning)?	Scenario planning is used internally within Executive Board, West Mercia Governance Board and the OPCC Governance Board to formulate the medium term financial plan. Published budget reports include a risk assessment which highlights the financial risk to key budget assumptions e.g. changes in future pay awards, precept levels etc.	A	
4	Has the authority reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short- and medium-term decision making?	Regular reports to Executive Board and West Mercia Governance Board as well as planning days attended by the PCC, Chief Constable and their senior officers during the budget preparation process highlight the various risks and possible scenarios. The key strategic issues are also reported to the Police and Crime Panel and the JASC	A	

		During the year revenue and capital monitoring reports will highlight changes in significant risks and issues, and suggest appropriate action		
H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities			
1	Has the authority prepared a suitable capital strategy?	Yes, this was approved by the PCC and is also published on the PCCs website	G	
2	Has the authority set prudential indicators in line with the Prudential Code?	Yes, these are included in the Annual Treasury Management Strategy Statement and the Annual Budget Report	G	
3	Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set?	Yes, these are monitored by Force staff and reported to the JASC annually.	G	
I	The authority has a rolling multi-year Medium Term Financial Plan consistent with sustainable service plans			
1	Does the authority have in place an agreed medium-term financial plan?	Yes, the draft MTFP covering the period 2021/22 to 2024/25 was published in December 2020 alongside the annual revenue budget and approved by the PCC in February.	G	
2	Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy?	Yes	G	
3	Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand?	Yes, Executive Board , OPCC Governance Board and West Mercia Governance Board and Planning Days consider information on current and future demand pressures (as currently known) including the implications for new technology and equipment	A	The Force is undertaking Priority Based Planning which will enable it to better understand operational drivers of cost and demand.

		<p>The Force also considers relevant NPCC guidance and best practice e.g. stop & search, body worn video.</p> <p>Across both the OPCC Governance Board and the Force Executive Board, members are engaged in national forums which enables the potential financial implications of new national systems and changes to national guidelines and procedures to be identified early.</p> <p>The Force is undertaking a Priority Based Planning exercise which will enable it to better understand operational drivers of cost and demand.</p>		
4	Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand?	<p>Yes, but in an emergency service employing omniscient police officers changes in demand can be accommodated by deployment policies and priorities.</p> <p>Cost drivers are included in the MTFP</p> <p>The Force is undertaking a Priority Based Planning exercise which will enable it to better understand operational drivers of cost and demand.</p>	A	The Force is undertaking Priority Based Planning which will enable it to better understand operational drivers of cost and demand.
5	Does the authority have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the	Yes, there is an Estates Management Strategy 2018-2025 in place. This is currently being reviewed. This review will be completed in June 2021.	A	The strategy and implementation plan is currently being reviewed.

	delivery of services and to the achievement of the authority's strategic aims?	A Digital Data, Process and Technology Strategy 2020-2025 is in place.		
Section 4 - The Annual Budget				
J	The authority complies with its statutory obligations in respect of the budget setting process			
1	Is the authority aware of its statutory obligations in respect of the budget-setting process?	Yes, formal budget reports are subject to public consultation and presented to the Police and Crime Panel	G	
2	Has the authority set a balanced budget for the current year?	Yes, as endorsed by the Police and Crime Panel and approved by the PCC	G	
3	Is the authority aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so?	Yes, both CFOs are fully aware of the s114 requirements.	G	
K	The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves			
1	Does the authority's most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves?	Yes	G	
2	Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case?	Not specifically, although a separate risk assessment is produced which explains and quantifies the impact of variations to key budget assumptions. The calculation underpinning the minimum level of General Reserve does consider significant estimates used in preparing the budget and medium term financial plan, the potential for these being incorrect and the potential impact. Examples include estimates	A	Review the S25 report to see what improvements can and should be made

		resulting from delays in the delivery of savings, inflation and reduction in yield from Council Tax.		
3	Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future?	Yes, a reserves strategy is included to accompany the annual budget report and Medium Term Financial Plan (MTFP) and Medium Term Capital Plan (MTCP). This report is also published on the PCCs website. A separate report (the Reserves Strategy)is prepared and published on the website	G	
4	Does the report set out the current level of the authority's reserves, whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is to take to address any shortfall?	Yes, the report provides a forecast for the next 4 years which is fully compatible with the MTFP and MTCP	G	
Section 5 - Stakeholder Engagement and Business Plans				
L	The authority has engaged where appropriate with key stakeholders in developing its long term financial strategy, medium term financial plan and annual budget			
1	How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget?	<p>Relevant budget headings in the MTFP are developed with key partners (e.g. Estates with Hereford and Worcester Fire and Rescue Services, Transitional ICT, Transactional and Forensic Services with Warwickshire Police, Commissioned/Grant funded services with providers e.g. CSPs with local authorities).</p> <p>The development of the ROCU budget is agreed with regional partners.</p> <p>The PCC undertakes public consultation on his proposed council tax precept increase as and when required</p>	G	

		<p>Aviation charges are agreed through the NPAS Strategic Board which includes PCC and CC representation</p> <p>The PCC's annual budget and precept proposals are subject to scrutiny by the independent Police and Crime Panel, on behalf of the public, the Councillor members of which represent all local authorities across West Mercia</p>		
2	How effective has this engagement been?	<p>Budgets are aligned for all joint activities with key partners.</p> <p>In recent years the PCC has consulted the public regarding his proposed increase in council tax precept. The response has always been positive.</p> <p>The Police and Crime Panel has always approved the PCCs proposed increase in council tax precept</p>	G	
3	What action does the authority plan to take to improve its engagement with key stakeholders?	<p>Both the PCC and Chief Constable and their staff continue to look for further collaborative opportunities and have successfully worked with key stakeholders in local authorities and voluntary bodies to secure additional funding from central government in 2020/21.</p> <p>The new PCC may have ideas of how to improve engagement with the public of financial and other matters</p>	G	
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions			

1	Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication 'Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal'?	<p>The degree of option appraisal reflects the level of investment required and the identified risks with the proposal/project</p> <p>The level of option appraisal used for estate and ICT schemes are different and reflect the number of realistic options available</p> <p>Most significant technology schemes are led nationally either by the service or HO, and we are not involved in the development and implementation of those schemes e.g. Emergency Services Network, National Monitoring Centre</p>	A	Be more explicit as to what is required and the reporting of it. Redesign the business case template ad process.
2	Does the authority offer guidance to officers as to when an option appraisal should be undertaken?	<p>Relevant staff within Finance, Procurement, ICT and Estates understand the need to produce an appropriate level of option appraisal to support new growth bids</p> <p>All new bids include some consideration of options</p>	A	Be more explicit as to what is required and the reporting of it. Redesign the business case template ad process.
3	Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options?	Where appropriate, qualitative and quantitative measures are included	A	Be more explicit as to what is required and the reporting of it. Redesign the business case template ad process.
4	Does the authority's approach to option appraisal include suitable mechanisms to address risk and uncertainty?	In some case depending on the value of the investment required and the associated risk e.g. selection of a new supplier and operational delivery for technology infrastructure	A	Be more explicit as to what is required and the reporting of it. Redesign the business case template ad process.

5	Does the authority report the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)?	Yes, when undertaken e.g. Estates Services	A	Be more explicit as to what is required and the reporting of it. Redesign the business case template and process.
Section 6 -Monitoring Financial Performance				
N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability			
1	Does the authority provide the leadership team with an appropriate suite of reports that allows it to identify and to correct emerging risks to its budget strategy and financial sustainability?	<p>The Force Executive Board, OPCC Governance Board and West Mercia Governance Board are provided with monthly monitoring reports which highlights emerging risks and issues. These are acted upon as necessary.</p> <p>The Change and Transformation Board receives regular updates on all Digital Services budgets.</p>	G	
2	Do the reports cover both forward and backward looking information in respect of financial and operational performance?	Yes	G	
3	Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such as contract monitoring data?	The CFO financial report to WMGB each month includes any emerging issues with contracts or delivery of services from outsourced partners	G	
4	Are the reports provided to the leadership team in a timely manner and in a suitable format?	Yes, produced monthly and acted upon	G	
5	Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?	Yes	G	
O	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability			

1	Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?	<p>Yes, trade debtors and creditors are monitored closely by Force Finance</p> <p>Cashflow, short and long-term borrowing, investments and the use of reserves and balances are monitored by both Force Finance and the OPCC. These are reported to the PCC in regular updates on TM activity and to JASC annually.</p>	G	
2	Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet?	Yes. Regular reviews are carried out across the 2 finance departments	G	
3	Is the authority taking action to mitigate any risks identified?	Yes, as risks are identified action is taken e.g. supplier information including credit checks is undertaken regularly, particularly in the current economic environment with Covid-19	G	
4	Does the authority report unplanned use of its reserves to the leadership team in a timely manner?	<p>Revenue and capital monitoring reports are presented to Executive Board, OPCC Governance Board and West Mercia Governance Board on a monthly basis.</p> <p>Any variation to the planned use of reserves is reported, with a formal recommendation to the PCC should additional monies be required to fund unplanned overspends.</p>	G	
5	Is the monitoring of balance sheet risks integrated into the authority's management accounts reporting processes?	Some monitoring of balance sheet risks such as Reserves and Treasury Management Activities takes place and is reported as necessary in Money Matters.	A	Improve current monitoring and reporting in Money Matters
Section 7 - External Financial Reporting				

P	The Chief Finance Officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom			
1	Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements?	Yes, both CFOs are fully aware of their responsibilities in this areas	G	
2	Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms?	They are included in both CFO job descriptions. Although closure of accounts may not be included in personal objectives, the PCC and Chief Constable are aware of its importance and regular updates are provided to JASC	G	
3	Have the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom?	Yes, WMP has a good track record of early closedown and external audit sign-off	G	
Q	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions			
1	Is the authority's leadership team provided with a suitable suite of reports on the authority's financial outturn and on significant variations from budget?	An outturn report is presented to Executive Board the OPCC Governance Board and West Mercia Governance Board with clear explanations provided for each variation against budget	G	
2	Is the information in these reports presented effectively?	Yes. This information matches that provided in the formal Statement of Accounts	G	
3	Are these reports focused on information that is of interest and relevance to the leadership team?	Yes, it provides information on the full revenue budget and highlights variances which are both one-off and those that have an ongoing financial implication	G	
4	Does the leadership team feel that the reports support it in making strategic financial decisions?	Yes	G	